

The MINISTER FOR MINES: I will give an assurance that, before the third reading, I shall amend the clause if it is possible to do so. This, however, is one of the essentials of the Bill.

Mr. Munsie: I realise that.

The MINISTER FOR MINES: I shall agree to postpone the clause, but it will throw the Bill back a day.

Mr. MUNSIE: If we allow the clause to stand as printed and the Solicitor General says it is not possible to convey any other meaning, we shall have to accept the clause.

Hon. P. Collier: What were the arguments in support of this before the executive?

Mr. MUNSIE: I move—

That further consideration of Clause 51 be postponed.

Motion passed; clause postponed.

Clauses 52 to 54—agreed to.

New Clause:

The MINISTER FOR MINES: I move—

That the following be inserted to stand as Clause 4:—"The Governor may from time to time by proclamation declare any part of the State to be or cease to be exempt from the operations of this Act."

New clause put and passed.

Schedules—agreed to.

Progress reported.

House adjourned at 10.59 p.m.

Legislative Council,

Tuesday, 27th September, 1921.

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

QUESTIONS (2)—RAILWAY DEPARTMENT.

Customs Dues.

Hon. A. SANDERSON asked the Minister for Education: 1, What amount has been paid by the Railway Department to the Federal Customs from 1901 to 1921? 2, What is

the value of the refund which has been allowed by the Federal Customs to the Railway Department from 1901 to 1921?

The MINISTER FOR EDUCATION replied: 1, £325,085 14s. 3d. 2, This question is dealt with in paragraph 78 of the Commissioner of Railways' report for the year ended 30th June last. In consequence of representations made, the Federal customs authorities have agreed in the case of material or plant for railway requirements which cannot be manufactured in the Commonwealth, to admit it free of duty or at reduced tariff. Under this arrangement the remission of duty to date is £1,538 2s. 5d. The decision of the Federal authorities will be apparent in the case of future importations. The decision also extends to material and plant required in connection with tramways and electricity supply. The approximate value of the remission on material in sight in this connection is £28,000, of which £5,460 12s. 6d. has been granted on material already to hand. In addition, the decision given to admit the turbo-alternator required in connection with the extension of the power house, free of duty, will represent approximately £9,900. Other applications for rebate or remission of duty are under consideration by the Customs authorities.

Freights on Wheat and Fertilisers.

Hon. A. H. PANTON asked the Minister for Education: 1, How many times have the railway freights on goods other than wheat and fertilisers been increased since 30th June, 1903? 2, How many times have the railway freights on wheat and fertilisers been increased during the same period? 3, What is the actual increase in railway freights on wheat and fertilisers since 30th June, 1903? 4, Was any loss incurred by the Railways in the carrying of wheat and fertilisers for the year ending 30th June, 1921? 5, If so, what was the amount of such loss?

The MINISTER FOR EDUCATION replied: 1, Lower class goods ("A" class and lower), twice; medium class goods ("B" and "C" class), three times; higher class goods (higher than "C" class), four times. 2, The railway rate on fertilisers has been increased three times since June, 1903, and on wheat twice. The rate on both products has also been decreased on different occasions during the same period. 3, Except for wheat for short distances, nil. 4, It is not practicable to calculate the actual results of this trade to the department. 5, Answered by No. 4.

BILL—STATE CHILDREN ACT AMENDMENT.

On motion by Hon. A. Lovekin, read a third time and transmitted to the Assembly.

BILL—ADOPTION OF CHILDREN ACT AMENDMENT.

Report of Committee adopted.

RESOLUTION—FEDERATION AND THE STATE.

To inquire by Select Committee.

A message having been received from the Assembly requesting concurrence of the Council in the following resolution, the message was now considered:

That in the opinion of the House it is desirable, in view of the contemplated convention to review the Federal Constitution that a joint select committee of both Houses of the Western Australian Parliament be appointed to inquire as to the effect the Federal compact has had upon the finances and industries of Western Australia, and to advise as to what amendments of the Constitution are desirable in the interests of the State.

The MINISTER FOR EDUCATION—
(Hon. H. P. Colebatch—East) [4.40]: I move—

“That the Council concur in the resolution forwarded from the Assembly.”

I trust that the motion will meet with the unanimous approval of the House. The necessity for a convention or some means of reviewing the Federal Constitution in the light of 20 years' experience has been generally recognised throughout Australia. I do not think there is any State in the Commonwealth which in one direction or another has not felt the Federal encroachment, felt that things have happened which the State had not expected to happen. Certainly no other State has felt those encroachments so severely or suffered from them so heavily as has Western Australia. The purpose of the motion is that now the Convention has been promised we should, through the medium of a select committee representative of all parties in both Houses of Parliament, collect all the information possible in order that those who go to represent Western Australia at that convention will be able to put the Western Australian case in the most favourable and complete light. The motion, it will be seen, contemplates the appointment of a select committee to inquire as to the effect the Federal compact has had upon the finances and the industries of Western Australia. Those, I take it, are the two most important points. It is interesting to cast a backward glance and to recall what Federation was meant to be and what it is at the present time. We all remember how, in pre-Federation days, the New South Wales' people turned down the proposal, and how it was finally rescued by the conceding to New South Wales of its claim that the Federal capital should be established in the mother State. Yet in the 21st year of Federation we find the seat of Parliament still in Melbourne! A great deal of money has been spent on the proposed new capital site and, according to statements which appeared in the Press the other day, it would seem that out of the abundance of their revenues the Federal Government pro-

pose during the current financial year to spend another three-quarters of a million on the Federal capital site. It seems to me that never since Federation was accomplished has there been a more unsuitable period in which to spend three quarters of a million on the Federal capital site. At the same time, I do not think any of us will disagree with the contention that so long as the Federal Parliament remains in Melbourne, it will be brought under influences that are contrary to the best interests of the small and distant States. However, there is the position: Federation almost fell through, and was rescued by giving New South Wales the right to the capital. Yet in the 21st year after the establishment of Federation, the Commonwealth Parliament contemplates spending for that purpose money which just now could be better devoted to other uses.

