

done to restrict the profits of landlords?" I am sure the Minister will reply, "We have now fixed it so that the landlord cannot get more than 6 per cent. on his money, or 1½ per cent. above the Commonwealth Bank rate." In my opinion, that answer would be absolutely correct. I would prefer the Bill to be passed and provision made that not only should the landlord be penalised if he overcharged, but that the tenants themselves should be penalised if they did not pay.

The Honorary Minister: How would you do that?

Hon. H. S. W. PARKER: By adopting the same methods as those indicated in the Bill regarding the landlord. The Bill provides that if the landlord overcharges, he may be sent to gaol. Why should not the tenants be sent to gaol if they refuse to pay? What is sauce for the goose is sauce for the gander, and what is good for the landlord should be good for the tenant. If the Government desire to interfere with the landlords, they should see to it that such legislation acts both ways. While I should like the Bill to go through, I shall not vote against my conscience because I believe there are a lot of people who do not see the force and effect of this legislation. If I were about to seek re-election, I would gain a lot of votes by supporting the Bill, but I shall not endeavour to catch votes by putting up a bluff regarding legislation that will be to the detriment of the people. This legislation will be to the detriment of the poor tenants and for that reason I shall vote against the Bill. On the other hand, I would like the Bill agreed to so that people would appreciate that what I say is correct. I shall vote against the Bill.

On motion by Hon. H. Tuckey, debate adjourned.

House adjourned at 6.7 p.m.

Legislative Assembly.

Thursday, 23rd September, 1937.

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

QUESTION—RAILWAY SUBWAYS.

Mr. NORTH asked the Minister for Works: 1, Has he ever recommended to local authorities that traffic fees be used to construct subways? 2, If not, has he earmarked any other funds for the purpose of constructing subways in the Claremont electorate and under the Cottesloe station?

The MINISTER FOR WORKS replied: 1, No. 2, No.

QUESTION—KING EDWARD MEMORIAL HOSPITAL.

Mr. RAPHAEL asked the Minister for Health: When is it the intention of the Government to commence the building of the proposed new additions to the King Edward Memorial Hospital in Subiaco?

The MINISTER FOR HEALTH replied: At once.

STATE GOVERNMENT INSURANCE OFFICE BILL SELECT COMMITTEE.

Extension of Time.

On motion by the Minister for Employment, the time for bringing up the Select Committee's report was extended for two weeks.

ANNUAL ESTIMATES, 1937-38.

In Committee of Supply.

Debate resumed from the 16th September on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Sampson in the Chair.

Vote—Legislative Council, £1,810:

HON. C. G. LATHAM (York) [4.34]: The Estimates submitted to the House this year differ very little from those we have had before us year after year, except that it is the first Budget Speech delivered by the present Premier. In consequence, I suppose we should regard it fairly liberally. I notice that the reception the Budget has got outside cannot be regarded as unfavourable, inasmuch that the general impression one gains from newspapers and other sources of comment is that it might have been expected, taking into account the deficit of last year, that increased taxation would have been announced, and that the absence of that announcement is one thing we have to be thankful for. But I can assure the House that there is no necessity whatever for increased taxation. It would not be justified, and if we wanted to set back the State, a splendid way of achieving that purpose would be to declare further taxation. We are very heavily taxed at the present time. I do not propose to deal very extensively with the Estimates. Most of our larger activities are provided for by special Acts of Parliament, and the Arbitration Court assists by fixing wages, and so all we have to do is to supply the money. As the Treasurer pointed out, there is, anyhow, but little money over which this House has control. But there is this point: I think Ministers can do something towards controlling expenditure by seeing that the departments are not over-staffed. I know how difficult it is for a Minister to keep in touch with the expenditure of his department, for it takes up quite a lot of his time sifting out reasonable requests from those that are unreasonable. Still, it seems to me that some of our departments are becoming over-staffed, and consequently we find a great deal of revenue going out in that direction. On the Address-in-reply debate I dealt fairly extensively with the general financial position, and now I propose to make a more detailed analysis of last year's transactions and of the Estimates for the current year. When speaking on the Address-in-reply, I said there had been a general improvement in business and industries, and that that continued improvement had assisted all the States, and more particularly the Commonwealth, in their endeavour to achieve Budget equilibrium. Last year all the States except Western Australia improved on Budget Estimates. It is remarkable that Western Australia and

Queensland were the only States to complete the year with deficits, and it is interesting to note that those two States, Queensland and Western Australia, are controlled by Labour Governments, and that the taxation per head is higher in those States than in the other States. I take into consideration the fact that there is in those two States a lot of semi-governmental activities that in other States are controlled outside the Government. I am sure the Premier must have impressed the Committee with what he described as the difficult conditions of the year that has passed, especially in relation to the drought position. But whatever his difficulties may have been, they were nothing in comparison with what they were during the three years that we were in office. The Premier will have some appreciation of the troubles that confronted us during those three years. I should not have mentioned this subject but that the Premier pointed out that the Government of which I was a member did things that were wrong. Of course all Governments have done something wrong, especially in respect of finance. I do not know that it will ever be possible to get back to proper business methods, but I will say that there has been an improvement in that respect during the last three years. An attempt is now being made to charge against Revenue expenditure that is properly chargeable to Revenue. However, the Government have not yet gone far enough in that direction, for there are still some things being charged to Loan which ought to be charged to Revenue.

The Premier: Exercised in reason, it does not make much difference, after all.

Hon. P. Collier: It will not do much harm.

Hon. C. G. LATHAM: Eventually it will. During the current year of that expenditure it makes but little difference, but it does build up deficits and create unproductive works that are interest-bearing but not interest-producing. However, there has been some improvement, as I say, and I hope it will be continued. I believe the financial reports prepared during the last two years have shown a great improvement as against those submitted years ago, and I believe there is a further improvement evidenced this year. They are easier to follow than were earlier reports, and so they give members a chance to check over the financial position when we come to the reports that are submitted with the Estimates. I re-

marked that the Premier had spent a little time pointing out his difficulties; but despite those difficulties he had, his revenue last year exceeded by £770,000 the total revenue and loan receipts for the year 1931-32, together with our deficit in that year. While I appreciate the troubles of the Premier, and with the member for Irwin-Moore and the member for Nedlands I sympathise with him, yet he should realise that he had more money to spend last year, that is to say, more money from his Revenue Account, than we had in 1931-32 from our Revenue Account together with Loan Funds and a deficit of £1,500,000. The Premier had in revenue £770,000 more than all our money put together. And last year the total expenditure of the Government was £2,000,000 in excess of what we had in 1931-32. With £2,000,000 a great deal can be done. I know the demands that are made on the Government. There has been almost a complete recovery from the depression, the cuts have been restored to those from whom they were taken, or at all events except in respect of one or two undertakings that are still having difficulties.

The Premier: Even the interest bill on the deficit that your Government had cost us £160,000 this year.

Hon. C. G. LATHAM: May I point out that the conversions that have since taken place in London have more than equalised that, and last year we just about balanced that additional amount added to our loan expenditure, balanced the interest account of 1930-31. During the period that the Australian conversions took place, and since then the conversions overseas, there has been a considerable saving in interest. That £1,500,000 deficit of 1931-32 has cost a good deal, because 4 per cent. sinking fund has to be provided.

The Premier: Not so far.

Hon. C. G. LATHAM: I thought that was the arrangement made.

Hon. P. Collier: That is the part of the arrangement that has not been carried out.

The Premier: It was financed by Treasury bills, and they do not carry 4 per cent.

Hon. C. G. LATHAM: Well, after all, it is not a very large amount.

The Premier: No. it is not, but it cost us £160,000.

Hon. C. G. LATHAM: The interest account to-day is very little more than it was in 1930-31. A considerable reduction has

been made in interest. Beside the amount of money which the Government had last year by way of revenue, and Loan funds, from the Federal Aid Roads Grant they received £580,000, on account of unemployment relief £100,000, and for public works £6,650. In the case of the last-mentioned amount the State has to find an equivalent sum for interest and sinking fund on loans made to provide public works for local authorities. That money is a gift to the State. No interest has to be paid upon it, and it does not have to be returned.

The Premier: The local authorities raise that themselves.

Hon. C. G. LATHAM: Beside this, the Commonwealth Government have paid money for assistance to industries, from which the State Government have benefited. It is money in circulation, and indirectly they get considerable benefit from it. That accounts for an additional £525,000, a considerable sum of money. The hospital tax collections last year were increased to £235,000. That is another form of taxation not taken into account by the Treasurer in his Budget statements.

The Premier: We may want more than that.

Hon. C. G. LATHAM: I appreciate the difficulties of the Treasurer. His Ministers are never satisfied with what they get, and in consequence the heads of departments are dissatisfied. Demands are always being made upon the Treasury. The present Treasurer was a little more sympathetic than was his predecessor, but I do think when he said "No," he meant "No." After looking at the accounts, I feel that the present Treasurer was more liberal than was his predecessor.

Mr. Fox: He is not so case-hardened.

Hon. C. G. LATHAM: When he has had the experience the member for Boulder had, no doubt he will become case-hardened too. Beside that money, there is the Lotteries Commission. This is a voluntary form of taxation, and pretty well 50 per cent. of the disbursements go to relieve public expenditure. The Minister for Health receives considerable assistance from this source. He is better off financially than ever he was, and is able to get from £60,000 to £70,000 a year from the funds. I know he does not get all the money, because some of it goes to the Child Welfare Department. I suggest, however, that the total is nearly £100,000. Last

night the Minister for Agriculture said that the turnover of the Lotteries Commission was about a quarter of a million pounds. Roughly speaking, nearly half of that is used for charitable purposes. That is of assistance to the Government. The Treasurer is, therefore, better off than any of his predecessors were. When the member for Boulder looks over these returns and figures, he must be envious of the present Treasurer, for he had a much more difficult task to perform in recent years than the present holder of the office. Of course, the hon. member lived in times when money was easy to get, and he got his fair share of it. The last few years, however, have been very trying, but nothing to be compared with the three years during which our party were in office. I notice that the deficit for last year was £371,000, compared with a surplus for the previous year of £88,000. I cannot understand why that occurred. The Treasurer claimed that the retrogression was due to the decrease in the Commonwealth grant and increased expenditure on drought relief. The Commonwealth grant had nothing to do with it in reality. I find that his actual revenue was £326,000 above the estimate. When he made his estimate, he allowed for £800,000 from the Commonwealth instead of £500,000 which he eventually got. If he had received the £800,000 from the Commonwealth, he would have had a deficit of only £71,000. So far as revenue was concerned, there was no justification for blaming it on to the £300,000 reduction in the Commonwealth grant.

The Premier: The Railways may want another £300,000. It costs money to get money.

Hon. C. G. LATHAM: When there is a reduction in earnings I notice that the expenditure goes up. That is proved by the returns of the Railway Commissioner for the last year. The State's actual revenue last year was £10,185,000, or £26,000 above the estimate which made provision for the grant of £800,000. An examination of the returns, however, reveals that the actual expenditure exceeded the estimate by £403,000. This was made up of, departmental £213,000, and public utilities £193,000. Of the increased departmental expenditure of £213,000, £112,000 is represented by advances to settlers in drought-affected areas. It will be noted that this money is merely advanced to settlers, and must be repaid with interest, which is being charged under the Industries Assist-

ance Act. If these advances have been carefully made, there will be no loss in respect of them, for the money will be repaid this year. The Treasurer states he will be recouped for the money this year.

The Premier: For some of it.

Hon. C. G. LATHAM: He proposes to advance £120,000 compared with the £160,000 he advanced last year. In emphasising the decline in Railway revenue, the Treasurer blames the drought. I do not know if that is the case. Looking at the whole of the freights carried by the Railways, I notice that the reductions that have taken place with respect to the agricultural areas are more than made up by the freights from other parts of the State, with respect to mining requisites and timber. The earnings from the Railways were £31,000 below the estimate, while the expenditure exceeded the estimate by £172,000. It looks as if there are too many men employed in the Railways.

Mr. Styants: Not in the loco. branch, which is under-staffed.

Hon. C. G. LATHAM: The over-staffing may be in the offices. There are more men employed than used to be employed, and the number is continually being added to. Despite increased Railway earnings and reduced interest charges the deficiency for the year was £167,000 compared with £57,000 in 1935-36.

The Premier: I told you we had put in another £100,000 for the rehabilitation scheme, to catch up with repairs.

Hon. C. G. LATHAM: I admit a little more has been put into that this year, but the money has been taken out of revenue. The railway returns show that the average number of persons employed increased from 7,313 in 1933 to 8,447 in 1937. I am sorry these additional employees are not in the running section.

Mr. Styants: What do you suggest; putting them on part-time?

Hon. C. G. LATHAM: I did not say anything about that.

Mr. Styants: What are you going to do?

Hon. C. G. LATHAM: If we are going to load up our utilities with men who were unemployed, the Treasurer should make them a grant.

The Premier: Some of the men are on loan works.

Hon. C. G. LATHAM: I do not know that they are.

The Premier: On re-laying, rolling stock, etc.

Hon. C. G. LATHAM: So that is being done out of loan funds. I thought it was being done out of revenue.

The Premier: I am referring to renewals.

Hon. C. G. LATHAM: If that is for new rolling stock, it is all right. I thought the Treasurer meant repair work.

The Premier: No.

Hon. C. G. LATHAM: We are building up a large staff, but whether that is justified or not is a moot point. It is one the Minister for Railways should go into. It is very easy to overload our departments. There was a reduction in the estimated earnings, but there has been an increase in the staff. The Treasurer admits we are dependent on primary production for our national income. Everyone will agree with that view. Our national income comes from our primary industries for our secondary industries produce comparatively little wealth. I would impress upon the Treasurer the importance of our primary industries, so that the Government may turn their attention to building them up. I was struck by a speech the Premier made in London. He seemed to be very much impressed by the position when he was there, but very little has been done to build up these industries since he returned. Despite the drought of last year, had we concentrated on our agricultural and pastoral industries, our earnings would have been much greater from that source. The policy of the Agricultural Bank has not been helpful, and the last report of the Commissioners is anything but encouraging.

The Premier: They have wiped out a lot of debts.

Hon. C. G. LATHAM: And a lot of farmers. Debts have been wiped out on many abandoned properties. It seems to me that the policy of the Commissioners is to force farmers off the land.

The Premier: Not at all.

Hon. C. G. LATHAM: I propose to show from the last report exactly what the position is. There is something wrong with it. I am extremely sorry the Government made an appointment to the Commission. I believe the soundest way to control the Bank is to leave it in the hands of a manager with his staff. I do not know what the Commissioners do. I know the principal appointment was a political one, and I desire to be fair to the occupants of these offices. I do not believe they have

helped one bit to build up the financial position of the industry. They have not done anything to that end. For a long time there has only been one man there, and his knowledge of the agricultural areas is very limited. Whatever has been done in the South-West has not been an improvement. That is borne out by the report of the Commissioners.

Mr. Withers: It will be borne out.

Hon. C. G. LATHAM: So long as the agricultural industry remains in its present unsatisfactory economic position, so long will the State remain stagnant. It cannot be otherwise.

The Premier: I agree.

Hon. C. G. LATHAM: Page 31 of the report shows that the properties on hand for sale to the 30th June, 1937, in all these areas numbered 2,737. Of these 1,433 belong to the Bank, 573 are under the Soldier Settlement Scheme, and 404 are under the Industries Assistance Board. There are also 731 in the group settlement areas. Altogether 2,737 properties were available for sale on the 30th June last. Another return shows that in one year no less than 625 farms came into the hands of the bank, and in one of the best price years we have had for a long time.

The Premier: And the worst yield.

Hon. C. G. LATHAM: Some of the yields were bad, but others were not so bad.

The Premier: Many of the districts had a bad run last year.

Hon. C. G. LATHAM: The properties that reverted to the Bank for the year ended the 30th June, 1937, were, according to the Commissioner's report, as follows:—

Bruce Rock	..	..	16
Bunbury	..	..	5
Busselton	..	..	3
Denmark	..	..	5
Geraldton	..	..	25
Katanning	..	..	16
Kununoppin	..	..	52
Manjimup	..	..	8
Meredin	..	..	92
Narrogin	..	..	38
Northam	..	..	47
Perth	..	..	13
Salmon Gums	..	..	20
Total	..	..	340

The Premier cannot say that Narrogin had a bad run last year. In addition to those 340 farms, there were 103 holdings in connection with the Soldiers' Settlement Scheme, 128 under the Industries Assistance Board, and

182 in connection with group settlers. Something should be done to stop it. If this sort of thing continues each year very few farmers will be left on their holdings.

Mr. Cross: Was that not the result of the bad prices in previous years?

Hon. C. G. LATHAM: I want to draw the attention of the Premier to the position. On page 6 of the Bank's report, in dealing with reverted properties, the following appears:—

During the year ended the 30th June, 1937, 625 properties reverted to the Bank, as against the previous year's figure of 710—

That represents a total of 1,335 properties that have reverted to the Bank.

—During the year 417 sales were effected as against 250 for the previous year.

That makes a total of 667. Then on page 7 a table is given showing the stock in farming areas, and in pretty well every instance it discloses that there has been a decrease of stock in the agricultural areas. For the year ended the 31st December 1936, there was a decrease of 177 horses on properties in the hands of the Bank, of 7,358 cattle, 3,994 dairy cows, and 240,673 sheep. One would have thought that with the farms going out of wheat production, they might have been used for sheep, with a consequent increase in the numbers on the holdings. On the other hand, the report shows there has been a decrease. The same applies with regard to pigs and for the year there was a decrease of 21,521. It will be seen, therefore, that the industry is retrogressing badly indeed. To me it seems a very serious matter. The Commissioners in their report attribute the reduction in sheep to the "dry season and the low lambing percentage." It is indeed poor property that will not carry sheep and give a lambing at least equivalent to the deaths in the flock. I do not know of any property in my district where the lambing did not exceed that of the deaths. We have a right to question the management of the Agricultural Bank when we have such figures presented to us. I certainly agree that the Acting-Chairman of Commissioners has hidden nothing and has placed the details before Parliament, but the matter is indeed serious. Then on page 8, in dealing with the occupancy of group settlement holdings, the report states—

At the 30th June, 1937, 835 holdings were occupied and 761 vacant, of which 37 are leased and 21 used as stock depots. Since sale arrangements were entered into with Goldsbrough Mort & Co., Ltd. (from 1st May to

30th June) 20 holdings were vacated and 17 holdings sold.

So even the properties that have been vacated exceed those that have been sold. Surely to goodness something will have to be done to prevent a continuance of that state of affairs. I would ask the Premier: Is it proposed to hand over the control of all the agricultural districts to the Commissioners of the Agricultural Bank? I see from the report that they are going in for rail-less trains. Are they getting loan funds for the purpose of running a transport system?

The Premier: No.

Hon. C. G. LATHAM: I am glad to hear that. Such an activity has nothing to do with the Commissioners of the Bank. There probably ought to be consultation with the section of Government dealing with such matters, but I notice that on page 9 of their report the Commissioners state—

The Commissioners are withholding decision in connection with the future of settlement in the Dulyalbin, Mt. Walker, Gibb Rock, and Holleton districts until inquiries of an extensive nature already instituted into the possible use of rail-less road trains in lieu of railway facilities are completed and reports obtained. In the districts mentioned the Government have already approved of a wheat carting subsidy for three years, terminating with the 1938-39 harvest. It is the Commissioner's desire, however, that an established transport system be provided for isolated settlers, and with that end in view they have caused the inquiry to be made as to the efficiency and cost of rail-less road trains in districts such as those mentioned.

All that information is available. The Premier will find a file in his own office dealing with rail-less trains.

The Premier: That is so.

Hon. C. G. LATHAM: I cannot understand the Commissioners spending money in that direction.

The Premier: They are not spending money but merely making inquiries.

Hon. C. G. LATHAM: Why do they not approach those qualified to deal with that phase?

The Premier: I suppose they have done so.

Hon. C. G. LATHAM: It does not look like it.

The Premier: They are getting information that has been available for the last five or six years.

Hon. C. G. LATHAM: Of course they are. Then they go on in their report to state—

These inquiries remained incomplete at the close of the financial year. The Commissioners, however, hope to have the reports to hand at an early date, when the decision concerning the future of settlements in the districts mentioned will be made.

Are the Agricultural Bank Commissioners to determine whether there shall be a transport system installed, or are the Government to do that?

The Premier: The Government, of course.

Hon. C. G. LATHAM: In recent years there has been apparent an unloading of the responsibilities of Ministers on to boards, and that is very unsatisfactory. Parliament cannot control such boards. We appoint them for five or seven years, and then they are absolutely out of our control. Who controls the Agricultural Bank? No one! I think the latest appointment was a calamity, in view of the information that has been presented to us. I do not see how it is possible to clear up the position in such circumstances. I notice, too, that it is proposed to move the settlers from the Bullfinch, Lake Deborah, Southern Cross (miners' settlement) and South Ghooli areas. I wish I had been in the House the other night when the Minister for Lands was holding forth regarding what members on the Opposition side of the House had done. Every one of the settlements I have just mentioned represents products of the activities of the present Minister for Lands, and so does the other settlement in the north-eastern part of the State, where he put the partially incapacitated miners. He need not talk about members on this side of the House having done that sort of thing! He was the man who created the settlements to which I have referred. Now it looks as though those settlers are to be removed from their holdings. Then, again, the other night he told the House that the pastoralists and miners never looked to the Government for assistance, but that the agriculturists were spoon-fed. I remember the Minister stating on one occasion in this House that it was the intention of the Government to make advances to pastoralists. I do not know what the amount was, but I suppose it would be up to the limit allowed by the Bank, namely, £2,000 per holding. On page 11 of the

Commissioners' report, there is this statement—

The Bank has some 50 pastoral securities on its books.

I am glad that a former Treasurer, who was very severe in regard to these matters, did not allow the Minister an unlimited amount for that purpose, for by now there are 50 pastoralists in the hands of the Government.

The Premier: Not in the hands of the Government, but assisted by the Government.

Hon. C. G. LATHAM: Well, they are in the hands of the Bank.

The Premier: That means that money was advanced to those pastoralists.

Hon. C. G. LATHAM: It looks as though we have to face that position too, otherwise the Commissioners would not have pointed to the fact in their report.

The Premier: The advances were made to increase production from the industry, and thus help in distributing more wealth throughout the community.

Hon. C. G. LATHAM: I hope there will be no extravagance in connection with advances as in the past. I have not had an opportunity to peruse all the returns thoroughly.

The Premier: I have not seen the report yet.

Hon. C. G. LATHAM: It was laid on the Table of the House last night. The agricultural industry is the one to which we can look for the quickest possible returns, and on it many hundreds of thousands of pounds have been spent. All that money can be recovered quickly if we have good seasons and prices are satisfactory. To-day prices are such as to justify something being done to reoccupy abandoned properties.

The Premier: Whatever Government can guarantee good seasons and good prices will deserve well of the community.

Hon. C. G. LATHAM: I have heard the Premier say that before. I do not like to emphasise my knowledge regarding this question, but I do know that farming to-day can be made payable by careful management, provided the capitalisation is not too heavy. I know of no better calling for anyone than farming. If a man is in receipt of daily or weekly wages, there is always uncertainty ahead of him, with the prospect of periods of depression. There is uncertainty in connection with farming, but there is always a living to be made on the farm, provided the

individual has a reasonable opportunity at the start and is not handicapped by want of financial assistance. Whatever financial assistance is extended should be well controlled.

The Premier: All the financial assistance available in times of bad prices little avail the farmer if he continues production at a loss.

Hon. C. G. LATHAM: I have been farming on the one holding for the last 30 years. With my knowledge of the locality, I say that this year's rainfall, which was 7 inches, was very meagre. Such a fall was very unusual. I can also say that, with the possible exception of one or two years in the early stages, we have always balanced the farm budget. I do not say that in a boasting spirit, for it is not everyone that has sons able to carry on.

The Premier: Even with wheat at less than 2s. a bushel.

Hon. C. G. LATHAM: Of course, with an average of from 12 to 14 bushels to the acre, farming could not possibly pay under those conditions, and the State average was about 11 or 12 bushels. My property is regarded as first-class, and therefore our returns have been higher. Fortunately in years when prices were low, we had heavy returns and when the yield was low, the position was corrected by better prices.

Hon. P. D. Ferguson: And there were the wool returns, too.

Hon. C. G. LATHAM: Farmers are foolish who rely on wheat only.

The Premier: Many are trying to do so.

Hon. C. G. LATHAM: We must start off with wheat but then the land must be provided with pasture for sheep. With proper management, the agricultural land of Western Australia will compare more than favourably with that in any other State, provided that the capitalisation is not too high. I do not know of any better opportunity for a young man than that associated with the land. He will require a little assistance, but certainly that should not be on an extravagant scale, because the day must come when it will have to be repaid. If the assistance is on too extravagant a scale, the young fellow will not be in a position to meet his obligations. The Minister for Lands continually refers to the tremendous amount written off in respect of the liabilities of the farmer. During the past 12 years, his Gov-

ernment have been in power and they have had control of land settlement.

Mr. Sleeman: Not for 12 years.

Hon. C. G. LATHAM: Labour has been in power for nine out of those 12 years, during a considerable portion of which time the present Minister for Lands has been in control of land settlement matters. Nearly all the expenditure on group settlement took place during the period the Labour Government have been in power. It is true that they say we were in power when the scheme was introduced, and that is quite right.

The Premier: And you then committed the State to the expenditure.

Hon. C. G. LATHAM: We did not. If the political wheel were to turn and I were associated to-morrow with a Government who desired to do something in respect of which it was impossible to make ends meet, I would not commit the State to additional extravagant expenditure as that which took place in connection with group settlement. