

QUESTION—POLICE, POINT DUTY.

Hon. Sir EDWARD WITTENOOM asked the Honorary Minister: 1, How many police officers are engaged on point duty, regulating the traffic of the City of Perth and suburbs? 2, What is the cost to the Police Department? 3, Is it the intention of the Commissioner of Police to continue employing such an exceptionally well-trained and efficient body of men on point and traffic duty instead of utilising them in protecting the public from the lawless members of the community? 4, Could not lame returned soldiers carry out the point duties?

The HONORARY MINISTER replied: 1, Ten. 2, £3,280 per annum. 3, Yes. 4, No.

QUESTION—RAILWAYS, WOMEN AS DRIVERS.

Hon. Sir EDWARD WITTENOOM asked the Honorary Minister: Is there any truth in the report that it is the intention of the Commissioner of Railways to permit women, as well as men, to drive locomotives on the Government railways?

The HONORARY MINISTER replied: No.

House adjourned at 5.30 p.m.

Legislative Assembly.

Tuesday, 10th August, 1926.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

MOTION—FINANCIAL RELATIONS, COMMONWEALTH AND STATES.

Standing Orders Suspension.

THE PREMIER (Hon. P. Collier—Boulder) [4.36]: I move—

That so much of the Standing Orders be suspended as is necessary to enable Notice of Motion No. 7, dealing with the financial rela-

tions between the Commonwealth and the States, to be taken into consideration forthwith.

MR. SPEAKER: I may point out that this motion requires an absolute majority of the House to carry it.

MR. THOMSON (Katanning) [4.37]: Before agreeing to the suspension of the Standing Orders, I would like to have an assurance from the Premier that it is not his intention to go right through the subject and dispose of it at this sitting. The matter is of great importance, but in view of the fact that the Commonwealth Bill has been adjourned for a period of 12 months I see no urgent necessity for the suspension of our Standing Orders. If the Premier, after he has put his case, is ready to grant to either the Leader of the Opposition or myself the adjournment of the debate, I shall have no objection to offer to the suspension of the Standing Orders.

Hon. Sir James Mitchell: I am ready to go on.

THE PREMIER [4.39]: The fate of the motion is not a matter which I can determine. Once moved, the motion will be in the hands of the House, and what will be done then it is not within my province to say. I may add, however, that it was my personal desire and intention to proceed with the matter to a conclusion at this sitting. I have no wish, of course, to inconvenience any member.

Mr. Thomson: Our conference is sitting, and we have not very much time to spare. Moreover, the subject is of great importance.

The PREMIER: The conference started only to-day. When I made my announcement last Thursday, I was under the impression that my proposal would suit the convenience of members.

MR. E. B. JOHNSTON (Williams-Narrogin) [4.41]: In the circumstances I must oppose the motion. The question is most important, and the Government have supplied a mass of information. If the motion is disposed of at one sitting, we shall not have an opportunity of looking up and quoting other figures which can be adduced in reply to those which the Premier is about to bring forward. If the motion came on in the ordinary way, it

would probably be adjourned at the instance of the Opposition Leader after the Premier had moved it. I certainly consider that a question of this magnitude should not be carried to a conclusion at one sitting. Personally I fail to see any need for the suspension of the Standing Orders, in view of the fact that the Federal Government are not desirous of putting their financial proposals into operation for another 12 months. On the other hand, we are also aware that the Federal Treasurer is leaving Melbourne for Western Australia next week, and that he will come here prepared to give the people of this State a great deal of information regarding various proposals of the Bruce-Page Government. In my opinion it is not right that the House should be asked to deal with such a question as this at one sitting when we know that the Federal Treasurer is on his way to Western Australia and may throw quite a different light on the proposal.

The Minister for Mines: It has been discussed for weeks and weeks.

Mr. E. B. JOHNSTON: Yes, and it is not to come into operation for 12 months. We have a year in which to consider the matter, and it is most unusual to take business of this kind before the Address-in-reply debate has been concluded.

The Minister for Works: I think you want instructions from your conference.

Mr. E. B. JOHNSTON: If the Federal Government were going right ahead with the proposal now, seeking to bring it into effect immediately, I could understand that the Standing Orders should be suspended in order that we might deal with the subject at once; but as all the proposals of the Federal Government relating to the per capita payments have been adjourned for 12 months I fail to see any reason why the usual rules of debate regarding a subject of this kind should be suspended. I consider that the Government will be acting wisely if, after the motion has been moved to-day, they allow it to go on the Notice Paper and be dealt with in the ordinary way. After the Premier has delivered his interesting, illuminative, and no doubt carefully prepared address, I want time to consider it. We should not be asked to decide straight away on a Cabinet-prepared statement. We do not know even that the

matter will be revived by the Federal Government after 12 months. It may be shelved indefinitely then. Yet we are asked to suspend everything, hear the Premier's speech, and decide immediately.

HON. SIR JAMES MITCHELL (Northam) [4.44]: I think it necessary that this matter should be ventilated as soon as possible. Of all the matters which have come under public notice during the past 12 months, this has given me as a member of the House the most concern. I have never been so troubled by any proposal. The reason is that this proposal is so vital to Western Australia. Feeling concerned, I took some pains and spent some considerable time delving into the matter. The proposal itself is simple; we are to lose the 25s. per capita payment, and what we are to get in return is somewhat uncertain. I do not think it is difficult for any member who has had experience of finance, to deal with the matter to-day.

Mr. Thomson: We have just had these figures put on the Table now. I have only just received them.

Hon. Sir JAMES MITCHELL: The figures have a bearing on the case, but they are not important to the case. It is just a question of principle. I suggested to the Premier that the matter should be ventilated as speedily as possible. I asked him to arrange for that, and accordingly he gave notice on Thursday. Of course I have nothing to do with the conduct of the debate, as to whether the discussion be adjourned or not adjourned. However, I did make that suggestion to the Premier. Had I known that members desired time to prepare their case, I might not have made the suggestion. I assumed, however, that everybody was more or less prepared to deal with the subject. I fear I am to blame somewhat for the discussion which is taking place. At any rate, I think we should have some views expressed to-day on the main question.

Question put, and a division taken with the following result:—

Ayes	..	..	..	37
Noes	..	..	..	5
				—
Majority for	..	..	..	32
				—

AYES.

Mr. Angelo	Mr. Marshall
Mr. Angwin	Mr. McCallum
Mr. Chesson	Mr. Millington
Mr. Clydesdale	Sir James Mitchell
Mr. Collier	Mr. North
Mr. Corboy	Mr. Panton
Mr. Coverley	Mr. Richardson
Mr. Cunningham	Mr. Sampson
Mr. Davy	Mr. Sleeman
Mr. Denton	Mr. J. H. Smith
Mr. Heron	Mr. Stubbs
Miss Holman	Mr. Taylor
Mr. Hughes	Mr. Teesdale
Mr. Kennedy	Mr. Troy
Mr. Lambert	Mr. A. Wansbrough
Mr. Lamond	Mr. Willcock
Mr. Latham	Mr. Withers
Mr. Lutey	Mr. Willson
Mr. Mann	

(Teller.)

NOES.

Mr. Brown	Mr. Thomson
Mr. E. B. Johnston	Mr. C. P. Wansbrough
Mr. Lindsay	

(Teller.)

Mr. SPEAKER: As there is an absolute majority, I declare the question resolved in the affirmative.

Question (Standing Orders suspension) thus passed.

Financial relations, Commonwealth and States.

THE PREMIER (Hon. P. Collier—Boulder) [5.50]: I move—

That this House is of the opinion that there should be no departure from the basis upon which the financial relations of the Commonwealth and States have rested without the fullest consideration at a constitutional session of the Federal Parliament and the approval of the people by referendum; and that no financial scheme should be assented to by the States which does not provide for their receiving from the Commonwealth Government an annual payment of not less than 25s. per head of population.

I need not assure the House, nor yet the people of the country, that there is no desire to unduly press on with this motion. I was under the impression on Thursday evening last when I announced that a request would be made to suspend the Standing Orders this afternoon, that no member from any part of the House demurred.

Mr. Thomson: We were not consulted. No one knew anything about it. The arrangement was purely one between you and the Leader of the Opposition.

Hon. Sir James Mitchell: That is not so.

The PREMIER: The hon. member was present when I mentioned the matter on Thursday.

Mr. Thomson: I was present.

The PREMIER: There was no arrangement made with the Leader of the Opposition. I did not discuss the matter with him, nor had I mentioned it to him until in his presence and that of other hon. members on Thursday. I had not mentioned it to him from that time until now. The only arrangement that was made was within the hearing and in the presence of members in the Chamber. Seeing that no member demurred, I thought that it was the unanimous wish of all the members of the Chamber that the matter should be proceeded with.

Hon. G. Taylor: Some of us urged you to do it.

The PREMIER: It has been stated that inasmuch as there is no intention on the part of the Federal Government to bring about this alteration until next session, there is no need for haste in dealing with the motion. For my part, I think it is all important that the matter should be dealt with before the present session of the Federal Parliament closes. It has been the subject of debate and very warm discussion in both Houses of the Federal Parliament for months past. We have received an intimation that that Parliament will rise at the end of this week. While the subject is fresh in the minds of Federal members, and in the minds of the people of Australia, it is well that the State Parliament should give an expression of opinion upon the question and not wait until the Federal session has closed and members of that Parliament are scattered throughout the Commonwealth. Several will have left by then for other parts of the world and will not be likely to be so much interested or influenced by a decision of the Parliament of this State as they would be if the matter were dealt with while the Federal Parliament was still sitting. Evidently the member for Williams-Narrogin (Mr. E. B. Johnston) is under the impression that I intend to make an elaborate and set speech in presenting the matter for the consideration of hon. members. He is entirely wrong. It is not my intention to speak at any great length at all. The question of the financial relationship between the Commonwealth and the States has been so much ventilated in the Press and on public platforms during recent months, that there is very little need to go into the subject at great length.

Mr. Thomson: It has been ventilated in the Press all right.

The PREMIER: Yes, and all over Australia too. There is very little need to sur-

y the whole field of discussion at all, for there is nothing new to be said with regard to the question. This much may be said, though, that no proposals have ever been brought forward by any Parliament in Australia in very many years past that have aroused such universal opposition as has the proposal of the Federal Government to discontinue the per capita payments to the States. Not only has every one of the six State Governments throughout the Commonwealth announced its hostility to the proposals, but every Opposition in every State House has done so as well. It can surely be said, therefore, that when the Governments and Oppositions comprising the State Parliaments in Australia are in accord on any matter, it may fairly be taken that they represent the opinion of practically the whole of the people residing in the several States. The leading newspapers, almost without exception, are opposed to the Federal Government's proposals. The only exception to this opposition has been an occasional voice crying in the wilderness and that voice is usually that of a Federal Minister or that of one or two isolated supporters who have spoken in defence of the proposal. Had Commonwealth Ministers had experience in State Parliaments and of State finance, I venture to assert we would not have heard anything of this particular proposal regarding the per capita payments. It is unfortunate, notwithstanding what ability may be possessed by men in the Federal Parliament, that Federal Governments—I am not speaking of the present Federal Government alone, but of other Federal Governments as well—have been comprised of men without previous experience in the respective State Parliaments. Had they had the benefit of such experience, I am sure that many proposals that so seriously affect the people of the State would not be brought forward. At the conference of State Premiers held in Melbourne in May last, proposals not exactly the same as those now before us, but very similar, were submitted. For myself, I can only say that I was not aware of what those proposals were until I reached South Australia and read of them in the newspapers there. However, the proposals were submitted to the Premiers and we were given no alternative. The question has been asked as to why we did not advance alternative proposals. Practically speaking, a condition of the discussion was that the principle laid down in the proposal

that the Commonwealth should evacuate the field of direct taxation and discontinue the per capita grants to the State, governed the discussion of the whole question. We were asked to scrap our system of taxation and to inaugurate a new one within the space of a few weeks. It was proposed at that time that the change should take place as from the ensuing 30th June, the end of our financial year. That meant that all the State Governments had to set about making their financial arrangements on a new basis for the succeeding year. The States were asked to do that within the space of four or five weeks, during which they had to reconstruct their whole system of taxation, which would have been necessary because of the changed principle that was to be applied. What justification is there for the step that has been taken? Merely, it is said, that the principle of one Government raising taxation and another Government spending it, leads to extravagance and, therefore, is of itself unsound. It is argued that the Commonwealth should withdraw the payments from Customs and Excise revenue and leave the whole field of direct taxation to the State Parliament. But at the very moment it was argued that that principle was unsound, the Commonwealth Government were putting forward proposals involving many millions of pounds for raising revenue and allowing the States to spend it. If the principle be bad in regard to money raised through the Customs, it is equally bad to raise money in the shape of Federal taxes and hand the money over to the State Governments to be expended. So I say the attitude of the Federal Government was not consistent in raising the point that the principle was bad, when in other directions they are extending it. But who says the principle is bad? It was not considered bad at the inception of Federation. As a matter of fact, those who were responsible for the creation of the Federation did not believe the principle was bad; in fact, it was generally held that the interweaving of Federal and State finances in the manner that the States should be entitled to a proportion of the revenue from Customs and Excise was a fundamental basis of the Federation itself. So, after 25 years it is not sufficient for any Government to say the principle is now unsound and should be discontinued. It is said the States have no moral right to this money. But, as I have shown, there would have been no Federation

had it not been for the agreement that the States should participate in the revenue from Customs and Excise; the Federation would never have been consummated but for that agreement.

Mr. Richardson: That is unquestionable.

The PREMIER: Prior to Federation the receipts from Customs and Excise in the various States were a main source of the revenue of those States, and it was well understood that if the States were to be deprived of any portion of their Customs and Excise revenue as the result of Federation, their main source of revenue would be taken away from them and their finances seriously dislocated. To provide against that, the framers of the Constitution devised a provision which said that for all time three-fourths of the total receipts from Customs and Excise should be returned to the State.

Mr. Thomson: That was not in the Constitution that was put into operation.

The PREMIER: I am coming to that. That was to have been in the Constitution, and it went to a vote of the people. The provision that three-fourths of the Customs and Excise revenue was to be returned to the States for all time was carried by a two to one majority in all the States. It escaped being included in the Constitution only because the New South Wales Government of the day, with the late Mr. George Reid as Premier, decreed that unless a certain minimum majority was shown for the proposals they would not be accepted by New South Wales. So, although the people of the States by a large majority decided to include this proposed payment for all time, in view of the fact that New South Wales was not able to join forces, those who were responsible for framing the Constitution cast about for some means of inducing New South Wales to come in. Consequently the provision for the payment for all time was modified to mean that three-fourths of the Customs and Excise revenue should be paid to the State for ten years, and thereafter until Parliament otherwise provided. That was a concession to New South Wales; and of course, the people, having previously accepted the larger proposal, naturally accepted the minor proposal, and so it went into the Constitution. Still, the larger proposal clearly showed what was in the minds of those who framed the Constitution and in the minds of the whole of the people at that time; and the ten-year period provision was placed in the Constitution in the belief that

successive Federal Parliaments could be trusted to continue to carry out the obvious wish of the people and make those payment for all time. At the expiration of the ten year period we had the Surplus Revenue Act, providing that, instead of the Commonwealth paying three-fourths of the Customs and Excise revenue to the States, they should pay 25s. per head of the population per annum for another ten years, or until the Parliament otherwise determined.

Mr. Thomson: Was not the 25s. proposal turned down by the people?

The PREMIER: Yes, but not necessarily because the people were opposed to it. We do not know what their reasons may have been. It may be that very many people voted against that proposal in the belief that 25s. was not sufficient, and in the hope that, later, they would be able to extract a greater sum from the Commonwealth. The question was put to the people as to whether that 25s. provision should be embodied in the Constitution. It was defeated but we do not know what the people's motives were. It was carried in some of the States, but lost in others. Votes may have been cast against it because the electors thought the amount was not large enough and because they knew that once it was fixed in the Constitution there would be great difficulty in ever having it amended. It may be said that, the ten-year period having elapsed the Federal Parliament is now free to decide against the further payment of the 25s. per head under the Surplus Revenue Act. That, of course, is the contention of the Federal Government. But no Parliament is free to alter a fundamental principle of Federation, unless by the authority of the people themselves. Will anybody say that the Federal Government have the authority of the people behind them in this proposal? The people have never been consulted upon it. There is no mandate for this, no warrant for the making of this serious and important change without first consulting the people.

Hon. Sir James Mitchell: The Federal Parliament has no justification for it.

The PREMIER: No. If the candidates at the last Federal elections had made it one of the big issues, and if the people had returned to both Houses of Parliament a substantial majority in support of it, it might then be said that that was sufficient warrant. But it was not before the people at the last elections, and so the people expressed no opinions whatever upon it. For the Federal Government to come in now and make such

a fundamental and radical alteration in the existing financial relationship between States and the Federation is altogether wrong.

Hon. Sir James Mitchell: I do not think any candidate could be found to advocate such a change.

The PREMIER: At the Premiers' Conference and on several subsequent occasions, requests were made that the matter should be held over till the special constitutional session to be held at Canberra next year, or alternatively that the people should be consulted by referendum. However, the Prime Minister said it was a matter, not for the people, but for Governments to determine. If six State Governments negative the proposal, have the one Federal Government, holding the power of the purse, the right to say to the six, "You have to accept it"? Surely that cannot be contended for a moment! The people are not being allowed to express an opinion on the question, because obviously they are overwhelmingly opposed to any such change. In the face of opposition so marked, it is altogether wrong for the Federal Government to proceed with the proposal. What is the motive behind the Federal Government's desire, or the Federal Parliament's desire to be free from the payment of this capitation grant? The motive is clear. It is known perfectly well that the Federal Parliament entered the field of direct taxation only because of special circumstances arising out of the war.

Mr. Angelo: They imposed the land tax two years before the war.

The PREMIER: Yes, but with the exception of the land tax, all their fields of direct taxation have been entered upon as the result of financial obligations resulting from the war. Those obligations must be a diminishing quantity; that is to say, year by year the Federal need for money must be reducing.

Mr. Thomson: They argue otherwise.

The PREMIER: The very fact that they have been reducing taxation proves what I say. Within the past two years the Federal income tax has been considerably reduced.

Mr. Thomson: Because of the enormous amount of money they have been getting through the Customs.

The PREMIER: But they know perfectly well that much of this war expenditure will be a diminishing quantity, whilst on the other hand the per capita grant will be an ever increasing quantity: as the population of the

Commonwealth increases, so there will be an increase in the sum required to meet the per capita grants to the States.

Hon. G. Taylor: Customs and Excise revenue also will increase.

The PREMIER: Of course, but the Federal Government are desirous of retaining the increase in the Customs revenue, whilst getting out of the taxation fields that they would have to get out of in any case. How can the Federal Government say they want the money, when they are showing a huge surplus every year? In the year just closed, the Federal Government's surplus was $2\frac{1}{2}$ millions. They have built up an accumulated surplus of ten millions during the past few years. The people of the Commonwealth can see that the financial year has ended with a surplus of $2\frac{1}{2}$ millions, that the Federal Government do not know what to do with it and are, one might say, embarrassed with a surplus of money, and have to cast about for means to expend it. In so doing, they are taking up functions that it was never contemplated should be undertaken by the Commonwealth. When this is happening, is it not certain that the taxpayers of the Commonwealth would demand a reduction of direct taxation? Of course they would.

Hon. Sir James Mitchell: Direct taxation by the Commonwealth is war tax, and they are entitled to reduce it.

The PREMIER: The Commonwealth have met all the expenses consequent upon the war and, notwithstanding that, they end the year with a surplus of $2\frac{1}{2}$ millions.

Hon. Sir James Mitchell: Not only this year but every year.

The PREMIER: Yes; and in view of that the people would demand a reduction of direct taxation. They would say to the Federal Government, "You entered this field of taxation in order to meet war expenses. We do not complain of that, but inasmuch as you do not need the money for war expenses, you must evacuate the field of direct taxation and reduce the burdens imposed upon us." It is because the Federal Government know perfectly well they will have to evacuate the field of direct taxation that they say, "We will get out now while the going is good and while we have a chance of making an exchange of direct taxation for the per capita payments." In a few years the Federal Government would not be in a position to make any exchange with the States; they would have nothing to give away.

Mr. Richardson: It is a case of heads we win, tails you lose, from the Federal standpoint.

Mr. Lutey: Yes, a double-header.

The PREMIER: The Federal Government know perfectly well that they have no justification for continuing in a field they invaded specially on account of the war, while, at the same time, they have built up surpluses of over 10 million pounds in the course of a few years, and are showing a surplus of practically $2\frac{1}{2}$ millions each year. So, the Federal Government offer to make an exchange with the States. As to Western Australia, they say the field to be surrendered to us would amount to £375,000 whereas the capitation grants and the special grant we receive amount to £564,000, but they are willing to make up the difference by what is described as an adjustment grant of £152,000 for this year only.

Hon. Sir James Mitchell: That is the point.

The PREMIER: They say, in effect, "Give us £564,000, or we will withhold payment of that amount to you. In return we will give you a field of taxation amounting to £375,000, but in order to make up the difference and enable you to adjust your finances this year, we will give you an adjustment grant of £152,000 for this year only." What about next year, and all the years afterwards?

Hon. Sir James Mitchell: What about 40 years ahead?

The PREMIER: Yes, 50 years and even 100 years ahead. On this question it is essential that the people should take the longer view. What would it profit if the Commonwealth Parliament were prepared to give this State, even for a period of five years or 10 years, a greater amount than it is proposed to withhold? What is five, ten or twenty years in the life of a nation? We have to look forward to the generations that are to come. If we yield something to which we are entitled, and which has been paid to us during the past quarter of a century, an amount that must be ever-increasing, and accept in its stead the uncertainty of a special grant, or a dole as I call it, because it amounts to nothing else—

Mr. Thomson: It would be embodied in an Act of Parliament, the same as the present Surplus Revenue Act.

The PREMIER: But there has been no suggestion to embody it in an Act of Parliament, and I venture to say that if any Federal Government introduced a Bill to

provide for special grants to Western Australia or Tasmania over a long term, 10 years or 20 years, it would not be entertained for a moment by the Federal Parliament.

Hon. Sir James Mitchell: What about the surplus revenue? Under the Act that should be returned to us.

The PREMIER: Quite so; I intend to deal with that. Do we not know that the proposal to pay Western Australia £350,000 for one year, as recommended by the Disabilities Commission, was received very coldly in the Federal Parliament?

The Minister for Works: It was introduced very coldly.

The PREMIER: I believe that members of the Federal Parliament generally regard very coldly the proposal to make special grants to some of the States. I do not know that the Federal Government proposed road grants are being opposed mainly in the Eastern States, because the manner of distribution is specially favourable to some of the outlying States, it being calculated on an area as well as a population basis? In fact, the Eastern newspapers feature it as "Eastern money for Western roads." Members are aware of the hostility of the Eastern States, mainly because of the proposal to expend money collected in the Eastern States upon roads in Western Australia or in Queensland, and the Leader of the Country Party knows that if any Bill were introduced containing a proposal to make special grants to the State, it would meet with similar hostility.

Mr. Mann: The Melbourne "Herald" described it as criminal to send money from the Eastern States to the far-away States.

The PREMIER: When it is said that we would possibly be better off by foregoing the per capita payments and accepting special grants based upon our needs, is it not realised that there would be no possibility of the Federal Parliament agreeing to such a proposal? Even if they did agree to it, we should be very foolish to accept, because what the present Government might do, no matter how generous-minded they might be, another Government could undo, and so we should have financial uncertainty in the future. The present proposals are not the ones that were submitted to the Premiers' conference. The Federal Government say they are prepared to leave us a field of land taxation worth £80,000, but members will see from the return prepared

the Commissioner of Taxation that the amount is not £80,000 but £65,000. That, however, is merely a matter of difference in calculations; really, it does not affect the principle. Even so, the Federal Government, in almost every instance, have over-estimated the amount that would be available to us by their evacuating the field of direct taxation. The Commissioner of Taxation says the amount of the land tax would be £65,000, not £80,000.

Hon. Sir James Mitchell: But the Federal Government took as a basis 1923-24, which was a specially big year.

The PREMIER: Yes, and they took the aggregate collections. Under the Commonwealth law, if a person owns land in two more States, that land is assessed and added on the aggregate assessment. If a Western Australian taxpayer owns land in Victoria, we are not concerned with the land held in Victoria. We assess him only at the rate applicable to his land in Western Australia.

Mr. Latham: He might have £2,500 worth here and £2,500 worth there, and he would be practically exempt here.

The PREMIER: The Commonwealth, however, tax on the aggregate value and they have not allowed for that. Again, Federal land taxpayers in this State number only 1,600, whereas the State, in 1924-5, had 42,000 land taxpayers. So, it would mean that unless the State reimposed a tax in precisely the same manner as it was left by the Commonwealth, a great number of the people now paying land tax would have to pay more. As the Commissioner of Taxation points out, the land tax would have to be increased by 53 per cent. The income tax would have to be increased by 36 per cent. Here again the amount has been greatly over-estimated by the Federal Government, the Commissioner says by an amount varying between £25,000 and £50,000.

Hon. Sir James Mitchell: You mean the Federal tax would have to be increased?

The PREMIER: No, our tax would have to be increased. If the proposal of the Federal Government to surrender 40 per cent. of their income tax were agreed to, we, in order to make it up, should have to increase our income tax by 36 per cent.

Hon. Sir James Mitchell: That is right.

The PREMIER: The Commissioner of Taxation says the Federal figures are ex-

cessive to the extent of £25,000 to £50,000, because the total assessments were taken and no allowance was made for refunds or deductions. Payers of income tax to the State Government number 39,000, and to the Federal Government only 12,000. If we intended to make up the amount of income tax surrendered by the Federal Government and impose it upon payers of income tax to the State, we would have to increase our amount by 36 per cent. to cover 39,000 people as against the 12,000 people who now pay Federal income tax.

Hon. Sir James Mitchell: That is the point. To recover 40 per cent., we would have to increase our tax by 36 per cent.

The PREMIER: The amount of dividend duties charged to companies, which the Federal Government propose to surrender, is £64,000. If we had to make that amount good, we should have to increase the State dividend duties by 27 per cent. Estate duties, the Federal Government estimate, are yielding £47,000 a year. I do not know where they get their figures. Our average collection for five years has amounted to £26,000, although it is stated that these estate duties are yielding £47,000. In order to make good this deficiency, our estate duties will have to be increased by 69 per cent. over and above the present sum. All these Commonwealth figures relating to the field of taxation they are leaving open to the States are fallacious. On the one hand, if we get 25s. per head of the population, we know exactly what we are going to get from year to year, whether the season is good or bad. In times of depression as well as in times of prosperity we shall know that under the per capita grant we shall get a definite and fixed sum of money. All these figures they quote relative to the evacuation of the field of direct taxation are based upon the figures for the year before last, the last year of complete returns. We know that revenue from direct taxation is a fluctuating quantity.

Hon. Sir James Mitchell: It depends upon the price of wheat.

The PREMIER: Our collections from direct taxation depend on two very material factors, namely, the seasons and the price obtained for the commodities grown. Should we have a bad season and low prices, the whole of the money the Commonwealth authorities say they will surrender to us will disappear. We should lose the per capita payments and have nothing to replace them; the basis is so unstable and insecure. Taxa-

tion depends upon the seasons, especially in Western Australia which is a primary producing country. These figures are based upon a good year and good prices. We may not always obtain 6s. a bushel for our wheat, and the comparatively high prices that have been procured for wool during recent years. On the one hand we are asked to be satisfied to yield up a certainty for an uncertain amount that may be received from direct taxation, and, on the other hand, have no guarantee whatever that the Federal Government next year, or with the next Parliament some other Government, may not come back into this same field out of which they are going.

Mr. Davy: If there was another war they would have to come in.

The PREMIER: Yes, but without another war it is possible that some Federal Government may think fit to find good use for this money.

Mr. Latham: With a change of Government that would be the case.

The PREMIER: It is such a stupid proposal from our point of view, that we should give up something we have regarded as a right for the last 25 years, something that should be ours, war or no war, good seasons or bad, high prices or low, something we should look upon as a fixed and definite sum that is coming to us. We are asked to give up this for an uncertainty, and are left in doubt as to what any future Parliament or Government might do in the direction of coming back into this very field of taxation.

Mr. Sampson: And the high tariff would remain.

The PREMIER: Yes. If we are to have reduced taxation in Western Australia—and I agree it is badly needed—we can get this only by standing firm and maintaining the present system in our financial relationship with the Commonwealth. The people of this State can be relieved of taxation only by the Commonwealth continuing to make the per capita payment, and by reducing their own taxation. They can do this: they can go on reducing taxation without the necessity for depriving us of the per capita payment.

Hon. Sir James Mitchell: Of course they could.

The PREMIER: Their surplus shows there is no necessity for it. Why are they entering into a scheme of housing? It is proposed to spend £20,000,000 upon housing schemes in Australia, a large sum of money on road making, and to incur expenditure in other directions which never crossed the minds of the framers of the Constitution. They are

doing this only because they do not know how to dispose of their money.

Mr. Lambert: There was a special redemption of £4,000,000 voted from loans last year.

The PREMIER: That is a good thing. It is bad for the people of the country to have six Governments embarrassed for the want of funds and in financial difficulties, as all the State Governments have been for years past, and to have a central Government overlorded the States, and embarrassed in the opposite direction because of their surplus.

The Minister for Mines: And the State are responsible for all development.

The PREMIER: Yes. Another reason why the States are entitled to continue drawing this money is because it is the only form of taxation that everyone pays, the tax through the Customs.

Hon. Sir James Mitchell: It is the only form that follows the pram.

The PREMIER: State Governments have to spend money on unremunerative services on police, education, health, charities, and in other directions. Every person, from the pram right up to old age, contributes taxation through the Customs. For that reason, the States that have to find the money for these services are entitled for all time to the payments I have mentioned. I do not think I need dwell upon the subject. It seems to me that the Federal spirit is disappearing altogether. There is growing up in the Federal Parliament a spirit of dictatorship, of overlorded the States, with the inevitable result, as predicted by the late Alfred Deakin, when he said, "If you financially weaken the States there is no doubt what the end will be."

Hon. Sir James Mitchell: They will topple over.

The PREMIER: Yes. The States will not be satisfied with the handing out of doles of two or three hundred thousand pounds here and there, and by that action accept their position of poor relations.

Hon. Sir James Mitchell: And in the end destroy the Federation.

The PREMIER: That seems to be a point they do not perceive. This will destroy the Federation and react upon them.

Hon. G. Taylor: It is already killing the Federal spirit.

The PREMIER: Apparently that is not considered. They are handing out doles to us. They say, in effect, "You are the poor relations. We will give you a grant to enable you to make roads, or for some other purpose. In giving you these grants we attack

a string to them. We shall dictate to you how you shall spend the money. You shall add to it a certain amount, an amount to be decided by us, and, when you have added your quota to our grant, we will determine how you are going to spend your money as well as ours."

Hon. G. Taylor: That is pretty hard.

The PREMIER: That is the position we have come to. If the people of this State and of all the States in the Federation permit this to be done, they will be sorry for it in the years that are to follow. I hope we shall be able to discuss this matter apart from party politics. It is altogether beyond that. It is being fought just as vigorously by the Government of Victoria. I have the speeches of the Premier of Victoria, and of Sir Alexander Peacock, a member of the Federal Convention which framed the Constitution. These speeches were delivered in the Victorian Parliament during the last month or so, and were couched in language infinitely stronger than any I have employed at any time.

Hon. Sir James Mitchell: They do use stronger language there towards the Federal people, because they are not so dependent upon them.

The PREMIER: They are in a better position to resist them. I hope the House will carry this motion before the Federal Parliament adjourns, so that we may indicate to the Federal Government that not only should this Bill be shelved for one year, but that we wish to hear no more about it. The people have not asked for it. Why should there be made a change of this kind that no one wants? On the other hand, it has been condemned in every part of Australia by all sections of the people. We are told that there is some imaginary principle at stake, that those who spend the money ought to be the people to raise it. If that is so it would be well for the Federal Parliament to remain in the field of direct taxation. If they get out of that field entirely, and have an overflowing Treasury as a result of their receipts from Customs and Excise, there will be no inducement for them to exercise economy. People do not know what they pay through the Customs, and seldom indulge in any criticism concerning increased taxation through that channel, except a small number whose voice does not seem to be effective. If this scheme is to be a check upon extravagance on the part of State Governments and State Parliaments, it is also well that a similar check should be im-

posed upon the Federal authorities. It might not be a bad thing if they were to remain to some extent in the field of direct taxation. At the end of every year the taxpayers of the Commonwealth would know to what extent they were taxed directly on behalf of the Commonwealth Treasury, and, when they saw that the Commonwealth Parliament had a surplus year after year, they could bring pressure to bear upon them to exercise economics, as well, perhaps, as to reduce taxation. I hope the motion will be carried unanimously.

HON. SIR JAMES MITCHELL (Northam) [5.45]: I could almost wish that the motion had been a somewhat more definite protest against the Federal Government's proposal to abolish the per capita payment to the States.

The Premier: I will agree to the most drastic amendment you like to suggest.

Hon. Sir JAMES MITCHELL: I do not think there should be any referendum on the question at all, because, as the Premier has pointed out, when people are in doubt they vote "No." Probably they did not understand what they were voting on previously.

The Minister for Lands: I believe that so far as Western Australia is concerned every referendum on Commonwealth questions has been carried.

Hon. Sir JAMES MITCHELL: This question, however, has to be decided by the whole Commonwealth.

The Minister for Lands: We can only speak for the people of this State.

Hon. Sir JAMES MITCHELL: I am alluding to the mention of a referendum in the motion. I agree with all the Premier has said. Last week, not knowing that this motion was coming on at the present stage, I took the opportunity to speak at considerable length on the question because I thought it vitally important that the matter should receive consideration here as soon as possible. It is being considered all over Australia to-day. All over Australia the people are being influenced by statements that are being made. We cannot afford to delay and thus allow those statements to remain unchallenged and our position to remain doubtful. We are perfectly prepared to stand by the Federation and make the best of it, but we should not agree to proposals that will weaken our position. The Premier referred to what Mr. Deakin wrote in 1902. The words which Mr. Deakin then used

ought to be a warning to all of us, and we should concern ourselves to preserve the position as it is. This question has given me, at any rate, great concern. I happen to have been Treasurer of the State for some time, and I know what the position under the Federal Government's proposal would be. The Premier has stated the case very clearly and I hope the people of this country will read what he has said. But the question has another side which concerns me. I was glad to hear the Premier say that this is not a party question. It ought not to be a party question at all, but one with which we can all deal irrespective of party considerations. It is far too important and too serious to be made a party question. I have the greatest possible regard for Mr. Bruce, and think he is a fine man and has done fine work.

The Minister for Lands: Do you think he is bluffed by Page?

Hon. Sir JAMES MITCHELL: I do not think he is capable of being bluffed, but I think he is wrong now. Undoubtedly he has been very good to Western Australia during the last two years, and also in other years; but we have no right to give away a permanent advantage for a temporary advantage, no matter how favourable the exchange may be to us for two or three years.

Mr. Lambert: Why do you say Mr. Bruce is favourable to this State when he ignores the recommendations of the Commission he appointed?

Hon. Sir JAMES MITCHELL: The hon. member interjecting ought to treat this as a non-party question. Certainly Mr. Bruce has been good to Western Australia. It is no use for the hon. member to try to deny that. However, what we are making for is unification. The present proposal of the Federal Government tends towards the loading of the people engaged in primary industry, in order that the Commonwealth Government may get relief. The Commonwealth Government are to-day collecting more money than they need. Certainly they do not require any more revenue. In fairness they should reduce their taxation to the extent of 2½ millions, seeing that they have had a surplus of that amount for years, or else they should, as the Federal Constitution provides, pay the amount of the surpluses over to the State Treasuries.

The Premier: They have deliberately evaded the Surplus Revenue Act.

Hon. Sir JAMES MITCHELL: Yes, they have done that by tucking the surplus away somewhere two or three days before the end of the financial year. Some Federal Treasurer succeeding Dr. Earle Page will have a glorious jamboree on the ten millions standing there.

The Premier: And belonging to the States.

Hon. Sir JAMES MITCHELL: Yes. It has frequently been said that finance is government. Of course it is government. Mr. Deakin said that if the financial weakening of the States could be brought about by various causes—among them he mentioned drought—one by one the State Parliaments would topple over. We should see that unification is not reached by anything but the most direct means. It happens that in the Federated States of America to-day this very question is receiving attention, and it also happens that the President of the United States takes an entirely different view from that of our Prime Minister. I do not know whether the Premier has come across the debate which has been going on in America, and in which the President has participated. We have President Coolidge's views on this very question, and his words would be perfectly appropriate words for Mr. Bruce to use. We all know that the position of the people in Western Australia cannot be satisfactory if they are governed from Melbourne or Canberra. We are too far removed from Melbourne and Canberra. The people there do not come into our daily lives. Members who have to travel 2,000 miles from Western Australia to take their seats in the Federal House largely lose touch with us—necessarily so. It would not be well to govern Western Australia from Canberra, or to govern it through officials. On this aspect President Coolidge said only the other day—

No method of procedure has ever been devised by which liberty could be divorced from self-government. No plan of centralisation has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline. Of all forms of government those administered by bureaus are about the least satisfactory to an enlightened and progressive people. Being irresponsible they become autocratic, and being autocratic they resist all development. Unless Bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy. It is the one element in our institutions that sets up the pretence of having authority over everybody and being responsible to nobody. While we ought to glory in the Union and remember

that it is the source from which the States derive their chief title to fame, we must also recognise that the national Administration is not and cannot be adjusted to the needs of local government. It is too far away to be informed of local needs, too inaccessible to be responsible to local conditions. The States should not be induced by coercion or by favour to surrender the management of their own affairs. The Federal Government ought to resist the tendency to be loaded up with duties which the States should perform. It does not follow that because something ought to be done, the national Government ought to do it.

The Premier: That is very sound, and fits right into our case.

Hon. Sir JAMES MITCHELL: It takes the broad view, which I am glad the Premier took to-night. We must resist any attempt to bring about unification. We must, and I hope do, resist any attempt to whittle away our authority, any attempt to take away the cash we are entitled to get. We do not of course ask the Federal Government to collect for us any direct taxation. We can do that for ourselves. But when we federated, it was agreed that we should have returned to us three-fourths of the Customs revenue for the first ten years, and so much of the revenue in other years as remained unspent. That happened, of course; but finally we were paid 25s. per head from Customs and Excise revenue collected. As the Premier has pointed out, if we are not to be paid any share of the Customs and Excise revenue, then 90 per cent. of the people of this State will not pay any taxation at all to the State Treasury. There are the migrants, for instance; and we have a much larger number of migrants proportionately than has any other State. Certainly on a population basis we have a very much larger number of migrants than has any other State of the Commonwealth. Then there are the babies that are being born; they pay nothing at all in the way of taxation.

The Premier: Take the 23,000 people now on the group settlements, who have come here practically during the last three or four years; they would be paying no taxation at all.

Hon. Sir JAMES MITCHELL: Undoubtedly; and 90 per cent. of the people of the State are not paying direct taxation. Even if only 80 per cent. pay no taxation, then 20 per cent. will have to bear the whole burden of taxation necessary for carrying on the State, if the Commonwealth proposal is accepted. It is no use crying about spilt

milk. We have got ourselves into this unequal Federation. However, it is for the other partners in the scheme to do justice, through the Federal Parliament, to the needs of the smaller States. The greater States have benefited tremendously by Federation, whereas the smaller States necessarily have suffered and must suffer. Take the position of Western Australia. At the time of Federation 120,000 of its people had come from the Eastern States; and yet for 25 years we were derided, misunderstood, not understood, and not known. If a stranger landed in the East, the chances were that he would be told not to come to the West; and this for no special reason except that the people in the East did not think the West was worth anything. Now that is all changed, and for the first time in our history our country has been acknowledged to be of considerable value. We are told now that it was thought we could not progress because we had not the country. Further, we are told now that we are not progressing satisfactorily, and that we must forego the 25s. per head of the people from Customs and Excise and live by direct taxation. Just imagine any undeveloped country living by direct taxation! It is impossible. As a matter of fact, we have developed our country.

The Minister for Railways: If we were confined to direct taxation, the country would remain undeveloped.

Hon. Sir JAMES MITCHELL: We have struggled until a fourth of the wheat in Australia is produced by this State, which has only one-sixteenth of the total population.

Mr. Thomson: But the wheat is produced on borrowed money.

Hon. Sir JAMES MITCHELL: I assure the hon. member that wheat looks just the same whether it is grown on borrowed money or on our own money.

Mr. Thomson: But you said we were doing it on direct taxation.

Hon. Sir JAMES MITCHELL: No. I said we had struggled. I shall come to borrowing in a minute. Half the gold of Australia has been produced or is being produced here. Practically all the timber exported from the Commonwealth comes from Western Australia. We have done our best, and we deserve, not to be treated in the way we have been treated, but to be helped. Most of our production has come from primary industries. We certainly have taxed our-

selves at much higher rates of taxation than has any other State of the Commonwealth. We had to do it, because we federated. Everyone knows that the Customs collection of 2½ millions in this State reduces the Premier's opportunity to collect taxes. Also everyone knows that since 1914-15 the importations from the East have doubled; it is not that the quantities have doubled, but that the cost has doubled. From four millions it has increased to nearly eight millions, and the consumers are paying two millions more for those goods than they would have paid under the old tariff. Clearly, then, the Customs tariff alone is costing us two millions. That is a burden we are bearing for the benefit of the Eastern States. For 25 years we in this State have played the part of Martha's sons, uncomplainingly and unflinchingly. But what have they in the great manufacturing cities of Eastern Australia done? How have they borne their load? Surely they ought to have some consideration for the consumers of their goods.

Mr. Thomson: Do you think they really have any?

Hon. Sir JAMES MITCHELL: I think they do not want to see us disappear altogether. Reading Kipling yesterday, I was reminded of what happened the sons of Mary. While we have borne our burdens uncomplainingly, the sons of Mary have cast their burden upon the Lord (Pratten), and the Lord he lays it upon Martha's sons. Those are Kipling's words, and they are strikingly appropriate. We cannot go on in this uncertainty. There is no reason why members of this Parliament should be troubled time and again by proposals such as we are now considering. It takes us away from our more legitimate work, and to those of us who want to see progress these proposals are very disturbing. Whichever way we turn, the outlook with its load of taxation is discouraging.

The Minister for Railways: There is no silver lining to the cloud.

Hon. Sir JAMES MITCHELL: Certainly it is not apparent. The State is at the crossroads, and we ought to pray the Almighty that we take the right turning. We are perfectly willing to render unto Caesar the things that are Caesar's, but we are not entitled to do any more, and I hope this Parliament will not agree to do any more. Ours is the responsibility for development, and it is wrong that we should have to be continually putting up a fight in order that we

might live as a free and sovereign State. If unification is wanted, let it be secured by a straight-out request to the people. But, since it would not be approved by the people, and since development in this State is of importance to the whole of Australia, let the Federal Government join us in the development of Western Australia. We cannot do it quickly enough ourselves. The Premier was able to collect £1,400,000 from all sources of taxation last year; yet see how easily the Customs collected and handed to the Federal Treasurer 2½ million pounds produced in this State.

Mr. Thomson: No complaint is ever raised about it in the Federal Parliament.

Hon. Sir JAMES MITCHELL: Yes, there is, but it is not effective. Every day we see that another member in the Federal House has gone over from low tariff, or no tariff at all, to the high tariff ranks. Not more than half-a-dozen of the Federal members are doing anything to combat the high tariff and these continual increases in Customs duties. All parties are equally to blame for these higher and higher duties. The burden of the high tariff has to be borne by us, and so I say we should get some part of the £7 per head collected in this State. The cost of living has been increased by this high tariff. It is easy for us to know just how it affects the State Treasury, but we do not so readily appreciate its effect on the people of the State. The wages man is no better off than he was 10 years ago. Certainly the married man is not, and I doubt whether, despite increased wages, the condition of the single man has improved. Increases in the cost of living, as the result of the high tariff, have had to be followed by increased wages. In 1919 we paid to the wages staff of the Railways an average of £164. In 1922 the average rose to £222, and in 1925 it reached £229. I suppose there have been further increases this year. Unless something be done to resist the continuous increase in Customs duties, we shall have to keep on increasing wages in order that our people may make both ends meet.

The Premier: I see that the Customs returns for July exceeded by £300,000 the returns for July of last year.

Hon. Sir JAMES MITCHELL: Some relief must be given to the railway men and, of course, that relief has to be reflected more or less in railway charges.

The Minister for Railways: There would have been a reduction in railway freights

this year but for the increased cost of working.

Hon. Sir JAMES MITCHELL: I should like to say a word respecting the Royal Commission that inquired into and reported upon the disabilities under which Western Australia is suffering as the result of Federation. It was the Tariff Board that paved the way for that Commission. The Tariff Board inquired into our financial position, and their report included the following:—

So obvious are the financial difficulties under which the State is labouring, and so frequent the criticism that is encountered, that the Board was able to arrive at the conclusion that the situation was critical and warranted full and sympathetic investigation with a view to amelioration.

That was the Tariff Board, and that report led up to the appointment of the Royal Commission. So, two authorities, the Tariff Board and the Royal Commission, recognised our difficulties. The Royal Commission recommended that, in addition to the per capita payments, we should receive £450,000 per annum for 25 years. Of course, there was a minority report signed by Mr. Commissioner Mills, who recommended that our special payment be £300,000 per annum for 10 years. The position is, of course, that we are to get £300,000, and if we agree to hand over our friend the member for Roebourne (Mr. Teesdale), and the country he represents, selling him lock, stock, and barrel to the Commonwealth Government, we may get another £150,000.

The Premier: We wouldn't sell him for that.

Hon. Sir JAMES MITCHELL: Apparently the £450,000 recommended by the Royal Commission is to be made up in that way.

The Premier: But less the special grant.

Hon. Sir JAMES MITCHELL: And for only five years. Instead of getting £450,000 for 25 years, we are to get £300,000 for five years; and if we agree to give something far transcending in value the £450,000, we shall get another £150,000.

The Premier: This year we are to get £300,000, less £85,000 representing the special grant.

Hon. Sir JAMES MITCHELL: The five-year period is all too short. I am very much concerned about these latest proposals of the Federal Government, because the burdens imposed on the State by the extravagance of the Federal Government will fall on the shoulders of the property holders.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. Sir JAMES MITCHELL: It is quite obvious that since the Federal Government proposed to pay the State Treasurer £150,000 to make good the loss for this year, and for this year only, the arrangement cannot be a good one for us. I should not consider it satisfactory if the Federal Government offered this grant for five years, even if we were inclined to agree to the proposals. Five years cannot be regarded as a substantial period in the life of a country. We had the right to impose a tariff against the Eastern States for five years after the consummation of Federation, and how soon that period seemed to go! For 25 years we have existed as a federated people and how soon it has gone! How little has happened in that time! Twenty-five years is a very short period in the life of a nation. In dealing with this matter we have to remember that it is not a question for the moment. If it were right to-day, it would be wrong to-morrow, because the population of the State will increase rapidly. We cannot afford to take risks; we have no right to take risks. The work of development is always before us, and it is a serious responsibility that faces the Government of this State. That responsibility has been faced in the interests of the whole of Australia and of the Empire as well. This development work produces trade for the Eastern States. We contribute in so many ways such an enormous sum to the Federal Treasurer and to manufacturers, traders and food producers in the Eastern States that we can with perfect justice look for some special treatment. If our people are to remain contented in the Federation, they will not do so if they have to pay very much higher rates of taxation than are paid by people in the Eastern States. We should live more or less on even terms with them. Of course the Federal taxation applies evenly to all, but the State taxes are not the same in any two States and, unfortunately for us, they are very much higher in Western Australia than they are anywhere else. It gives me no pleasure to oppose the proposal of the Prime Minister; quite the reverse. It would give me great pleasure to be able to support anything that Mr. Bruce proposed, as this House can well imagine, but I cannot see this State suffer, as I believe it will suffer, without entering a protest.

Mr. Lambert: You will not be blindfolded and sandbagged, too? Is that it?

Hon. Sir JAMES MITCHELL: I shall not allow the State to suffer without entering a protest. For once I am in accord with the Premier and in opposition to the Federal Government and their proposals. The Government of Victoria are opposed to the proposal just as strenuously as are we, and I am not certain that for the moment Victoria would not gain by accepting it.

The Premier: She would never suffer as much as we would.

Hon. Sir JAMES MITCHELL: No; yet the Victorian Government will not risk the future in order to gain some temporary advantage now. The Premier was right when he said that the certain 25s. is a very different thing from an uncertain right to collect taxes, even if those taxes represent the same amount. Climatic conditions are all-important in this State of primary production. If we had bad seasons and the prices of wool and wheat fell, the Premier would not get his revenue. As a matter of fact the primary producers would not be relieved of any indirect taxation in order to pay the Premier extra direct taxation. In fact they will pay more and more indirect taxation to the Federal Government. Then there is the additional consideration that we have no guarantee that these taxes would not be re-imposed by some future Parliament of the Commonwealth. Of course there could be no such guarantee. In principle it is right that we should receive some return of Customs revenue. The Federal Treasurer has said it is quite wrong for one Government to collect money for another Government to spend. He also said that since the State Governments cannot impose indirect taxation, and since their road grant must come from indirect taxation, he intended to impose a special Customs tariff against oil and certain motor parts in order that he might get this money to hand to the States for them to expend. In that case the Federal Treasurer considered he was quite right. It would never do for the Federal Government and the State Government to have the right to impose Custom duties.

Mr. Thomson: The same principle is in evidence in respect to the income tax.

Hon. Sir JAMES MITCHELL: No, it is not.

Mr. Thomson: It is a double income tax.

Hon. Sir JAMES MITCHELL: If we had the right to impose a Customs tariff, there could be no Federation, as we would then have the right to tax the goods of the East-

ern States. It would be quite impossible for two authorities to impose a tariff.

Mr. Lambert: But you can differentiate in railway rates and other things.

Mr. Thomson: No, you cannot.

Hon. Sir JAMES MITCHELL: Just imagine British goods subject to a Federal impost being then made subject to a State impost! It would give a monopoly to the manufacturers of the Eastern States and make things a great deal worse for our own people. The question is altogether of too serious import to the people of this State to be treated lightly. It must be treated with the utmost seriousness if we are to be saved from this proposed change. I cannot speak for the rest of Australia, but I know that this State cannot afford to forego the per capita payments, and I hope the House will agree unanimously to enter the protest that the Premier has submitted. It seems to me there is no other course open to us.

MR. THOMSON (Katanning) [7.39]: I regret that we have not had an opportunity to digest more fully the figures submitted to us by the Commissioner of Taxation. However, I hope that after this motion has been dealt with, another motion of which I have given notice will be accepted and that a select committee will be appointed to inquire into the figures put up by the Federal Government and the State Government. For that we have practically a precedent in the appointment in 1921, at the instance of the member for Gascoyne (Mr. Angelo), of a committee to prepare a statement of the financial relations existing between this State and the Commonwealth for submission to a Federal Convention. At the conclusion of my remarks I intend to move an amendment to the Premier's motion, and in order that the House may be conversant with it, I shall indicate it at this stage. It reads—

That all the words after "a" in line 5 be deleted with a view to inserting the following:—"properly convened convention at which each State shall have equal representation, and that no alteration of policy should be accepted by this State that does not provide for a more equitable and scientific distribution of Federal revenue, based on the proportionate needs of the States and having special regard to the disabilities of the more extensive and sparsely populated States where the basis of payment should be at a higher rate than to the more populous States."

When the Premier was discussing the motion, he said it was on all-fours with one passed by the Victorian Parliament. I understand that is correct.

The Premier: I do not know.

Mr. THOMSON: I have no wish to ascribe to the Premier any remark that he did not make. As we are discussing this question in a non-party spirit and with the sole desire to achieve what is best for this State, I hope the House will consider my amendment. The question is of vital importance to Western Australia. We are told we should stand up for our rights. Let me make my position clear. When the Disabilities Commission sat in Perth, I gave evidence stating clearly and distinctly that I personally stood for secession, and that I regretted that Western Australia had entered the Federal bond. I have always stood for that principle. The Federal Attorney General, during his stay in Perth yesterday, stated that in his opinion it was impossible for Western Australia to get out of Federation. Therefore, my suggestion that we should have a properly convened convention, upon which each of the States should have equal representation would be very much more beneficial to Western Australia than would be the motion of the Premier advocating a Constitution session of the Federal Parliament. In the course of the remarks of the Premier and the Leader of the Opposition, it was stated that we could not expect to get reasonable and fair consideration, and that, when these proposals were put before the Federal Government with regard to the disabilities grant, they were received very coldly.

Hon. Sir James Mitchell: I did not say we could expect fair treatment. I said we were not getting it. Do you think we are?

Mr. E. B. Johnston: I do not think we are.

Mr. THOMSON: I regret I misinterpreted the remarks of the hon. member. I never have thought that we have had fair treatment.

Hon. Sir James Mitchell: We agree about that.

Mr. THOMSON: Let me go back to the days when Federation was first mooted and brought about. In the early days of the goldfields thousands of people went there from the Eastern States, but unfortunately had not been sufficiently long removed from their association with Victoria, South Australia, and New South Wales to acquire a fair conception of their responsibilities towards Western Australia. The late Lord Forrest at first opposed Federation. Then people on the goldfields moved for separation. It is a pity they were not granted

it, for it would probably have been in the interests of the Commonwealth and the State that this should have been given. Many of those who came from Victoria had been through hard times. I was one of them. A great deal of money was sent out of this State to the other States, and particularly to Victoria, in order to maintain the wives and families of the men who were able to make a living in this State. The position to-day is practically the same. Because of the incidence of Federal taxation and the high tariff, people of Western Australia are keeping large bodies of persons in the other States in comfort by providing work and sustenance for them. Through the high tariff, the Customs are collecting from this State £1,900,000 on goods which come from overseas. We are importing from the other States goods to the value of £8,000,000. If we had control of our own Customs and Excise, we should be collecting approximately another million and a quarter or a million and a half by that means. Indirectly we are making to the other States a present of that sum of money. We are also presenting to them a considerable increase in wealth by providing work and employment to thousands of others in the Eastern States. This is one of the disabilities from which Western Australia is suffering as a result of our having placed upon our shoulders the shackles of Federation. We are told that we should think Federally and be Australian in spirit. With all due deference to public opinion, as well as to the Premier and the Leader of the Opposition, I maintain that the present system of payment by a per capita grant is unscientific. What greater evidence could I produce than the statement of the Minister for Works when he addressed the Road Board Conference that met last week in the Assembly Hall, Pier-street? He urged members of the conference to pass a resolution, and to send it to the Eastern States to the end that Western Australia might receive the benefit of the road grant. I commend him for his remarks. That is the principle I advocated for Western Australia, when I entered into the discussion with the Premier with regard to his unwillingness to deal with the financial proposals that were placed before the Premiers of all the States for their approval or otherwise. The Premier went to the other States as the representative of Western Australia. Acting, as he believed, in the interests of the State, he refused to enter into any discussion as to the merits or

demerits of the financial proposal. The other Premiers also maintained that the States had a right to the Customs. I am prepared to admit that we entered Federation on the assumption that we were going to receive a proportion of the Customs duty. The Premier stated that when we entered into Federation we were to receive three-quarters of the Customs collections for all time. That may have been the intention. The Constitution, under which we were ruled in this matter up to 1910, contains in Section 87, the following words:—

During a period of 10 years after the establishment of the Commonwealth, and thereafter until the Parliament otherwise provides, of the net revenue of the Commonwealth from duties of Customs and of Exeise, not more than one-fourth shall be applied annually by the Commonwealth towards this expenditure; the balance shall, in accordance with this Constitution, be paid to the several States, or applied towards the payment of the interest of debts of the several States taken over by the Commonwealth.

There is another provision in Section 93 with regard to Western Australia. This gave us, for a period of five years, the imposition of uniform duties. This meant that they came down on a sliding scale over a period of five years. Although the intention may have been as stated, these are the words that appear in the Constitution.

The Premier: I did not say it was the intention. I made it clear that the first vote of the people of Australia was taken on the question of this being permanently included.

Mr. THOMSON: We are on all fours.

The Premier: You say I said something else.

Mr. THOMSON: I have not had an opportunity of preparing my case, as the Premier and the Leader of the Opposition have had.

Hon. Sir James Mitchell: Everyone has had the same opportunity.

The Premier: Did you speak two or three months ago without considering the question? You dealt with it fully then.

Mr. THOMSON: I am dealing fully with it now. I thought we would have had an opportunity of discussing this question at a later stage, in view of the vote taken to-day. As the Leader of this small section of the House, I think I ought to say I was not consulted as to whether this matter could be discussed or not.

The Premier: No one was consulted.

Mr. THOMSON: On a matter of this kind the public require to be more educated than they are. I may be putting forward an unpopular proposal. We should give this question more consideration than we have devoted to it. We have heard the Premier, who has been backed up, of course, by his Treasury officials. The House, or some members of it on this side, should be given an opportunity of discussing the matter with the Federal Treasurer and obtaining his viewpoint.

Hon. Sir James Mitchell: He has published it time and again.

The Premier: Good gracious! There is nothing fresh to be said about it. It has been published over and over again.

Mr. THOMSON: An inter-State conference was held in Melbourne. It had to do with the Commonwealth and States' financial agreement between the Prime Minister and the Premiers of the different States. The late Mr. Alfred Deakin was Prime Minister, and Sir Newton Moore was the Premier of this State. The financial proposals as between this State and the Commonwealth were discussed. The report states—

In the public interests of the people of Australia, to secure economy and efficiency in the raising and spending of their revenues, and to permit their Governments to exercise unfettered control of their receipts and expenditure, it is imperative that the financial relations of the Federal and State Governments, which under the Constitution were determined only in part and for a term of years, should be placed upon a sound and permanent basis.

Mr. Lambert: That is what we want to-day.

Mr. THOMSON: That is my earnest desire. That is the reason why an inter-State Conference was held in August, 1909. The report went on to say:—

That to fulfil the intentions of the Constitution by providing for the consolidation and transfer of State debts, and to ensure the most profitable management of future loans by the establishment of one Australian stock, a complete investigation of this most important subject shall be undertaken forthwith by the Governments of the Commonwealth and the States.

This investigation was to include the actual cost to the States of the transfer of property. The report continues—

In order to give freedom to the Commonwealth in levying duties of Customs and Exeise, and to assure to the States a certain annual income, the Commonwealth shall, after the 1st day of July, 1910, pay monthly to the State a sum calculated at the rate of £1 5s.

per head per annum of the population according to the latest statistics of the Commonwealth.

The report goes on to say—

Mr. Marshall: We will take the rest as read. Get down to facts.

Mr. THOMSON: I am quoting facts.

Mr. Marshall: You could not do so if you tried.

Mr. THOMSON: Clause 4 of the report shows that there was no intention on the part of the Commonwealth to hand doles to Western Australia, as indicated by the Premier. I regret that he used that word. The clause says—

That in view of the large contributions to the Customs revenue per capita made by the State of Western Australia, the Commonwealth shall (in addition to the payment provided for in paragraph 2) make to such State special annual payments commencing at £250,000 in the financial year 1910 and 1911, and diminishing at the rate of £10,000 per annum; the Commonwealth shall in each year deduct on a per capita basis from the moneys payable to the States of the Commonwealth an amount equal to one-half of the sum so payable to the State of Western Australia.

There was a Premiers' Conference, Sir Newton Moore being then Premier of Western Australia. All the States agreed upon those financial proposals. As a matter of fact, those financial proposals were submitted to the people of the Commonwealth and were turned down. In 1910 the Fisher Government introduced a Bill to provide for a per capita payment of 25s. per head of the population until such time as Parliament might otherwise decide. That is the position. I am not arguing that the Commonwealth should take away the 25s. per head, but I do argue that the financial assistance which Western Australia has had in many directions that are easily quotable, renders it desirable that the whole principle should be discussed, when probably we might secure a better deal than that on the 25s. per head basis. I want to be quite clear on the point that I shall not accept the promise of this or any other Federal Government with regard to the present proposals. If we are to forfeit the 25s. per head, the arrangement must be embodied in an Act of Parliament ensuring to the smaller States better financial recoups from the Commonwealth than under the present system. Now as to the Constitutional aspect of the Premier's motion. The Federal Constitution speaks of the people of Victoria, New South Wales, Queensland, South Australia and Tasmania

having "agreed to unite in one indissoluble Federal Commonwealth." I may be wrong but it seems to me that the proposal we are now discussing is not within the Federal Constitution. The per capita grant is not in the Federal Constitution.

Mr. Lambert: Neither is the Surplus Revenue Act, which was passed to absorb all that money.

Mr. THOMSON: As to any alteration of the Federal Constitution it is provided that—

The proposal for the alteration thereof must be passed by an absolute majority of each House of Parliament, and not less than two or more than six months after it has passed through both Houses the proposed law shall be submitted in each State to the electors qualified to vote. If in a majority of the States a majority of the electors voting approve the proposed law, and if a majority of all the electors voting also approve the proposed law, it shall be proposed for the Governor General's or for the Queen's assent.

That is the position with which we are faced to-day. Possibly we might be able to carry in this State a demand that the per capita payment should not be less than 25s. I would be quite in accord with that. In my opinion Western Australia is entitled to considerably more than 25s. per head, in view of its developmental needs.

Mr. Griffiths: The matter should not depend on population at all.

Mr. THOMSON: No; it should not be on a per capita basis. Mr. Watt, at one time Federal Treasurer, said the present system was unscientific.

Mr. Lambert: Why not put it on a more scientific basis?

Mr. THOMSON: I am seeking to do so by my amendment. In my opinion, for the development of national resources, the Commonwealth should give assistance without regard to State boundaries and population in special cases where adequate finances cannot otherwise be secured. At the present date we find that under the Surplus Revenue Act New South Wales receives £2,965,962, Victoria £2,189,961, Queensland £1,124,205, South Australia £717,551, Western Australia £566,244, and Tasmania £276,077. Having quoted those figures I propose briefly to draw the attention of the House to the report of the Federal Disabilities Royal Commission, and to show that the present system is unscientific. That, indeed, is borne out by the evidence submitted to the Commission and also the Commission's findings. I may remind hon. members that when the Federal

Government appointed the Royal Commission, the State Government appointed a committee to prepare and submit the State's case to the Commission. The State Government came to a perfectly fair decision to have all sections represented on the committee, and they invited the Primary Producers' Association to appoint a representative. We selected Mr. Teasdale, one of our presidents—not, I hasten to add, the member for Roebourne (Mr. Teesdale), as I do not wish to draw a disclaimer from that gentleman. At one of the first meetings of the committee Mr. Teasdale expressed his opinion that one of the matters to be discussed before the Commission was the Tariff. Mr. Keenan, as chairman of the committee, ruled Mr. Teasdale's suggestion out of order, saying, "The Tariff is not a disability under which the other States of the Commonwealth are not suffering; in that respect we are on all fours with the other States, and therefore that factor cannot be submitted as a disability." Thereupon Mr. Teasdale tendered his resignation as a member of the committee. The subject was discussed by the executive of the Primary Producers' Association, who appointed a sub-committee to prepare a case dealing with the Tariff. I honestly believe, and my belief is supported by the recommendations of the majority of the Federal Commissioners, that the Tariff is the greatest of the difficulties under which the State of Western Australia has to struggle. Clearly, the committee appointed by the State Government were out of stride in regard to the Tariff. I do not blame the Government for that. My view, I repeat, is supported by the findings of the Royal Commission.

Hon. G. Taylor: Protection is the policy of the Commonwealth.

Mr. THOMSON: Yes, but unfortunately it is a policy under which Western Australia suffers severely. That is borne out by the Commission's findings.

Hon. G. Taylor: I am not supporting the Tariff, but protection is the accepted policy of the Commonwealth.

Mr. THOMSON: The chairman and Commissioner Entwistle stated that whatever benefits the Commonwealth protectionist tariff might have afforded to other parts of the Commonwealth, it had not benefited the State of Western Australia, and that it was impossible to give the primary producers of Western Australia relief by way of reduced Customs without injuring the secondary industries of the Eastern States, the only ef-

fective way of removing the chief disability of the State being to restore to the State for a period of years the absolute control of its own Customs and Excise. The chairman and Commissioner Entwistle recommended that the State of Western Australia should during a period of 25 years, and thereafter until Parliament otherwise decided, have the absolute right to impose its own Customs tariff as in pre-Federation days, provided the State of Western Australia did not impose higher duties upon the importation into the State of Western Australia of any goods produced or manufactured or landed in other States of Australia than were imposed on the importation into the State of Western Australia of like goods produced or manufactured or imported from other countries. In connection with the imposition of Western Australia's own Excise and Tariff, the amount of money to be contributed by the State of Western Australia to the Federal expenditure in excess of Federal income tax, land tax, and probate duties was to be determined by negotiations between the Commonwealth Government and the Government of the State of Western Australia, or in case of disagreement by an arbitrator who was to be a citizen of the British Empire. In that last sentence is one of the reasons which led me to state that our Premier should have negotiated with the Federal Treasurer regarding the financial proposals. At a later stage the Federal Commissioners clearly recommended that Western Australia should have an annual grant of £450,000, but they also stated distinctly that this should be a matter of negotiation between the Commonwealth Government and the Government of Western Australia.

Mr. Lambert: No Western Australian Government should have negotiated except on the basis of the Royal Commission's recommendations.

Mr. THOMSON: I am quite in accord with the hon. member's remark.

The Minister for Lands: I suppose you know that in the financial statement he sent, he said that he had already decided what they were going to do.

Mr. THOMSON: I do not know that.

The Minister for Lands: Did you not read it? That is what was said. They had "determined" the matter.

Mr. THOMSON: I know that the Premier was invited to go to Melbourne to discuss these matters. I do not blame him for what he did, because he acted honestly in accordance with his views.

The Premier: We were not invited to go there to discuss these matters, but to receive the "determination" of the Government.

Mr. THOMSON: That is not correct.

The Premier: It is absolutely correct.

Mr. THOMSON: Well, I say it is not.

The Premier: You must have some more reports.

Mr. THOMSON: As a matter of fact, the Prime Minister, dealing with the 1923 conference, said—

After that conference I telegraphed to all the States, pointing out that we had not all the necessary statistics to enable us to arrive at a decision

Then he went on to say—

I recognise that this question of the per capita payments to the State is one entirely within the discretion of the Commonwealth Parliament, but I think it is essential that the State representatives should come here and be afforded an opportunity to discuss any proposals that may be put forward by the Commonwealth.

The Premier: Of course we discussed the proposals put forward by the Commonwealth. Those proposals were definite on this principle.

Mr. THOMSON: Then the Prime Minister went on—

To deal with such a question by way of correspondence would be impossible.

The Premier: I say that, too, and these were his proposals.

Mr. THOMSON: Continuing, Mr. Bruce said—

The only alternative to a conference such as we are now holding would be for the Commonwealth Parliament to take such action as it thought wise, without any opportunity being given to the States to put their point of view or to discuss any matters connected with Commonwealth proposals which appeared to them to work inequitably to the States.

The Premier: That is to say, the point of view of the States as to such proposals.

Mr. THOMSON: The Premier and his fellow Treasurers were invited to Melbourne to discuss the proposal. We are discussing a proposal made by the Premier to-night that we shall carry a certain motion. We must have a basis to work upon, and surely to goodness the Premier will not argue logically that the Prime Minister asked the Premiers of the various States to go to Melbourne to discuss matters which he did not propose to place before them.

The Premier: I have not said any such silly thing.

Mr. THOMSON: You inferred it.

The Premier: You are going round and round trying to make black white.

Mr. THOMSON: I propose to quote on or two other remarks to back up my argument that we should later on at least endeavour to discuss and alter the present proposal. I regret quite frankly that the Federal Government have not carried out the recommendations of the Federal Disabilities Commission in their entirety. The report of the Federal Commission shows that the Chairman and Mr. Entwistle, one of the Royal Commissioners, put forward the following recommendation:—

That until the State of Western Australia is granted the right to impose its own Custom and Excise tariffs, the Commonwealth shall pay to the State a special payment of £450,000 per annum, in addition to the 25s. per capita payment made in accordance with Clause 4 of the Surplus Revenue Act of 1910, the aforesaid special payment to include the special annual payment now being made to the State of Western Australia in accordance with Clause 5 of the said Act. The above special payment of £450,000 to commence on the 1st July, 1924.

I deplore the fact that the Commonwealth Government have not given effect to the full recommendation of the Royal Commission.

The Minister for Agriculture: Who is responsible for that?

Mr. THOMSON: The Federal Government appointed the Royal Commission, and on the evidence that was submitted the Commission advanced two alternatives. The first was that we should have control of our Customs for 25 years. I would prefer that because it would mean a considerable reduction in the cost of living for our people almost immediately.

The Minister for Agriculture: A Federal Labour Government would have given that to us, for that was Labour's policy at the last election.

Mr. THOMSON: That is a matter of opinion.

The Minister for Agriculture: You know it was their declared policy.

Mr. THOMSON: That is not borne out by statements made by some Labour members who spoke in the Federal Parliament when this matter was under discussion.

The Minister for Agriculture: But it was their definite policy during the election campaign.

Mr. THOMSON: Mr. Scullin, the Deputy Leader of the Federal Parliamentary Labour Party, stated clearly that his party stood solidly for unification.

The Minister for Agriculture: But your representatives are the strongest unificationists of all.

Mr. THOMSON: That is not so.

The Minister for Agriculture: And you are merely trying to force unification.

Mr. THOMSON: I am not.

The Minister for Agriculture: Dr. Page is the greatest unificationist in Australia.

Mr. THOMSON: That statement is not correct.

Mr. SPEAKER: Order!

Mr. THOMSON: Dealing with another phase, Commissioner Entwistle submitted the following report regarding the position of Western Australia:—

In my opinion Western Australia should never have entered Federation, but, having done so, there is, I feel convinced, only one complete and satisfactory remedy for her present disabilities, namely, secession. If that event occurred, all other recommendations in this report would become unnecessary. As, however, it cannot be taken for granted that secession will take place, I have joined in recommendations having the object of relieving at least to some extent the present financial disabilities of the State of Western Australia.

To indicate why our people advocate relief and built up a case to prove that Western Australia had suffered disabilities under the Federal tariff, we find that Mr. Carroll, as general secretary of the Primary Producers' Association in this State, and now a senator, in his evidence informed the Royal Commission that the association in Western Australia had 180 branches, with a membership of 2,500, the branches being situated mostly through the Great Southern districts, the Eastern portion, and as far north as Geraldton. In the course of his evidence Mr. Carroll said—

Western Australia, under the Constitution, was compelled to surrender control of her Customs House before she had time to reap the benefit that might reasonably be expected to have accrued to her as a result of its retention. At that time her agricultural industry was in its infancy, and her secondary industries were practically non-existent. During the intervening years her primary industries have made some progress, but her secondary industries, exposed as they have been to the unrestricted competition of the more advanced and highly developed Eastern States, have not progressed at all, the result being that our primary industries have suffered considerably through the non-absorption of their unexportable products. Whatever benefit the protectionist policy may have conferred upon any other State in the Commonwealth, it has not

only failed to confer any benefit, but has actually imposed an enormous burden upon the producers of this State.

The Minister for Agriculture: And your party still impose that tariff!

Mr. THOMSON: If I were the Minister for Agriculture I would not interject, because the avowed policy of the Labour Party is absolute prohibition so far as the tariff is concerned.

The Minister for Agriculture: How do you know? Why not be sincere about the matter? Your party is almost wholly protectionist in the Federal Parliament. Why not be honest about it?

Mr. THOMSON: Surely the hon. member has forgotten.

Mr. SPEAKER: I must ask the hon. member to keep to the subject matter of the motion.

Mr. THOMSON: I will do so, Mr. Speaker. I am dealing with the policy of the Labour Party in the Federal Parliament. A plank of their platform sets out the following:—

Unlimited legislative power for the Commonwealth Parliament, and such delegated powers to the States or provinces as the Commonwealth Parliament may determine from time to time.

That is the policy of the Labour Party, and yet the Minister for Agriculture says that a Federal Labour Government would give us the relief suggested.

The Minister for Agriculture: The policy of your party is one of high protection.

Mr. THOMSON: I am protesting against the high tariff. I would ask the Minister whether the tariff has increased or decreased since the Royal Commission's report was issued.

The Minister for Agriculture: It has increased.

Mr. THOMSON: And on every occasion the increase has been carried by the vote of those associated with the Minister in his political movement, and they are the strongest supporters of high protection. As a matter of fact, there is only one section of Australia desirous of tariff reduction and that is Western Australia. I am hopeful that we shall be able to induce other parts of Australia to see our point of view and fall into line.

Mr. Latham: Even their own senator voted for the increased tariff on machinery!

Mr. Marshall: What did Senator Pearce do?

Mr. THOMSON: In order to show how justified I am in my contention that we should receive a greater percentage of revenue from the Commonwealth than we are receiving at the present time, I will quote the following reference from the report, setting out that the Commonwealth Tariff Board (Messrs. R. McK. Oakley, Chairman, W. Leitch, and H. Brooks) considered it true that—

Whatever additional cost the policy of protection may add to the price of goods and material imported by the Australian consumer, the citizens of the Eastern States gain as a compensating advantage the presence of a large production and manufacture. Such is not the case with Western Australia, which is so placed that at present it has to bear whatever burden may arise under the protectionist tariff without reaping any of the accompanying advantages.

When we come to the majority opinion of Messrs. Higgs and Entwistle, we find their views set out in the Royal Commission's report as follows:—

Your Commission is of opinion that if the State of Western Australia had not joined the Federation, that State might have imposed Customs duties partly protective and partly revenue-producing, and derived advantage therefrom: that having joined the Federation, whatever benefit the Commonwealth protectionist policy may have conferred upon other States of the Commonwealth, it has not benefited the State of Western Australia; that the primary producers of the State of Western Australia have to pay more for their agricultural machinery, etc., than the primary producers of the Eastern States; that the primary producers of the State of Western Australia have not the benefit of home markets like Sydney with its 1,008,500 population, or Melbourne with its 885,700 population—home markets of such value that three-fourths of the primary products of New South Wales and Victoria, other than wheat or wool, are consumed within those States; that the primary producers of the State of Western Australia have to sell their products in the markets of the world; that it is impossible to give the primary producers of Western Australia relief by way of reduced Customs duties without injuring the secondary industries of the Eastern States; and that the only effective means of removing the chief disability of the State is to restore to the State, for a period of years, the absolute control of its own Customs and Excise.

I have dealt briefly with this subject, which is of very great importance to Western Australia. I regret that one has not had an opportunity to go more fully into the matter, and I sincerely trust that the House will agree to the amendment I propose to move. Both the Premier and the Minister for Works have accepted the principle that, in view of her developmental requirements, Western Australia should receive a larger

grant for road purposes than would be hers if she were paid on a per capita basis. That being so, I hope the House will see fit to accept my amendment. The Premier proposes that the financial relationship between Commonwealth and States should be considered at a constitutional session of the Federal Parliament.

The Premier: No, the motion does not say that.

Mr. THOMSON: But it does, for it declares that there should be no departure from the basis upon which the financial relationship between Commonwealth and States has rested, without the fullest consideration at a constitutional session of the Federal Parliament. I think my amendment will secure for us better consideration than we could expect from the Federal Parliament. I say our claims should be considered at a properly convened convention whereat the States shall have equal representation. Since we have only five members in a House of 75, what hope have we of getting satisfactory consideration in that House? We should be likely to get a much better deal at a properly convened convention. By the Premier's own statement, a financial proposal, not nearly so good as the recommendation of their own Commission, was received coldly. The present system is admittedly wrong, for this State is providing work for thousands of men, and the Commonwealth are paying at the rate of 25s. per head of population. It has been said that for a considerable number of years our group settlers will not pay any income tax. That, also, is a matter that could be discussed at the proposed convention.

Mr. Mann: Will the other States agree to that convention?

Mr. THOMSON: I do not know. I am speaking from a purely West Australian point of view. I am out to protect the interests of Western Australia. That is my first duty to the people of Western Australia. I move an amendment—

That all words after "a" in line 5 be struck out and the following inserted in lieu:—"properly convened convention at which each State shall have equal representation, and that no alteration of policy should be accepted by this State which does not provide for a more equitable and scientific distribution of Federal surplus revenue, based on the proportionate needs of the States, and have special regard to the disabilities of the more extensive and sparsely peopled States where the basis of payment should be at a higher rate than to the more populous States."

It has been said that the Federal Government had no mandate from the people for the suggestion that they should take over the North-West. In my opinion the people resident in the North-West should be left to say whether they desire to remain part and parcel of Western Australia.

Mr. Teesdale: Hear, hear!

Mr. THOMSON: I am not advocating that the North-West should be developed by the Commonwealth.

The Premier: The North-West has nothing to do with the question before the House.

Mr. THOMSON: Yes, there are up there 6,000 people on whose account we receive in capitation payments over £6,000. If the people resident in the North-West are taken over by the Commonwealth, they will be in a happier position than are we in the southern part of the State, for they will have but one income tax to pay, whereas we have to pay two.

MR. LAMBERT (Coolgardie) [8.42]: This is not a question for party views, and I am pleased to see that although we may differ as to the method of payment to the States, we are going to show a united front in our determination that the Federal Government shall not filch from us revenue that is essential to the development of Western Australia. The Leader of the Country Party was merely quoting the Federal Attorney General when he said the principle of one authority gathering taxation for another to spend was unsound.

Mr. Thomson: I didn't mention it.

Mr. LAMBERT: Perhaps not in those words, but you conveyed that impression to my mind. As a matter of fact it is expressly provided for in the Constitution, not only in the matter of one authority gathering revenue and another spending it, but also in respect of one central authority borrowing money and the other authorities spending it. That was one of the reasons for Federation. This is possibly the most important question that has been raised in the House since I have occupied a seat here. It is a most serious matter that the Federal Government, situated hundreds of miles away, should at every possible opportunity seek not only take from the State one of its main sources of revenue, but to interfere with the internal Government of the State. I hope that will be resented and resisted by every member of this Parliament. Recently an

Aid Roads Bill has been introduced in the Federal Parliament, and it is receiving the commendation of the Minister for Works, but if support of the proposals therein contained means interference with the policy of road making in this State, the measure should be resisted.

Mr. Marshall: They have done that up to date.

Mr. LAMBERT: I should give the Federal authorities no powers beyond those set out in the Constitution.

Mr. Thomson: We shall be very glad to get those roads in some of our districts.

Mr. LAMBERT: That is all very well. Roads are convenient and necessary, but I would accept no money for roadmaking or for any other purpose if it meant a filching by the Commonwealth of the powers essential for the best government of this State. The best government of this State cannot be provided from Melbourne or from Canberra. Our chief trouble, as mentioned by the Premier and other speakers, is that we are isolated, practically unknown and forgotten. If we continue year after year making financial bargains and permitting the Federal Government to filch important powers from us, we shall ultimately find ourselves involved in a system of vicious unification or probably something very much worse.

Hon. G. Taylor: Our financial poverty is weakening our dignity.

The Minister for Lands: That sometimes applies to individuals as well.

Mr. LAMBERT: We can remain poor and still be dignified. The need for constructing roads and other works will be as pressing in 10, 30, 50 or 100 years hence as it is at present. No temporary expedient by any Government or Minister should be permitted or pardoned by this House, which should jealously guard the sovereign rights of the State. Notwithstanding the need for constructing roads and railways, for developing the North-West and for carrying out many public works dear to us, we should not permit the Federal Government to feel that they have merely to pass another dole to us—

Mr. Thomson: It is rubbish to talk about doles.

Mr. LAMBERT: Does the hon. member mean to say that the present proposal of the Federal Government is not a dole? Does he mean to say that the Bruce-Page Government were sincere in their desire to give effect to the recommendation of the Disabilities Commission when, instead of discussing the merits or demerits of the recommenda-

tion, they asked us to accept a dole while they took from us a far more valuable consideration?

Mr. Thomson: If I were Treasurer I would regard it not as a dole, but as a right.

Mr. LAMBERT: A right!

Mr. Thomson: Yes; the Royal Commission said it was a right.

Mr. LAMBERT: They said nothing of the sort. They recommended as a tentative proposal that a certain amount should be granted until the Customs and Excise were taken over by the State Government.

Mr. Thomson: The grant of £450,000 was the alternative.

Mr. LAMBERT: That was a proposal altogether different from calling the State Premiers to Melbourne and saying to them, "Here are our proposals; we propose to take from you the per capita payments and substitute something else for them."

Mr. Thomson: I thought you regarded the 25s. per capita payment as a dole, too.

Mr. LAMBERT: It is altogether different. Not alone the Federal Constitution but the recommendations of the Disabilities Commission clearly indicate the intention that the States, for all time, should receive portion of the Customs and Excise revenue. It would be a most dangerous departure to accept any other system of contribution from the Commonwealth. The Federal Government, however, in their frantic desire to bolster up the big manufacturing cities of the Eastern States, will continue incessantly to pile up duties to the detriment of this State, which is trying to struggle along with primary production alone.

Mr. Thomson: And the more you bolster them up, the more you will give them under the present per capita system.

Mr. LAMBERT: Quite so. I do not say that a contribution on a per capita basis is the last word in fairness.

Hon. Sir James Mitchell: Something more might be said, but you must say that much. We must have something definite.

Mr. LAMBERT: Yes, something definite. I do not intend to argue the merits of the area and population basis of distribution, but until we can definitely determine the financial relationship between the States and the Commonwealth, we should resist any alteration whatever.

Mr. Thomson: How do you propose to alter the present condition of affairs?

The Minister for Lands: There is only one way. revolution; collar the Customs.

Mr. LAMBERT: If the Minister for Lands had made use of those words when

giving evidence before the Disabilities Commission, he would probably have done this State incalculable good. Instead of that he told the Commission that he regarded the matter of controlling our own Customs and Excise for an indefinite period as being beyond the pale of practical politics. I will never concede that the controlling our Customs and Excise is beyond the pale of practical politics. If Parliament did nothing else next session than to focus attention upon the need for controlling our finances through the Customs and Excise, more good would be accomplished than by all the legislation we could pass. For the well being of the primary producers of this State, it is essential that we should have control of our Customs and Excise for a reasonable time, if only for 25 years. That would enable us to build up other industries simultaneously with primary production.

The Minister for Lands: We could only put a protective tariff on ourselves.

Mr. LAMBERT: That is true, but it would be more in keeping with the needs of the State and would be more flexible than would a tariff framed for Eastern States manufacturers only by people who know practically nothing of the requirements of this State. The "Australian Manufacturer," the mouthpiece of the manufacturers of Australia, says that the Labour Party, like all the other parties, drew their best men to the Federal Parliament and left the political riff-raff to run the State Parliaments of Australia. I am not over-sensitive about their valueless comment, but it is well to remember that a journal of that description has ventured such an opinion. What is the actual truth? With the greatest deference and respect to those who constitute the Federal Parliament, it can truthfully be said that nearly every one is a reject of a State Parliament or a man who could never win a seat in a State Parliament.

Hon. G. Taylor: That applies to all parties?

Mr. LAMBERT: Yes; it is a non-party matter. The paper made it quite clear because, as regards the hon. member's party, the fact was so evident that there was no need to emphasise it.

Mr. Richardson: As regards your party there are not many in the Federal Parliament.

Mr. LAMBERT: A perusal of the latest Federal Budget shows how the Common-

wealth Government are spending money. As a result of protection the primary producers have to pay through the Customs for the bolstering up of big centralised industries in the Eastern States. The Federal Attorney General says it is quite in the natural order of things that all the big industries of Australia should be centred in the more densely populated cities.

Mr. Sampson: Support to Eastern manufacturers has become a habit with the Federal Parliament.

Mr. LAMBERT: Admittedly, and the Federal Government are granting support in every possible direction, and thus absorbing their revenue. The high protective duties are bad enough in their way. I do not disagree with the policy of protection. I am a sufficiently good Australian to realise that it is the only conceivable way of building up the industries of Australia. We must protect our industries against the cheap labour of other countries.

Mr. Griffiths: But we should not run mad over protection.

Mr. LAMBERT: That is so. The Federal Government bolster up industries not only by means of protection but also by bonuses. Here is a list of the bonuses as printed in the Press a few days ago. The largest amount paid was to New South Wales, last year, a sum of £879,000. This was mostly in connection with steel bounties to the B.H.P. and other big steel companies.

Mr. Lindsay: And the duty in addition.

Mr. LAMBERT: Yes. Victoria was granted £672,000, principally in connection with canning and dried fruits. Queensland received £360,000, South Australia £270,000, and Western Australia £127,000, the principal time being wire netting, £64,000, for the keeping out of rabbits.

The Minister for Lands: That has to be repaid.

Mr. LAMBERT: Certainly.

Mr. Griffiths: That is not a bonus.

Mr. LAMBERT: No. It is put there to show the amounts paid to the different States. There has recently been constituted a new board of science and industry. There is provision in the last Federal Budget for the investment of a quarter or half a million of money, the interest from which must go to the carrying out of scientific investigations into Australia industries. I do not suppose

this will have anything to do with Western Australian industry. We saw the shameful exhibition over the small laboratory that was doing good work in connection with our forests. This was filched away from us and taken to the other States.

Mr. Thomson: You ought to support my amendment.

Mr. LAMBERT: The Commonwealth authorities do not wish to do anything for the creation of big industries in Australia, and the exploitation on sound and economic lines of the big rivers of wealth that flow in Australia. Let them come to this State and spend £50,000 or £100,000 a year in the one place that is backward in production. Notwithstanding that this was the only State in the union that had no woollen mill, the Commonwealth Government squandered thousands and thousands of pounds during the war in the other States. People talk about preserving the Australian outlook. If we look after the business of the States, the Commonwealth will look after itself. As the Leader of the Opposition ably said, the Federal people have not the capacity to produce anything. The States control all the big essentials in commerce and industry. They are the main springs in the development of the Commonwealth, as a country, in the expansion of the primary industries and so forth. In these matters the States are supreme. If we hand our powers over to the Commonwealth, God help the States! I hope this House will make a bold and courageous bid to control the Customs and Excise in Western Australia. Let us show a united front to a common enemy, in which light the Federal Government must be regarded if they go on as they propose to do. I am not so much concerned about book entries or as to whether the Treasury receives £100,000 or £200,000 a year. What I am concerned about is the almost limitless wealth of Western Australia of which the Federal Government seem to be heedless. They pay no regard to our present needs. They may say they will find money for roads if we will allow a Federal Public Works Department to poke their noses into our business. Rather than allow that, I would prefer to go without the money. We should have preserved that attitude in other directions. Whilst the Federal Government may have contributed to the war sinking fund over £4,000,000 last year, nevertheless they had a surplus of £2,000,000. They now want

to filch away the paltry amount that this State has received in the past and has spent in the progress and development of Western Australia.

MR. GRIFFITHS (Avon) [9.5]: I wish to draw the attention of the Premier to the statement of the Federal Treasurer in the Commonwealth Parliament when bringing down his State Grants Bill, and would like to have an expression of opinion from the Premier as to what he thinks of the remarks. Dr. Earle Page said—

The State authorities were afraid to discuss the matter, for they knew the Commonwealth figures were incontrovertible. It was for that reason they adopted the attitude they did, and that we witnessed such a farce at the conference held in Melbourne.

I should like to hear what the Premier thinks of that.

The Premier: I shall be happy to oblige you.

Mr. GRIFFITHS: The Federal Treasurer went on to say that the discontinuance of the payment of subsidies by the Commonwealth to the States had been regarded as inevitable ever since Federation was first entered upon. I think we would never have entered into Federation had we not considered that it was implied in the Constitution that for all time the States would receive three-fourths of the Customs revenue. When the first referendum was held in New South Wales the people of that State would not agree to it. I think the Premiers were called together at the instance of the late Sir George Reid. He held the opinion that the Federal authorities would some day have to impose excessive duties in order to get sufficient revenue. I take it that any alterations that have been made contrary to the spirit of the Constitution were brought about largely from what took place then. I am pleased that the Commissioner of Taxation has placed before us the document he did. It is very interesting. I gather that if the arrangement at present in vogue does not stand, the Commonwealth are going to take from us the more solid sources of income and leave us with those that are least reliable. They propose to surrender a sum of £375,000, and to take from us £564,000, leaving us about £188,000 to make up. This will mean on the land tax that we shall have to add 53.75 per cent. to make good the deficiency, 33 per cent. to make up the loss on

income tax, 27 per cent. to make up for the loss of taxation on companies, and 69 per cent. to make up the loss on probates. There is no morality in this proposal. An obligation was cast upon the Commonwealth to give to the States three-fourths of the Customs revenue. We have been discussing to-night the Braddon blot. I do not know whether the latest proposal should be called the Page blot. That is how I shall regard it if this proposal is persisted in. I agree with practically all the member for Coolgardie (Mr. Lambert) has said.

Mr. Lindsay: Surely not all he said about Protection.

Mr. GRIFFITHS: I do believe in a revenue tariff, and that our struggling industries should be encouraged, but I do not believe in running mad over the business. A certain amount of taxation is necessary in a new country, but there is no necessity to go mad over it. In the amendment that has been moved by the Leader of the Country Party there is no thought of opposing the motion. I think he believes it will lead to our getting a better result if a convention is called, rather than if we wait until the Federal people decide this question for us. The amendment is brought forward with the idea of assisting the movement and not in any spirit of antagonism. It would be far better if the amendment were carried. The per capita payment must be taken as the basis on which we are going to make our claims. The present Federal proposals are unmoral. They mean breaking a contract that was entered into when the Constitution was framed. I have pleasure in supporting the question before us, and shall of course support my leader in his amendment. If the amendment is not carried, I shall support the motion as it stands.

MR. ANGELO (Gascoyne) [9.12]: The thanks of the House and the State are due to the Premier for bringing this important subject so early before us. They are also due to the Leader of the Opposition and other speakers who have endorsed his action. I hope that the motion, with the amendment added, will be carried unanimously to show the Commonwealth Parliament that this State enters an emphatic protest against any further encroachment upon its sovereign rights. Everyone will agree that the history of Federation has been one of consistent interference with the activities of the States and with the sovereign rights

of the States. A reference to the debates on the Constitution which created Federation will show that the estimated cost of running the Commonwealth was between £800,000 and £900,000 a year. In the course of 25 years the expenditure has run into about £60,000,000 a year. No doubt part of that is due to the war, but if we deduct the cost of the war and the subsequent expenditure due to the war, we find there has been an extraordinary increase in the cost of Federation. I feel sure from what we have heard to-night, and have heard in the past, that there has been great extravagance on the part of Federal Administrations in the carrying out of their activities.

Mr. Griffiths: During the last four years the Federal Treasurer received 40 millions more revenue than in the preceding four years.

Mr. ANGELO: The first Federal Treasurer, Sir George Turner, realised what the States would require in order to carry on their various activities, and he agreed to the refunding of three-fourths of Customs and Excise revenue. But it was not long before other Federal Treasurers came along and found that they had to encroach on the rights of the States owing to Federal extravagance. The first big steal was the Surplus Revenue Act, for which we have to thank Sir William Lyne. Incidentally, I may mention the extraordinary fact that even one of our own great Federal members, one who criticised that measure, called it dishonest, and in every way opposed it, and later on when holding the high office of Federal Treasurer did little to rectify the position. When we send members over to the East, it is not long before they become imbued with the Eastern environment. They inhale the Eastern atmosphere, and forget all about the sovereign rights of the States who sent them to the Federal Parliament. Another gross injustice was the establishment of the Commonwealth Savings Bank. I am not referring to the Commonwealth Bank as a whole, but to the Savings Bank part of the institution. From that we have lost probably half a million by way of an extra interest bill, inasmuch as the State was deprived of an avenue for obtaining cheap money. Then there was the note avenue, which again deprived us of a similar opportunity. And so it has gone on until there is this last attempt to deprive us of the 25s. capitation grant. I hope this Parliament will enter a most emphatic protest, showing the Federal Government that even

a worm will turn, that we have come to the end of our willingness to be imposed upon in this manner. As regards the motion and the amendment, I shall vote for the latter, but not because I think it will in any way defeat the Premier's object. I shall vote for the amendment because, in my opinion, it represents a better way of getting to the point we hope to reach. The Premier's motion suggests that we leave it to the Federal Parliament to see what is to be done.

The Minister for Lands: The Federal Parliament has the power.

Mr. ANGELO: Quite so. But, after all, as has been pointed out by the Leader of the Country Party, Western Australia and Tasmania have only five members in a House of 75—voices crying in the wilderness.

The Premier: Why not say that Western Australia and Tasmania have six members each in a House of 36, the Senate?

Mr. ANGELO: Yes, but what is the Senate? The other House deals with financial matters, at any rate. The reason why I am so keen on the convention is that the framers of the Federal Constitution realised the necessity for holding a convention after Federation had been in vogue for some time. They suggested a period of 20 years. When Mr. Hughes was Prime Minister, seven years ago, he endorsed that opinion and promised a convention. He agreed that the convention which had been promised by the framers of the Constitution would be held at the end of 20 years of Federal life; but as soon as he found that the smaller States, South Australia, Western Australia, and Tasmania, were preparing a case for the convention, he simply announced that there would be no convention and that the Federal Parliament would rectify any anomalies and would frame any necessary constitutional amendments. Thus Mr. Hughes broke not only his own promise but the pledge given to the States by the framers of the Constitution. The House might say that there is no hope of getting the convention, since it has already been proved that the Prime Minister of seven years ago went back on his promise in that connection. Hon. members may therefore argue that it is unlikely we shall get a convention under the auspices of the Federal Government. But there is nothing whatever to prevent the States from holding a States convention, and thus to a certain extent ignoring the Federal Parliament altogether.

The Minister for Lands: What good would that be? No good.

Mr. ANGELO: All I can reply is that the States created the Constitution and surely to goodness the States can alter or amend it.

The Premier: They cannot.

Mr. ANGELO: Does the Premier mean to say that if the six States came together and demanded certain amendments of the Constitution, those amendments could be refused by the Federal Parliament? The Federal Parliament dare not refuse them.

The Minister for Works: The Federal Constitution lays it down how amendments are to be made, and they must be made in that form.

Mr. ANGELO: Who created the Federal Constitution?

The Minister for Works: The people by their votes.

Mr. ANGELO: Nothing will convince me that the six States, having created the Federal Constitution, cannot amend it. If the Federal Government will not listen to amendments suggested by a properly constituted States convention, then surely there must be an appeal to the British Parliament to allow such amendments. The authority that has created a thing can, in my opinion, amend it, if not undo it altogether. It is worth trying. We may be told that we would not get anything from a States convention at the present time, but this is a psychological moment, because all the States are opposed to the present effort of the Federal Government, as has been stated by the Premier and the Leader of the Opposition. Therefore, I think it probable that a States convention would be agreed to, and that each State would send a duly elected representative to such a convention. Then the whole Federal Constitution would be thrown into the melting pot. That, I contend, is the only legal and constitutional way we have of getting over our disabilities and doing away with the various anomalies. Let us not forget that if we want to secure proper and equitable treatment for all the States, it is necessary not only to do away with disabilities but also to curtail the undue advantages enjoyed by the larger States at the present time. I do hope the Premier will agree to the amendment and endeavour to induce the Premiers of all the other States to agree to a States convention.

MR. DAVY (West Perth) [9.23]: I did not intend to say anything on this matter, but I fear that the amendment may be carried, and I would like to say why I do not think it should be. In the first place, there

appears to be a certain amount of misunderstanding. It is quite clear, in my opinion, that what we are debating is not a constitutional question in the true sense of the word. It is entirely in the hands of the Federal Parliament if it thinks fit to pass an Act altering the grant to Western Australia and to the States generally. As a pure matter of law, the Federal Parliament could pass an Act to-morrow wiping out the per capita payment and substituting something for it or substituting nothing for it. So that any convention or any other procedure would be merely extra-legal, would be merely a means of satisfying the consciences of Federal members, or giving them an opportunity of deriving the community's opinion on the subject. The resolutions of such a convention as has been suggested would not be binding on the Federal Parliament, which might still go on with the course it proposes. I do not think there is any argument about that.

The Premier: The Constitution is not affected by the proposed action at all.

Mr. DAVY: No; not any more than the referendum taken on the conscription issue had any legal relevancy.

Mr. Thomson: I am not suggesting it had.

Mr. DAVY: I do not say the hon. member suggested that it had. However, it is the latter part of the amendment I do not like. The first essential is to make it clear that we are entitled morally and logically to a share of the Customs revenue on a per capita basis. We went into Federation and surrendered what was Western Australia's sole source of revenue at the time, namely, its Tariff revenue. It was agreed that we should roughly receive back what was taken from us, less, of course, the expense necessary for the Federal Government to carry on; and that is the 25s. per head. We ought to make it perfectly clear that primarily we insist upon that continuing. If we agree to the amendment, we are suggesting that we would be ready to consent to waive that right and take instead something quite different, something which might or might not be a satisfactory proposition to us. We want to have the continued guarantee that we shall receive our fair share per head of the population of that revenue which was taken from us when we went into Federation. If we suffer from disabilities—and of course we do—which ought to be remedied, the remedy should be effected in an entirely different way. I hope the House will stand by the Premier's motion, thus making it quite clear

that we are not going to agree to any financial scheme which does not continue that arrangement upon which we entered into Federation.

THE MINISTER FOR LANDS (Hon. W. C. Angwin—North-East Fremantle) [9.27]: The last speaker has put the matter very clearly. Looking over the reports of some Premiers' conferences, it appears to me that the question whether the per capita payments to the States were or were not payments from Customs revenue arose for the first time at the 1923 conference. I believe the question was raised by Dr. Earle Page, then Federal Treasurer. Sir James Mitchell took the definite stand that the payments made to the States were made from Customs revenue. The Leader of the Opposition can bear me out in that. An attempt was made on that occasion to imbue the minds of the Premiers present with the belief that Customs revenue was used for the purpose of meeting war costs and that increased taxation in the form of income and other taxes was used for the purpose of making per capita payments to the States. The Premiers present would not accept that view, but strongly objected to it. The present position is as follows:—The Premiers met in Melbourne in order, as they thought, to discuss the Commonwealth Government's financial proposals as affecting the States. After our Premier had left, we got the proposals submitted to us; and in those proposals the Commonwealth used the words that they were "determined" to settle the financial position on a certain basis. They were "determined" to do it.

Mr. Thomson: That is different from what Mr. Bruce said. I quoted him.

The MINISTER FOR LANDS: I do not care what Mr. Bruce said. Here are the words used—

The Commonwealth now is determined . . . to discontinue the per capita payments, and to adjust its financial relationship with the States on the following basis.

Those are the words used in the statement accompanying the proposals sent to the various Governments. It was further laid down that at the conference to be held, the general conference was not to take into consideration the additional financial arrangements that would be provided to assist Tasmania and Western Australia. Those matters were to be entirely as between the Premiers of the

States concerned and the Federal Government. Thus the Premiers of the States took up a definite attitude. The Customs payments furnished the 25s. per capita payments to the States and I maintain that the Premiers were correct in their attitude. They said they did not wish to discuss any other question dealing with the financial position unless it were laid down clearly that the per capita payments and so on must be adhered to as formerly. What was the good of discussing the question as to whether the figures furnished by the States or by the Federal Department regarding taxation, were correct?

Hon. Sir James Mitchell: We want our 25s. per head per annum.

The MINISTER FOR LANDS: Yes, and that is what the Federal Government want. That is what they were definite upon. Naturally the Federal Government would have liked the State Premiers to embark upon a general discussion regarding the taxation proposals, but the Premiers were firm in stating that they desired to retain the per capita payments and there was no necessity to discuss it. There was no necessity to discuss the question whether the figures relating to the taxation received during the year were right or wrong, because the Premiers had no intention of doing anything in that regard. This is a very serious matter for Western Australia, because everyone contributes to the Customs and everyone does not contribute to our taxation. Hon. members must realise that the people who are contributing to the funds of the State now will continue to contribute to the Commonwealth Government, but will be called upon to make good the deficiency through the relinquishing of the per capita payments. The amount must be made up by the few taxpayers we have in Western Australia.

Mr. Thomson: My amendment does not support that suggestion.

The MINISTER FOR LANDS: I know it does not. But what is the use of referring the matter to a convention as the hon. member suggested? The member for Gascoyne (Mr. Angelo) supported the proposal. Those hon. members know that we spent a considerable time over the commission appointed for the purpose of determining the questions to put before a convention. On all hands we met with difficulties regarding the surplus revenue and other similar questions. We

were told that the Federal High Court had already decided that those Acts were in accordance with the Constitution and, therefore, if a convention were held to deal with any of the questions at issue, the report would have to go before the Federal Parliament to be dealt with there. Who comprise the Federal Parliament? Representatives of the people just as we ourselves are!

Mr. Thomson: Yes, 28 representing New South Wales, 20 representing Victoria, and 5 representing Western Australia.

The MINISTER FOR LANDS: That is in the House of Representatives. There is the Senate.

Mr. Thomson: But you know that the Senate cannot interfere with the finances.

The MINISTER FOR LANDS: The Senate can refuse approval. If a Federal convention were held and the Federal Parliament did not give effect to the views indicated by the convention, what chance would there be if we appealed to the British Government? The Federal Parliament could inform the Imperial Parliament that the people of Australia were behind them.

Mr. Thomson: But would not the Senate take those views into consideration?

The MINISTER FOR LANDS: It would all depend.

Mr. Thomson: If we had smaller States, that might affect the position.

The MINISTER FOR LANDS: We are not dealing with that question, but at any rate I am not too fond of the smaller States proposal. I regard the book written by Dr. Page on unification as the silliest I have ever read. I am not a unificationist and I have made that statement from the public platform on many occasions. I am doubtful about the position because the Prime Minister is being bluffed by Dr. Earle Page.

Mr. E. B. Johnston: No, they are working very well together.

The MINISTER FOR LANDS: I am not so sure about that.

Mr. Latham: At any rate they have increased the tariff very well together.

The MINISTER FOR LANDS: The present Federal Government are endeavouring to induce through action, not through the will of the people, a very serious position. They are taking steps to introduce into Australia means that will bring the States more towards unification to an extent never before attempted by any Federal Government.

Mr. Thomson: I do not agree with you.

Mr. E. B. Johnston: I hope you are not trying to split the Federal coalition party.

The MINISTER FOR LANDS: Consider how the Federal Government have duplicated various departments. That is merely done for the purpose of inducing the people to come to the conclusion that there is no necessity to have two departments doing the same class of work. The people will urge the retention of one department only and that will eventually mean unification.

Hon. Sir James Mitchell: All these proposals make for unification.

The MINISTER FOR LANDS: That is so. Take, for instance, the Federal road grant. That is of advantage to Western Australia and any State Government would be foolish not to avail themselves of the money. In my opinion, however, the principle is wrong. If the Commonwealth Government have too much money, taxation should be reduced.

Mr. Latham: Or else the money should be handed back to the States, who should be allowed to spend it as they think fit.

The MINISTER FOR LANDS: One hon. member referred to the assistance rendered for the purchase of wire netting. While there is not interest charged for a period of years, the farmers will still have to pay for that netting. That proposal was not only an encouragement to the farmers to protect their holdings, but the compulsory provision was included that Australian-made netting had to be purchased, no matter what the price might be. I agree with the member for West Perth (Mr. Davy) that a convention would be useless for any such purpose. At their next session the members of the Federal Parliament may decide to wipe out the per capita payments altogether, and it is our duty to take all steps possible to block them from doing so. That payment of 25s. per head per annum is a fixed amount.

Mr. Latham: And it is certain revenue.

The MINISTER FOR LANDS: Yes; a State Treasurer knows that that amount will be coming in.

Mr. Thomson: Suppose the amount is reduced by 2s. 6d. in the pound per year until it vanishes?

The MINISTER FOR LANDS: I am against any reduction.

Mr. Thomson: I am against that, but still—

The MINISTER FOR LANDS: I believe we should not move one inch. We should

stick to the one point, that we are justly, rightly and legally entitled to the payment of 25s. per head per annum.

Mr. Thomson: A Federal convention might say we were entitled to more.

The MINISTER FOR LANDS: But that is not likely. There is no doubt that this proposal of the Federal Government came as a surprise to many people in Western Australia. No one anticipated for a moment that the Federal Government would propose discontinuing the per capita payments. I have discussed various matters with members of the Federal Parliament and the opinion seemed to be that Western Australia required greater assistance, while nothing was ever suggested that could compensate for the loss of the per capita payment.

Hon. Sir James Mitchell: We want that for all time.

The MINISTER FOR LANDS: Then they talk about relinquishing taxation. Hon. members should remember that taxes are not permanent.

Hon. Sir James Mitchell: That is so.

The MINISTER FOR LANDS: What if we had a drought in Western Australia, such as we had in 1914-15? Where would our taxation be then?

Mr. Maley: What if we had a drought extending over six years?

The MINISTER FOR LANDS: Of course we have had only one actual drought in Western Australia since we have been growing wheat. That drought extended right throughout the Commonwealth. If we did experience a drought, however, the people would not have the money with which to pay taxes.

Mr. Griffiths: And the Federal authorities have increased revenue and the Customs and Excise revenue has increased too.

The MINISTER FOR LANDS: It has gone up 100 per cent., and is a constantly increasing amount. If this amount is not wiped off and there is no increased taxation here, it will mean that we will have £600,000 a year and the special subsidy will decrease by £10,000 a year, but the increased population will make up the difference. If the amount is wiped off, it means £600,000 a year less for the developmental work of the State. This is a question requiring close consideration and we should do everything possible to avoid being placed in the position indicated by the Federal Government.

MR. SAMPSON (Swan) [9.44]: Neither the motion nor the amendment endorses the withdrawal of the per capita grant. That point should be clearly noted. Western Australia has faced so many difficulties and has had so many burdens thrust upon her by the Commonwealth that a great deal of suspicion exists regarding any proposals advanced through the Federal authorities. Undoubtedly the withdrawal of the per capita payments would be in the highest degree disastrous to Western Australia. The equality of the incidence of this taxation is really the point at issue, and the difference between the motion and the amendment. Both motion and amendment set out that the per capita payments should continue.

Mr. Davy: No, the amendment contemplates something different from the per capita payment.

Mr. SAMPSON: The amendment declares that no alteration of policy should be accepted by Western Australia unless that alteration provides for a more equitable and scientific distribution of Federal surplus revenue.

Mr. Davy: But that would be an entire departure from the per capita payment.

Mr. SAMPSON: No, the per capita scheme would remain, but the payments would be more in proportion with the State's needs. That principle has received general commendation in Western Australia, and has been acknowledged by the Commonwealth Government in respect of the grant in aid of roads, under which this State has received an amount second only to that paid to New South Wales; whereas if Western Australia received a grant in aid of roads based as the per capita payments are based she would get a very much smaller sum. The amendment endorses that principle of payment in proportion to needs, and seeks to have it carried into effect so far as a resolution of the State Parliament can carry it. I will support the amendment.

THE PREMIER (Hon. P. Collier—Boulder—on amendment) [9.48]: I do not think the House ought seriously to consider the amendment. It is merely an attempt to make it appear that the Leader of the Country Party is not only opposed to the proposal to withdraw the per capita payments but is desirous of going much farther than the motion goes in order to prevent their withdrawal. This is a most remarkable thing. The hon. member says there shall

no withdrawal of the per capita payments until a convention is held, and unless that convention decides that there should be grants to the State on a more equitable basis in accordance with both area and population. That is what the amendment says. But the Leader of the Country Party, when speaking, said further that he was not arguing that the 25s. should be taken away; that he was not going to accept any such proposal, and that we were entitled to more money. That is the most remarkable somersault I have ever known in this State.

Mr. Griffiths: In what way?

The PREMIER: Listen and you will hear.

Mr. Griffiths: Well, go ahead.

The PREMIER: I was going ahead until I was hurried in so stupidly. I should say you have enough trouble down in the courts scrambling for the U.K.N.A. money, without getting into this.

Mr. Griffiths: I am not there now.

The PREMIER: No, as one of the witnesses said to-day, you are leading your party from behind.

Mr. Thomson: I thought we were going to deal with this question along non-party lines.

The PREMIER: This amendment is an attempt on the part of the Leader of the Country Party to pose as one prepared to go farther than the motion. He does not want the per capita payments withdrawn. He says the payment is not sufficient; that we ought to have more. When the Minister for Lands declared that he didn't approve of the suggestion that the amount should be annually reduced by 2s. 6d. the Leader of the Country Party said "Neither do I." Could one believe that this is the same gentleman who, a few weeks ago, supported the proposal of the Federal Government that the per capita payments should be withdrawn?

Mr. Thomson: On a point of order: The hon. member says I supported the proposal that the per capita payments should be withdrawn. I never made any such statement.

Mr. SPEAKER: That is not a point of order. That is merely a denial. The hon. member has no right to interrupt another member's speech, except with the permission of that member.

Mr. Thomson: Then you will permit me to reply?

Mr. SPEAKER: No. The hon. member must resume his seat. If he have a personal explanation, that is all that is allowed. He must not interrupt when another member is addressing the Chair.

The PREMIER: The Leader of the Country Party complained that he had not had sufficient time to deal with this question, notwithstanding which he managed to occupy time equal to that taken up by the Leader of the Opposition and me. I repeat that the hon. member, who says tonight he is opposed to the withdrawal of the per capita payments and that he wants to go further than the motion, got into the newspapers a few weeks ago in order to support the Federal Government's proposals against the side I was upholding in the Press.

Mr. Thomson: Is it a crime to get into the newspapers?

The PREMIER: No, but in doing so he was supporting the Federal Government's proposal to withdraw the per capita payment.

Mr. Thomson: You are making a statement that is not correct.

The PREMIER: I say the hon. member got into the Press and supported the Federal Government's proposals as against the side I was taking. At the beginning of this discussion I argued one point only, namely, that there should be no reduction in the per capita payments. What, then, was the hon. member's object in getting into the Press and arguing with me about it, if not to back up the Federal Government in opposition to the side I was supporting? Of course he did it. He argued that it was better to have grants made by the Commonwealth Government on the basis of area and population than to be tied down to a per capita payment equal in all States. He said that in the newspaper.

Mr. Thomson: That is what my amendment says.

The PREMIER: But that was not what we were arguing. The point was that the Federal Government said they were evacuating the field of taxation for the States to enter, and that no further per capita payments would be made. That was the whole difference of opinion between the State Governments and the Federal Government. There was no other point, no other argument. In that discussion the hon. member took the side of the Federal Government as against the State Governments. He got into the newspapers.

Mr. Thomson: Why should I not? It is my right. You seem to be objecting to my getting into the newspapers.

The PREMIER: I am not. What I am pointing out is that the hon. member got into the newspapers to take up a certain stand, and has completely somersaulted on that stand to-night.

Mr. Thomson: Your statement is not correct.

The PREMIER: But it is. Now the hon. member would go farther than we go. The motion is not enough for him. He will entirely oppose the withdrawal of the per capita payments. Yet only a few weeks ago he got into the newspaper to support their withdrawal. Having tumbled into a mess, he now tries to slide out of it by moving an amendment.

Mr. Thomson: These are non-party lines!

The PREMIER: Listen to the hon. member talking about non-party lines! He was the first man in Australia to introduce party views into the discussion on the Federal Government's proposals. Consider his sincerity! The miserable hypocrisy of the man is clear to everybody in the country. He talks about party lines, when he was the first man to introduce party politics into the discussion. Did he not say the withdrawal of the per capita payments was being opposed by five State Governments because they were Labour Governments and because the proposal came from the Bruce Government? Was not that proof that he was supporting the Bruce Government's proposals? Moreover, was he not introducing party politics into the discussion? He was the first man in Australia to do that.

Mr. Thomson: I didn't do it in the House to-night.

The PREMIER: No, to-night you did not pursue one inch the road that you pursued during that argument. Of course the hon. member did not do it to-night. To have done so would have been consistent, whereas he is never consistent for 25 minutes at a time. The amendment is the most hypocritical thing ever put before the House. Who could conceive that it is from the man who, a few weeks ago, took an entirely opposite view, and said the Federal Government's proposals were being opposed by five State Governments only because they were Labour Governments and because the proposals came from the Bruce Government? Now he says he did not support the Federal Government's proposal. So little

regard has he for what he says that he will deny to-day what he said yesterday and affirm what he will deny to-morrow. I never heard of such an attitude.

Mr. Thomson: I thought we were discussing Federal politics.

The PREMIER: The hon. member discussed everything on the motion, read every document, every publication for 25 years past, and touched every point of the subject that was wholly and entirely irrelevant. I do not know whether the hon. member does it wilfully, but it seems to me he is constitutionally incapable of stating facts as facts.

Mr. Sampson: He said the per capita payments were wrong in principle.

The PREMIER: He said they were unscientific and ought to be abolished. He lay the blame—

Mr. Thomson: I should like an opportunity to reply to you.

The PREMIER: Oh, yes.

Mr. Thomson: You are a brave man.

The PREMIER: A brave man! I did not run away out of the House as you did last week.

Mr. Thomson: You are a brave man.

The PREMIER: The hon. member got well out of it last week.

Mr. Thomson: You know I cannot reply but I shall prove that you are wrong.

The PREMIER: The hon. member will be incapable of replying to anything presently. It is not possible for him to stick to facts. When I said the proposals were put forward by the Federal Government and the Federal Government would not allow any alternative proposal to be put forward by the Premiers, he denied it.

Mr. Thomson: I quoted what the Prime Minister said.

The PREMIER: The Prime Minister told us we had been brought to Melbourne to discuss the proposals of the Federal Government.

Mr. Thomson: Why did he ask you to go to Melbourne?

The PREMIER: To discuss the Government's proposals, which were for the abolition of the per capita payments, and the Federal Government refused to discuss any other aspect of it.

Mr. Thomson: Not according to the minutes.

The PREMIER: Yes, according to the minutes. Did not the Prime Minister refuse, at the second conference, to meet the Premiers unless they first of all accepted the

principle laid down in his proposals, which provided for the withdrawal of the per capita payments.

Mr. Thomson: We are not discussing the second conference.

The PREMIER: What a genius! The hon. member would like to have an opportunity to reply to me! The second conference met to discuss proposals similar to the first. The two conferences were held to discuss the same thing. What subterfuge is the hon. member introducing now? The Prime Minister said, "I refuse to meet you; a condition of meeting you is that you accept the proposals of the Federal Government for the withdrawal of the per capita payments." Yet the hon. member asks why the Premiers did not discuss matters with the Prime Minister. The only point the Federal Government were prepared to discuss with the Premiers was whether the figures submitted as to the amount of taxation the Commonwealth would be surrendering were correct or not. We refused to discuss that for the simple reason that it had nothing to do with the principle of withdrawing the per capita payments from the States. So the Federal Government decided that they would not discuss any aspect of it except the principle of their leaving the field of direct taxation and ceasing to make the capitation grants to the State. That was the only basis on which the Federal Government would discuss the question with us, and yet the hon. member says we should have discussed the proposals with the Federal Government. He says we did not discuss the proposals on their merits; that we should have offered some suggestion for putting the finances on a sound basis. The hon. member does not know and would not accept the statement that we were not permitted to discuss the question except on the basis of the acceptance of the proposal to withdraw the per capita payments. A week before the conference met the Federal Government announced that they had determined to discontinue the capitation grants and to adjust the financial relations with the States on the following basis. Then the basis was set out. We were confined absolutely to that question, and the defence we adopted was that we would not agree to a reduction of one penny of the 25s. per head of population. That is the position which the hon. member supported.

Mr. Thomson: It is not.

The PREMIER: Well, the cock will crow soon. I do not claim to have an intimate knowledge of biblical history, but I remem-

ber about a denial before the cock crowed thrice. When the hon. member made his statement to the Press, was he supporting me?

Mr. Thomson: I do not wish to support you.

The PREMIER: How is it we happened to be arguing on opposite sides if he was not supporting the Federal Government?

Mr. Thomson: Because you read into my remarks, exactly as you are endeavouring to do here, something that was misleading. I shall read what I said.

The PREMIER: We have had enough reading from the hon. member for one day.

Mr. Thomson: Of course, you do not wish to hear it.

The PREMIER: Why did the hon. member make a statement to the Press?

Mr. Thomson: For the same reason that you did.

The PREMIER: I was opposing the proposal of the Federal Government, and the hon. member appeared with a statement in direct opposition to me.

Mr. Thomson: I did not.

The PREMIER: Then what was he doing?

Mr. Thomson: Endeavouring to point out where you were remiss in your duty to the State.

The PREMIER: Remiss in my duty to the State! If the hon. member were in Parliament for 50 years he would not be able to render as much service to the State as I have done in a week. He repeated that I was remiss in my duty because we failed to put up alternative proposals. As I have pointed out he had no foundation for that statement. Now he comes to the House with an amendment to try to hoodwink the people of the country.

Mr. Thomson: That is not correct.

The PREMIER: Now he would have us believe that he opposed these proposals all along. The "West Australian" published a scathing leading article upon the hon. member. The writer of that article misunderstood him entirely. On the hon. member's statement, he was supporting me.

Mr. Thomson: No. I was not.

The PREMIER: The "Sunday Times" also misunderstood him. Everybody in the State misunderstood him. It was a most remarkable all-round misunderstanding. The hon. member is unfortunate in that everybody seems to misunderstand him. When he writes to the Press and when we listen to

him patiently for hours, we all seem to misunderstand him. He was unfortunate in his inability to make himself understood, though he occupied as much time as the Leader of the Opposition and I together.

Mr. Thomson: You are devoting a good deal of time to me now.

The PREMIER: The hon. member told us that he had been taken unawares, and was not prepared to proceed with the debate. It is a mighty good thing for the House that he did not have sufficient notice, or we would have been listening to him for another hour and a half.

Mr. E. B. Johnston: It was a very good speech.

The PREMIER: In the interests of members we should endeavour to catch him on the hop as often as we can, so that we shall not be forced into listening to such lengthy speeches from him.

Mr. Stubbs: Quote that leading article from the "West Australian."

The PREMIER: I shall not worry the House by reading it, but members will recall it. I am certain that every member of the House was under a misapprehension, and believed that the hon. member was supporting the proposals of the Federal Government. Every member, however, was entirely wrong.

Hon. Sir James Mitchell: The hon. member said the opinion he expressed in the newspaper was his own and not that of the Country Party.

The PREMIER: But he now says that he did not express that opinion at all.

Mr. Thomson: I did not express the opinion that you are attributing to me.

Mr. E. B. Johnston: He wanted something on the lines of the present amendment then as now.

The PREMIER: But that was not the point.

Mr. Thomson: Yes, it was.

The PREMIER: We had no alternative. The Federal Government said their proposal was that they should relinquish the field of direct taxation and stop the per capita payments. That was the only point at issue. The hon. member ranged himself on the side of the Federal Government on that issue, and in opposition to the views he has expressed here. I do not think he will succeed in misleading the people in regard to his amendment, and I am sure the House will not be misled into supporting it.

MR. THOMSON (Katanning—in explanation) [10.13]: I trust I shall be permitted to make an explanation. The Premier has accused me of moving an amendment at variance with the statement of my views published in the "West Australian" on the 3rd July. With your permission, Mr. Speaker, I shall read a portion—

The Premier: I might ask you to read the lot.

Mr. THOMSON: That portion will show that the views I then expressed were on all fours with the amendment I have moved today. It begins—

A study of the figures is convincing evidence that some system more equitable than the per capita system should be evolved.

The Minister for Agriculture: On a point of order, the hon. member is entitled to make an explanation of some statement in this House, but now he is making an explanation of some statement that appeared in the Press, and that is not the question at all.

Mr. Thomson: I knew you would try to block it. Be fair and play the game!

The Minister for Agriculture: I ask you to call the hon. member to order, Mr. Speaker. He is entitled to make an explanation of a statement made in this House in order to clear up any doubt, but he is making a statement regarding something published in the Press, a matter entirely outside this House.

Mr. SPEAKER: The hon. member is entitled to make an explanation, if he has been misunderstood by another member, and to correct any misimpression created by his speech in this Chamber. If, to give a clear view of what he intended to convey, it is necessary to quote the newspaper, he will be in order.

Mr. THOMSON: That is all I propose to do.

A study of the figures is convincing evidence that some system more equitable than the per capita system should be evolved. If we are to keep Australia white we must populate our vacant spaces. The greater the population, the less is the need of Federal assistance for developmental purposes.

Mr. SPEAKER: I do not think that makes more clear anything that has been said. It is introducing new matter, which the hon. member would not be permitted to do in the course of his explanation.

Mr. THOMSON: I submit that I should read this in view of the statement made by the Premier that I have been somersaulting. I want to show that my statement made on

the 3rd July is on all fours with the amendment I have moved to-night. I have only a few more words to add to complete my statement—

The existing system bolsters up the thickly populated and well developed States, and tends to swell the already overgrown cities of the Eastern States.

This shows that my letter of the 3rd July to the Press was on all fours with the amendment I have moved. Another statement was made by the Premier.

Mr. SPEAKER: The hon. member may not make a reply.

The Premier: He is really replying, but I do not mind that.

Mr. SPEAKER: The hon. member cannot make a speech in reply.

Mr. THOMSON: I have no intention of doing so.

Mr. SPEAKER: All the hon. member may do is to make a personal explanation about anything that has been misunderstood by the House in the course of his previous speech, or in the course of a speech of another that is personal to him.

Mr. THOMSON: In the letter I stated that the present financial proposals, while not all I would desire, should certainly receive more consideration than they have had by the smaller States.

Mr. SPEAKER: That is an argument, not an explanation.

The Premier: If the hon. member is going to argue, I am going to ask for an opportunity to reply to his statements.

Mr. SPEAKER: I cannot permit any more controversy or argument over this matter.

The Premier: He has only selected what has suited him.

Mr. THOMSON: You would make an attempt to gag a member.

HON. SIR JAMES MITCHELL (Northam—on amendment) [10.20]: Whilst I agree with the member for Katanning (Mr. Thomson) that we might get a good deal more than 25s. per capita from the Commonwealth out of the returns from Customs and Excise, I contend that there must be an even payment over the whole of Australia. We can ask no more from the Customs. I hope the House will keep that one question in mind, and decide that one only. I have no objection to the hon. member moving at some other time that we should get something more, but our object to-night is to pass

a motion against the abolition of the returns from Customs and Excise. The hon. member's amendment imports another question into the subject. The all-important question is to retain if we can the per capita payment from Customs and Excise. There was the recommendation of the Royal Commission that inquired into our disabilities. I would join with the hon. member in any protest against withholding from this State the terms recommended, but would not do so to-night. I will vote for the motion, and hope the hon. member will not press his amendment. Let us for to-night keep the one subject in view, and no other.

Amendment put and a division taken with the following result:—

Ayes	..	..	..	..	7
Noes	..	..	..	..	35
					—
Majority against					28
					—

AYES.

Mr. Angelo	Mr. Lindsay
Mr. Brown	Mr. Thomson
Mr. Griffiths	Mr. Sampson
Mr. E. B. Johnston	(Teller.)

NOES.

Mr. Angwin	Mr. Marshall
Mr. Chesson	Mr. McCallum
Mr. Clydesdale	Mr. Millington
Mr. Collier	Sir James Mitchell
Mr. Corboy	Mr. North
Mr. Coverley	Mr. Pantou
Mr. Cunningham	Mr. Richardson
Mr. Davy	Mr. Sleeman
Mr. Denton	Mr. J. H. Smith
Mr. Heron	Mr. Stubbs
Miss Holman	Mr. Taylor
Mr. Hughes	Mr. Teesdale
Mr. Kennedy	Mr. Troy
Mr. Lambert	Mr. A. Wansbrough
Mr. Lamond	Mr. Willcock
Mr. Latham	Mr. Withers
Mr. Maley	Mr. Wilson
Mr. Mann	(Teller.)

PAIR.

AYE.	No.
Mr. C. F. Wansbrough	Mr. W. D. Johnson

Amendment thus negatived.

Question put and passed.

House adjourned at 10.25 p.m.