Hon. J. Cornell: There was some little bother in getting the proposal through in Western Australia.

The MINISTER FOR EDUCATION: In regard to the powers of the Federal Parliament, from every platform we were told that one of the chief advantages to be derived from federating was the taking over of the States' debts by the Commonwealth and the substitution of the credit of a great nation for the credit of six competing individual States. The Constitution itself contained these words, “The States' debts as existing at the establishment of the ‘Commonwealth.’” During the early days of the Commonwealth a great deal of interest was taken in that question. It was several times debated in the Federal Parliament, and the opinion was expressed that the inclusion of those words “as existing at the establishment of the Commonwealth” nullified the use of that provision in the Constitution. It was in 1909, some 12 years ago, that the Federal Parliament put the people of Australia to the trouble and expense of voting by referendum for an alteration of the Constitution in that respect, so that these objectionable words “as existing at the establishment of the Commonwealth” might be eliminated, and the Federal Parliament given full power to take over the debts of the States. The people of Australia readily agreed to do this and the necessary alteration of the Constitution was made. What has happened since then? After delaying the matter and doing nothing for 14 years the Commonwealth now finds itself confronted with war-time conditions, which have so altered the position that I do not know whether it is practicable or not for the Commonwealth to take over the debts of the States. That was one of the great baits held out to the various States at the time, that the Commonwealth would take over their debts and substitute the credit of the one great nation for the credit of the smaller States. If we turn to the 39 articles of the Constitution, setting out the powers of the Federal Parliament, we see that one of the first is “banking other than State banking.” It was the opinion of those who framed the

Constitution that the inclusion of those words "banking other than State banking" would protect the Savings Banks of the States. That was the purpose for which they were inserted. There was no other form of State banking in Australia except the Savings Banks, and the framers of the Constitution recognised that it was a fatal thing to have the Commonwealth and the State Savings Banks competing against each other. So when they gave the Commonwealth Parliament jurisdiction over banking they put in these words "other than State banking." We have only to read the reports of the Convention to make sure that the people who attended the Convention knew what those words meant, and that the sole intention was that the State Savings Bank system should be protected. Directly the Commonwealth invaded the realms of banking, before there was any excuse of war necessity or anything of the kind, they established a Savings Bank. They put the State Governments out of the post offices which, from the time when the State Savings Banks were initiated in England, were regarded as the proper places for their conduct, and they set up a competing institution. Members have made reference in the House to some alleged intention on the part of the State Government to hand over the State Savings Bank to the Commonwealth. That cannot be done without the full consideration of Parliament. No one of average intelligence could look into the position for a moment without coming to the conclusion that it is absolutely fatuous and criminal for two Governments, supposed to be looking after the affairs of the one set of people, to run competing Savings Banks. The cost of running two such institutions is perhaps the smaller objection there is to it. We have already come up against competition in the way of increasing interest, and we see how fatal the whole business is, and how necessary it is that one set of institutions should go to the wall. If our State Savings Bank were to give the increased interest offered by the Commonwealth bank, and we had to put up our interest in order to attract depositors and to prevent money being taken out of the State banks and being put into the Commonwealth bank, there is no saying where we should finish up. Already there are five millions of money invested for our State savings banks at rates of interest which cannot be altered. The position is impossible, and the framers of the Constitution knew that it would be impossible for the State and Commonwealth Governments to run savings banks against each other. These words to which I refer have been ignored to the great disadvantage of both the Commonwealth and the States. Another result of the establishment of Federal savings banks has been to deprive the State of certain financial assistance, of which it was able to avail itself before. It is fit and proper that the money deposited in the State savings banks, which must be invested

in order to return interest to the depositors, should be devoted to the building of houses and providing other public utilities for the people who own them. Another matter specifically referred to the Federal Parliament is the bankruptcy legislation. Surely it must be obvious to all that it is desirable to have uniform bankruptcy laws in Australia. Yet this apparently simple and obviously necessary thing has been neglected for 21 years. Another still more obvious and necessary thing is that we should have uniform marriage and divorce laws in Australia. That, too, was specifically referred to the Commonwealth Parliament. At the time it was comparatively an easy thing to bring this about, but after 21 years of neglect it will be a very different proposition. Year after year some one State has been copying, generally the most objectionable part of the divorce laws framed in some other State, and now the position is so complicated that the Federal Government will find it a far more difficult proposition to tackle than would have been the case if it had been taken in hand 21 years ago. These may be regarded as minor matters not included in the two big things set out in the motion, namely, the industries of the State and its finances. I do not suppose it would be right to contend that the effect of Federation upon the industries of Western Australia has come upon us as a surprise. It was in fact foreseen. Everyone knew that the struggling infant industries of Western Australia must have a very difficult task confronting them of competing against the more fully established industries of the other States. That has happened. Almost at the outset some of our industries—take bootmaking and wine making in particular—began to decline and almost disappear. From year to year we found ourselves up against a protective tariff which rendered dear the requirements of our industries, and the free trade with the Eastern States which made it possible for the old established factories to successfully compete against ours.

Hon. T. Moore: At low wages in the Eastern States.

The MINISTER FOR EDUCATION: Probably that is so. With these difficulties confronting our industries it was found impossible for them to make any headway. It was not until a series of transport difficulties arose during the war, and because of the many war-time conditions which combined to bring about a recognition of certain natural advantages which Western Australia had, that we began to make some little headway with our secondary industries. During the last three or four years there has been more activity in the matter of secondary industries in this State than at any other period of her history since Federation. Since the Commonwealth was established it is practically only during the last four years that our secondary industries have made any progress, whereas because of the protection against the outside world and their already strong position, the manufacturers in other parts of

Australia have been able to invade the markets of Western Australia to a much greater extent than would otherwise have been the case. Two instances which will make the position clear are butter and jam. It is discreditable to Western Australia that we should have to import butter. We have now reached that stage when for several months in the year we can make more butter than our people require. We reached that stage for the first time last year. For four months we can make more butter than can be consumed locally. Our market has always been regarded by the Eastern States as a profitable one, and the manufacturers over there are naturally loth to let it go. Just at the time of year when we reached that stage of making all the butter we wanted, the market was flooded by importations from the Eastern States. It was only by extraordinary action, which action was criticised to some considerable extent, that the Government standing behind the local manufacturers were able to tide them over the difficulty. They survived the trouble last year, and I hope they will do so again this year. It is going to be a terrible struggle for our butter factories until they can supply the requirements of Western Australia all the year round and have some exportable surplus. Manufacturers in the East will not readily forego a market like this. In regard to jam, a subject which I am sure will interest Mr. Sanderson, the Commonwealth Parliament at present is very much concerned that nobody should be permitted to dump goods made in America or Europe into the Commonwealth at a lesser cost than they can be sold for in their home country. The purpose of that is to protect the Australian manufacturers. There is no suggestion, however, that the manufacturer of jams in the Eastern States should be prevented from dumping his product into Western Australia.

Hon. J. W. Kirwan: We are all the one people.

Hon. J. Cornell: It is all the one country.

The MINISTER FOR EDUCATION: Quite so! I am only pointing out that we in Western Australia suffer because of this. The Western Australian dealer buys jams manufactured from the Eastern States at a lower price than the wholesale dealer in the other States in which it is manufactured can buy them.

Hon. A. Sanderson: What is your authority for that statement?

The MINISTER FOR EDUCATION: I make the statement on the authority of people in the trade. It has been necessary for me to investigate the matter, and that is the assurance given to me, that they are selling jams made in the Eastern States to the wholesalers in Western Australia at a cheaper price than to the wholesalers in the Eastern States where the jams are manufactured. That statement has been made to me by those engaged in the trade. Western Australia has always been regarded as a profitable market.

Hon. J. Duffell: The same thing applies to bacon.

The MINISTER FOR EDUCATION: I have not had occasion to investigate that matter, but I daresay it is so. The producers of jam in the Eastern States are prepared for a few years to sell their jams in Western Australia without any profit, in fact, to sell at cost, and make their profit in their home State, with the object of squashing any attempt on the part of a Western Australian manufacturer to enter into the market. As soon as that competition is killed the price of jam will again go up, and we shall be paying the Eastern States' price plus the cost of bringing the jam here.

Hon. J. W. Kirwan: Does not the Minister think of the consumers?

The MINISTER FOR EDUCATION: I am thinking of the consumer. The consumer for a year or two will get his jam probably cheaper than it can be bought in the Eastern States, but the local industry will be killed, and for ever after that the consumer will have to pay an increased price to the manufacturers in the Eastern States. The consumer will never get all that he requires at bedrock until there is competition going on around him. I am not so much concerned over the jam question from the point of view of the mere manufacture of jams as I am from the point of view of the orchardist and the fruit-grower, who can never be prosperous until there is a means of converting the surplus of fruit into jams within this country.

Hon. J. Duffell: And until they get sugar at the same price as they get it in the Eastern States.

The MINISTER FOR EDUCATION: I do not know that I can go into that question here. There is a grave defect under any system of government which prevents the proper development of the resources of any country. There is no reason why a State like Western Australia, in the interests both of the orchardists and the fruit-growing lands, should not be able to build up the jam manufacturing industry so as to make it possible for it to be carried on successfully.

Hon. J. J. Holmes: We shall probably be selling South Australian flour if your Government are not careful.

The MINISTER FOR EDUCATION: I do not know that this has any bearing on the jam question. It is I believe a fact with regard to jam, and we have just been informed that it is a fact with regard to bacon, that we are subject to unfair competition with manufacturers in the Eastern States, who cut down their profits in Western Australia in order to prevent the establishment of these industries and to preserve the market for themselves as long as they can.

Hon. A. H. Pantou: The same thing applies to ready-made clothes.

The MINISTER FOR EDUCATION: I daresay it applies to many things. A Constitution is wrong which permits that sort of thing to exist and makes it impossible for

each part of Australia—not in the interest or any one State alone—in the interests of Australia as a whole to build up those industries for which each State is naturally suited. I can conceive of no more suitable occupation for this committee during its investigations than to go into the question of the effect of the Federal compact upon the finances and the industries of Western Australia. If we can satisfy the Convention and the people of Australia generally that there is a difficulty in the Federal compact which makes it impossible for us to establish those industries, that are natural and proper to each country, shall we not have a good case upon which to build an argument for an amendment to the Constitution? Perhaps the most important point of all is that relating to the public finances. I do not intend to go into the matter as fully as I did two or three years ago. The excuse has been raised that it was because of the war that the Commonwealth were compelled to invade the avenues of taxation the States fondly imagined were reserved for them. We know this action was taken long before the war. It was long before the war that the Federal Government imposed their land tax, and it was also long before the war that the Commonwealth imposed a probate duty. We also know that all through the provisions of the Constitution and of the Surplus Revenue Act, it is contemplated that distribution of surplus revenue shall be made between the States by the Commonwealth. This has not been done and only last week the Federal Treasurer, brazenly, I think, informed the public that he intended to carry forward £6,600,000 surplus revenue.

Hon. R. J. Lynn: Some of it is our money.

The MINISTER FOR EDUCATION: Of course. No one knows better than the Federal Treasurer that this is a clear evasion of the Constitution and of the provisions of the Surplus Revenue Act passed by the Federal Government. Under the Surplus Revenue Act the whole of that money should be distributed among the States and the bulk of it should have been distributed two or three years ago. I think it has been within the last two or three years that the Federal Treasurer has built up this sum from about £300,000 to £6,600,000. That is the position at the present time. This is a matter affecting the whole of the States, and at the coming convention I venture to think that Western Australia will not be the only State that will insist upon some more serious attempt to fulfil the Federal compact being made by the Federal Government than has been the case in the past. What this committee will need to do more particularly will be to inquire into Western Australia's peculiar position, not into the position of the whole of the States compared with the Federal Government. Rather will they have to inquire into the claims of Western Australia regarding the proportion it shall receive out of the

money distributed by the Federal Government amongst the States. When critics of Western Australian finance make comparisons with the Eastern States, it is not only our sinking fund that they forget to refer to but they forget to draw attention to the fact that Western Australia has been placed under great disabilities by reason of the Federal compact to an extent to which no other State has been subjected. The framers of the Constitution had due regard for the position of the different States and they set up a basis of distribution that has been twice altered, and each time to the great disadvantage of Western Australia. Victoria, which is often referred to as the State where the taxes are lower and public finance is in a healthier condition than elsewhere, received back to within 6s. 9d. per head of its population the amount the State received in the first year of Federation. The amount Victoria received under the original Constitution has been decreased by about 6s. 9d. per head. Regarding New South Wales, the decrease, as compared with the first year of Federation, is 10s. 6d. per head of the population. On the other hand, Western Australia has decreased to the extent of £4 10s. per head of her population. Had the framers of the Constitution for one moment dreamt that a state of affairs like that would have been brought about, and that within that short period the richer and wealthier States would receive almost the same as at the start of Federation, while Western Australia suffered a loss of £4 10s. per head, they would have denounced it as monstrously unfair and put in some permanent provision to protect us. All these matters can be thrashed out by the committee, and as this is a motion to appoint the committee, it is not necessary for me to go further than to make out a case to show that there should be an investigation on these points. Representatives of this State should go to this convention fully armed so as to adequately represent the interests of the State. For that purpose, therefore, I do not care whether all I have said is agreed to by hon. members or not. The fact that there is a disagreement regarding this point or that point really strengthens the case for the appointment of the joint select committee, so as to enable them to go into the different matters in order that they may be placed before the Convention in a manner that will demand that our representatives will be listened to. There are four leading points to bear in mind throughout the whole of this discussion. The first is that the Commonwealth is the creation of the States in which there is an equal partnership as between the States. The Prime Minister, Mr. Hughes, when speaking here last week made many references that have a bearing on this point when speaking of the position of Australia and other parts of the Empire within the British Empire. When we went into the Federation, it was as equal partners, and in every case the Convention which built up the Constitution were composed of an equal number of

representatives from the several States. We have to insist upon the necessity that any convention that sits to suggest alterations to the Constitution shall likewise consist of an equal number of representatives from the States. Only by that means can the very essence of the Federation as an equal partnership of States be given effect to.

Hon. J. Cornell: What method of election would you suggest?

The MINISTER FOR EDUCATION: I am not concerned about that aspect. There are half-a-dozen ways by which the election could be carried out and perhaps the committee can suggest that during their investigations. The second point which has to be kept in mind is that it is apt to be forgotten that the Commonwealth payment to the States is not a dole or a subsidy. It is nothing of the kind. The financial basis was this: The States created the Federation and transferred to it certain powers and gave it authority to tax for the discharge of these powers. All through, the sections of the Constitution make it clear that that is the beginning and end of the Federal power. All money belongs to the States. The Commonwealth can tax to get the money it requires to carry out the work referred to it under the Constitution, but that is the only money it is entitled to raise. If the Commonwealth raises money in excess of those requirements, that money does not belong to the Commonwealth but to the States and has to be returned to the States. That is the system by which the financial sovereignty of the States was supposed to be maintained, but that system has been violated in many directions. This will be one of the most important matters to be discussed by the convention.

Hon. J. J. Holmes: Is that not a matter that should be decided by the courts rather than considered by the convention? Why not test it?

The MINISTER FOR EDUCATION: It is rather unsatisfactory for the States to proceed against the Commonwealth through the courts. The third point is the need for exact justice as between the States. The framers of the Constitution recognised that and they made special provision for a State like Western Australia. We are entitled to that special consideration. The report by the Under Treasurer, Mr. Owen, cannot be attacked on that point. It demonstrates absolutely that Western Australia is unfairly treated quite apart from the question of whether the Federal Government have held back moneys that should go to the State or not. But in comparison with other States, the figures I have already quoted show how the receipts have declined by comparison with other States and serve to indicate that Mr. Owen's figures demonstrate it accurately. The last point is this: Is it not obvious that there is something wrong with the Federal arrangement? At no period in the history of Australia has the percentage

increase of population been so low as since Federation was established. That applies to the first ten years, when there was no war equally as it does to the subsequent 10 years during which there was a war. Not only that, but it is since Federation has been established that we have seen to a more alarming extent than before, the increase of metropolitan population at the expense of rural population.

Hon. J. Cornell: You can hardly blame the Federation for that.

The MINISTER FOR EDUCATION: I think we can. The protective policy and the bolstering up of city industries at the expense of rural industries provide a very strong reason, which it is impossible to escape. These are the facts. It will be of no use for people to say that the Constitution is perfect. It can be demonstrated that it is not perfect. If we can show that the development of industries proper to Western Australia is retarded by the operations not so much of the Constitution as the administration of it, we are entitled to a remedy. There can be no doubt that the development of Australia must lie chiefly with the States who have to do the work, and if that is so, there must be, on the one hand, financial power to do it and, on the other hand, industrial freedom to carry out the necessary work.

Hon. T. Moore: And more States.

The MINISTER FOR EDUCATION: That may be so, but I am not arguing that point at all. There is no State that does not recognise that the present methods of Federal administration—we must assume that they are supported in most respects by the Constitution—are not such as will enable the development of Australia to be carried out adequately. It will be generally admitted that the necessity confronting us is not to develop the industries of Melbourne and Sydney, but to develop all portions of Australia, and that the present conditions make for the aggrandisement of the cities and increase the natural difficulties that will always stand in the way of developing the more distant parts. If we are able to demonstrate that such is the position, we shall have a good case to place before the convention to secure relief. I do not know that I need say more. It must be obvious to every member of the Chamber that representatives of Western Australia must go to the convention fully armed with information, and I know of no better way of assisting towards that end than by the appointment of a joint committee selected from all parties and representative of both Houses.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.13]: I wish to second this motion. I do not envy the committee their work. It seems to me it is one of the most difficult matters we can ask any politician to do well, unless it be the straightening up of the finances. I may remark incidentally

that it is interesting that a member of this Chamber has thought fit to bring forward a proposal at this juncture to secure a reduction of salaries. If any individual, inside or outside Parliament, could prepare a sound case, a fee of a thousand guineas would be cheap at the price. I agree with a great deal the Leader of the House has said.

Hon. J. Cornell: The widow of a member who could do that, would collect it shortly afterwards.

The PRESIDENT: Order!

Hon. A. SANDERSON: I will confine my remarks more closely to the motion than the Leader of the House has found it necessary to do. I will deal with the question of the committee. Let us clearly understand what this select committee is and discuss whom we are to appoint. I speak subject to your correction, Sir, but I am under the impression that a select committee can sit only during the session.

The Minister for Education: There are methods by which a select committee can be extended.

Hon. A. SANDERSON: I hope the Leader of the House will make a note of that. If this case is to be prepared properly and fairly, it would be ridiculous, having only two and a half months before us and with most important matters of State affairs to deal with, to expect to get the right men or anybody indeed, to devote the necessary time to this inquiry. Therefore I hope the Leader of the House will make all proper provision to see that the select committee can sit after the session has ended. If this is not possible, I feel confident that a proper case will not be prepared. As regards the number to constitute the committee—I am dealing only with the representatives from this Chamber—the Standing Orders fix the number at three unless otherwise ordered. I hope we shall appoint more than three. I got into some trouble last session because I objected to the appointment of a certain member to a select committee, not on personal grounds, but on what I considered public grounds. Are we going to have more than three members from this Chamber on the select committee? If we are going to have only three, it is going to tax us to select the most suitable representatives.

The Minister for Education: There will be five from another place.

Hon. A. SANDERSON: I wish to speak to this motion, rather than to the questions with which the committee will have to deal. If I had a free selection I would like to see you, Mr. President, and the Leader of the House on the committee, but I take it for granted that neither of you can possibly serve on the committee. Thus the committee will be deprived of most valuable assistance. I hope there is no objection to my making these specific observations regarding members. It is done with only one object in view, and that is the public interest. There is only one member in this Chamber who has actu-

ally served in the Federal House—Mr. Kirwan—and he does not live in the city. I do not know whether he would be able to take on this work, but if he is not appointed to the committee his absence from it will be a great loss to us. Reference has been made to the report of Mr. Owen. I have not looked the matter up, but I am under the impression that Mr. Owen was appointed to deal with the question which is to be referred to the select committee.

The Minister for Education: One phase only—the financial phase.

Hon. A. SANDERSON: Well, that is really the only phase. Let us blot out the words “and industries” and not split straws.

Hon. A. Lovekin: There are many points in finance on which Mr. Owen has not touched.

Hon. A. SANDERSON: That is perfectly true, and that is why it is so important for us to be careful in the selection of the committee. Also we should be very careful to give the select committee plenty of time in which to complete the work. Among individual members of the community there would be few better qualified than Mr. Owen to make up a case for Western Australia with regard to the question of State finance, but apparently, in the opinion of some people—I am not of that opinion—he failed very materially to put up a case for Western Australia. I am going to make another observation on the personnel of the committee. It is essential from my point of view that the official Labour Party should be represented by a member from this Chamber. The Leader of the House will practically have the selection of the committee, for his opinion will carry a great deal of weight with us, and I want to impress upon him the importance of considering the personnel of the committee and the time allotted for the inquiry. If there are any ex-members of Parliament who, I shall not say are entitled, but who should be compelled to serve on the select committee, they are Sir Walter James and Mr. James Gardiner. The reasons are obvious; they are men who took a very important and, in fact, a leading part in affairs more than 20 years ago, and they are of very high character and of exceptional attainments. It is not sufficient that they should give evidence before the select committee. We want men of that capacity to be on the committee and as they, being ex-members of the legislature, are permitted the use of the refreshment room, I do not see why they should not be permitted to sit on a select committee such as this. The Leader of the House, who is very clever in managing these things, could surely devise some method by which the services of these gentlemen could be obtained. I am sure they would be anxious to give all the assistance in their power to see that the case of Western Australia is put in a convincing form. I wish this motion to be passed; I do not desire to talk it out. Therefore, I shall conclude with

one observation with regard to the point raised by the Leader of the House. The resolution directs the committee to inquire as to the effect the Federal compact has had upon the finances of Western Australia. I leave out the "industries." Now "compact" is a word I have met before in my reading, but suddenly called upon to clearly define what a compact was, I had to get the assistance of a dictionary. I find that "compact" used to be called "kompakt" which is the pronunciation. I do not know that this is very important except that the English language should be jealously preserved and that the accuracy of pronunciation should be retained. The definition reads:—

An agreement; a contract between parties; a word that may be applied in general to any covenant or contract between individuals, members of a community, or nations.

Let us apply that definition to the resolution. We may put it another way, "What effect has the Federal Constitution had upon the finances of Western Australia?" Most of the remarks by the Leader of the House dealt with, not the effect of the Federal Constitution on Western Australia, but the effect of the actions of members of the Federal Parliament on Western Australia. I hope we will not forget that it is useless to complain in general terms about the Federal compact or Constitution. We have a great many people in this country who apparently are quite satisfied with the Federal Constitution, because whenever they get a chance they put back into the seats of the mighty as representatives of this State, the very people against whom the Leader of the House was declaiming just now. It is our representatives in the Federal Parliament who have put this tariff on Western Australia.

Hon. J. Cornell: The Australian people.

Hon. A. SANDERSON: I am not dealing with the Australian people, but with Western Australia, and for very good reasons. I am only pointing this out incidentally. I do not wish to make too much of it or to be drawn aside into conflict with the Leader of the House, especially as in this resolution I am supporting him cordially. Therefore, I am not speaking in any hostile spirit, but merely with the idea of helping to guide the committee and the Leader of the House on the path which will lead to success. Do not let him, or any of us, make the mistake of attacking the Federal Parliament, or the Federal Constitution for effects on Western Australia which can be traced—quite clearly I think—to the actions of members of the Western Australian contingent both in the Senate and in the House of Representatives. I do not wish to elaborate; I hope I have made my remarks clear, but in case I have not, I wish to give one illustration only of what I mean. This afternoon I asked a question regarding the amount paid by the Railway Department to the Federal Customs

during the last 20 years, and the value of the refund allowed by the Federal Customs. Those members who were at the Midland Junction luncheon last week will be able to appreciate the bearing of this question. At that lunch party, after having inspected the Midland workshops, I ventured in a most respectful and very precise manner to point out to the Minister for Defence, Senator Pearce, who was present, what an extraordinary thing it was that if these workshops had belonged to the Federal Government, they would not have paid one penny piece by way of duty on the stuff they were using, but since they belonged to the State Government, they had to pay a great deal. Senator Pearce asked the Minister for Railways to tell me and the meeting generally that I was in error, that the Federal Parliament were making concessions to the Railway Department.

The Minister for Education: The Minister for Customs has extraordinary powers to make concessions of this kind.

Hon. A. SANDERSON: I am not going into that now, but I intend to delve further into the matter. I think the impression left on the minds of those who were not clearly apprised of the exact position was that I had discovered a mare's nest, and that the State Government had not paid any large sum in this way to the Federal Treasury.

The Minister for Education: We have paid tremendous sums.

Hon. A. SANDERSON: Yes, and evidence of this can be found in the answer given to my question to-day. Having such a good case as I think we have, I do not want it weakened. To use military phraseology, I do not want to lose one man who, nor do I want to fire one shot which, is not going to tell. I say, let us be most careful, when we are attacking this problem, that we do not give away something to the enemy, that we do not lay ourselves open to some argument whereby we will be very properly and legitimately put out of action. I fear that if the select committee pursue the line of argument indicated by the Leader of the House in his introductory remarks, that that might be our fate. Anything further I have to say on this subject I shall reserve for the select committee. I have got plenty of volumes, piles of stuff, that I can bring forward. I have been working on this subject for many years. Do not let it be imagined that I would seek a place on this committee. I say that to the Leader of the House, who I presume will practically have charge of things, and to any other member of the House who wishes to hear my opinions. Let me point out, too, that anyone who is going to tackle this job will find it a very severe tax on his time and attention. I shall be prepared to serve on the committee, but if the Leader of the House, or any other member here, thinks that owing to my views being, so to speak, stereotyped on several points, as I admit they are, points which must come up, I shall not be of

assistance to the committee, I ask the House at once to brush me aside. What do individuals matter in this great question? I say, fling us into the abyss so long as Western Australia gets a fair deal. I fight for Western Australia all the time in the matter of this Federal compact. I hope the motion will be carried, and I hope the efforts of the select committee will prove of service to Western Australia.

Hon. J. W. KIRWAN (South) [5.33]: I assume that all the members of this House will favour the motion now before it. The motion comes before us at a particularly opportune time. Indeed, I think it was high time that all the matters which have been so much the subject of complaint in Western Australia as regards its relations with the Commonwealth should be investigated. The Leader of the House voiced some of that dissatisfaction to-day, and in other quarters that dissatisfaction has been expressed still more strongly. However, when one goes to the Eastern States and discusses the subject with men in Federal affairs there, one finds that they take an altogether different view. I have heard the position represented in quite an opposite way there. Some of those men have gone to the length of saying that Western Australia is a State pampered by the Federation, that it is the spoiled child of Federation, that Western Australia has been spoon-fed. With these conflicting statements coming from different quarters, it is extremely desirable that the whole question should be gone into in a very thorough and complete fashion by a select committee who will approach it with an earnest desire of ascertaining the exact truth. Furthermore, in view of the approaching Federal convention it is necessary that Western Australia, and indeed all the States, should be prepared for that Convention, that the problems to be discussed there should be discussed beforehand by members of Parliament and by the public, for the time is coming when men will be up for election to that Convention, and then the whole question of the Federal Constitution will be under review. I agree with the indication made by both the previous speakers that the motion is perhaps hardly worded exactly as one would like. The latter portion of it, however, widens the range of the select committee's scope, inasmuch as it requires them to advise as to what amendments of the Federal Constitution are desirable in the interests of the State. That latter portion of the motion gives a very wide range indeed to the work of the committee. I thoroughly agree with what Mr. Sanderson has said, that whoever undertakes the work of this committee must be prepared to devote to it a very great deal of time and labour. If the case for Western Australia is not properly presented to the Convention, it may very much prejudice our position in the eyes of the Commonwealth generally. It is hardly possible for a select committee, especially while Parliament is sitting, to go into

such a question as this as fully as it ought to be gone into and bring out such a report as should be issued by the committee, and to do all this before Parliament prorogues. Therefore, to my mind it will probably be necessary later on to take further action in order to enable the select committee to continue their work after Parliament rises. A great deal of what the Minister for Education has said to-day is provocative of discussion, but personally I think that a good deal of the matter in question has not very much bearing upon this motion. The Minister spoke of the Federal Parliament not having made uniform marriage laws for the States. He made the same reference to bankruptcy legislation. But as Mr. Sanderson pointed out, those two matters have nothing to do with the Federal Constitution. The omissions referred to represent omissions on the part of the men whom the electors have sent to the Federal Parliament. I quite agree with Mr. Sanderson that we ought to distinguish what we regard as the faults of those members whom we have sent to the Federal Parliament, the failure of those men to do what they ought to do, as instanced in those two particular matters, and in very many others which could be stated, from the faults of the Federal Constitution. I was one of those who, prior to the institution of Federation, went to a very great deal of trouble and spent a considerable portion of time in order to get Western Australia included as an original State of the Federal Union. On the goldfields we got up two tremendously largely signed petitions; the first of them because the Government of the day declined to submit the Bill to the people. That petition was signed by 23,000 people, and we called it the "Bill to the People Petition." It asked the then Parliament merely to give Western Australia the same opportunity that was given to all the other States to say whether or not it would join the Federal Union. The Parliament of that day declined the prayer of the petition. That Parliament was prorogued, and then there seemed to be no opportunity for this State to join the Commonwealth as an original State. Then it was that a number of people upon the goldfields got up the second petition. That was a petition addressed to Queen Victoria, and it was called the "Separation from Federation Petition." In it we asked that the goldfields, with Esperance as a port, might be created a separate State, which could join the then to be established Commonwealth. That petition was very numerously signed, signed by 28,000 people, and was sent to Her Majesty. Mr. Joseph Chamberlain, who was then Secretary of State for the Colonies, saw that that petition was a means by which the State of Western Australia could be induced to join the Federal Union. The result was that he sent out a despatch to the then Premier of Western Australia, Sir John Forrest, a copy of which despatch I have. In it Mr. Chamberlain stated plainly that if the Federal En-

abling Bill was not submitted to the people of Western Australia, if the people of this State did not have the same opportunity as was being afforded to the people of the rest of Australia to join the Commonwealth, the Imperial Government would have to take into consideration the prayer of the goldfields for separation. Immediately upon the receipt of that despatch the Parliament of Western Australia was called together, and the Bill, which a short time previously had been rejected, was passed hastily in a few sittings, with the result that when the Federal Constitution was submitted to the people of Western Australia for their acceptance or rejection, it was accepted by an overwhelming majority. That, briefly, is the story of Western Australia's entrance into the Federal Union. As I have said, I went to a great deal of trouble and spent a great deal of time, as well as a certain amount of money, to get those two petitions signed. I have no regrets whatever for what I then did, despite the comments which have been made on the relationship between Western Australia and the Commonwealth. But after 20 years' experience of the Federal Constitution I am quite prepared to admit that many amendments are necessary in that Constitution. In its working out the Constitution has displayed many weaknesses. Now, looking back upon what was done when the Constitution was framed, and in the light of later experience, I think it is rather regrettable that the framers of the Australian Constitution did not follow more on the lines of the Canadian Constitution rather than on those of the United States Constitution. It is my opinion that the Canadian Constitution would have been better adapted for a country such as Australia, than the United States Constitution. One of the surprises of our Federal Constitution has been the way in which the Senate has worked out.

The Minister for Education: It has not worked.

Hon. J. W. KIRWAN: It has worked in a way; not necessarily as intended, but it has worked. It is in that sense that I use the words "worked out." The original idea was that the Senate should be the States House; but anyone who has had any experience whatever of the two Federal Chambers will recognise that whilst the State sentiment is frequently expressed in the House of Representatives, it is rarely, if ever, voiced in the Senate. The Senate of the Australian Parliament is much more a national House than is the House of Representatives, although the intention of the framers of the Constitution was that the House of Representatives should be the national Chamber and that the Senate should be the States House. That is one direction in which the Constitution has operated in quite the opposite way from the designs of its framers. Furthermore, I think it would have been better if the Federal Constitution had contained some provision by which the large and undeveloped States of the Commonwealth should receive some special

financial consideration. Take the case of Western Australia. When we see the vast area of the North-West that has to be developed, the burden seems altogether too great for a handful of people to undertake—a mere 330,000 souls. The development of the great vacant spaces of Western Australia is not, after all, alone a State matter; it really is, or ought to be, a matter of very grave Federal concern, for until those areas in our North are peopled they must be a source of weakness from the defence point of view to the whole Commonwealth. To a certain extent the Constitution has operated unfairly to those States, the development of which is not in as advanced a stage as the development of States such as Victoria and New South Wales. As to what the Minister has said regarding the general policy of protection, personally I have never favoured such a policy. I do not favour a policy of protection for the Commonwealth, neither would I favour it for Western Australia, and if we had the power in this State, with our small population of about 330,000, to build a tariff wall around this vast country of a third the size of the whole continent, my opinion is that it would do Western Australia more harm than good. What are our industries that count? Is it not in the development of natural resources that we are concerned? Why, then, should we want to build up small city factories when our local market is insignificant? What concerns us is the development of our agricultural, our mining, pastoral, timber, and pearling industries—they are the really important industries that count and on which we should concentrate our attention. The policy of protection is the policy by which the few are usually sought to be benefited at the expense of the many. The objections I have to protection in a Commonwealth sense would be intensified by a local protective tariff on Western Australia. I prefer to think that we are all one people. The contention that is raised to industries springing up in Melbourne and Sydney and not in Perth would be exactly the same if we had our own particular tariff in Western Australia, because we would find that the people of, say, Wyndham would declare that the protective policy was building up industries in Perth to the detriment of Wyndham or Kalgoorlie or Albany, as the case may be. After all, Wyndham is as far away from Perth, much further, in fact, as regards means of communication, than Perth is from Melbourne. Therefore where are we going to stop? Whatever fiscal policy is adopted, it should apply to the whole of Australia. There might be an amendment to the Constitution that would provide for bonuses to be paid to assist particular industries in particular districts. This has been done in connection with sugar, but under the Constitution as it is at present there shall not be any discrimination between

the States. Any other State which could produce sugar would be entitled to the same treatment as Queensland. I would like to say a few words about the capital site, to which the Minister also referred. I have always thought that it was almost one of the crimes of the Federal members that they did not remove the Federal capital from Melbourne to Canberra. I spent some considerable time in Melbourne, and I can say that the influence of the Melbourne people and the Melbourne Press, and the environment of members, counts for a great deal more than anybody who has not been there can imagine. I am quite sure that if the original tariff—I am not referring to the present tariff, because the position in the Federal Parliament is that practically all members favour a protective policy—had been fought out in the free trade atmosphere of Sydney, instead of in the high protective atmosphere of Melbourne, it would have made a difference of at least 10 per cent. Everyone, protectionists and freetraders alike, who were engaged in that contest, agreed upon that point. One of the troubles of Federation is that we have never yet had an Australian Parliament, and we shall never have an Australian Parliament until that Parliament sits in an Australian capital and breathes a genuinely Australian atmosphere. So long as the Parliament sits in any of the large cities of Australia, it is bound to be influenced more or less by its environment. That is a reason why in all other Federal countries, the Federal capital is not in the largest town. Take the United States. Washington was selected as the Federal capital by George Washington himself. When that was chosen as the Federal capital site, it was a miserable swamp, and he could not have selected a worse place. It was specified that the Federal capital should not be in a big city, and that the deliberations of the Parliament should be away from any State or parochial influence. Exactly the same thing happened in the case of Canada. When it was decided to have a Federal capital there, and in order to prevent any possibility of local influences, it was left to Queen Victoria to decide where the capital should be. Those who were appointed by the late Queen to determine the site, chose Ottawa, and Ottawa to-day is a small city in comparison with great cities like Montreal, Toronto and Winnipeg. In the United States too there are perhaps a dozen cities that are much bigger than Washington. In Australia it is one of the most pressing questions that the Federal capital should be removed from Melbourne. Expense is talked of and the Melbourne "Age" and the Melbourne "Argus" are working as hard as they can to retain Melbourne as the seat of government. Those newspapers are exaggerating the cost of removal to the Federal capital, but, as a matter of fact, the expense would not be nearly so great as is made out, for the simple reason that there are certain counterbalancing

economies that would be effected, such as large premises that are being rented or owned in Melbourne, the occupation of which would not be needed if the seat of government were at Canberra. With the removal to the Federal capital site there will be a greater Federal spirit in the Australian Parliament, and we will have what we have never had up to the present time, a genuine Australian Parliament.

Question put and passed.

House adjourned at 5.57 p.m.

Legislative Assembly,

Tuesday, 27th September, 1921.

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

URGENCY MOTION—UNEMPLOYMENT.

Mr. SPEAKER: I have received from the member for South Fremantle (Mr. McCallum) a letter intimating his desire to move the adjournment of the House in order to discuss the question of unemployment in this State. It will be necessary for seven members to rise in their places and indicate their approval in order that the request may be granted.

Seven members having risen in their places,

Mr. McCALLUM (South Fremantle) [4.37]: I move—

That the House do now adjourn.

There is no questioning the fact that the matter of unemployment is a most pressing and urgent one in this State at the present time. I do not know what experiences other members of this House are having, but I find it impossible to move about at all without being pulled up and asked to answer inquiries by men urgently seeking work. I am not given half an hour's rest in my own home on a Saturday afternoon, and even on Sunday callers went to my home asking if it was not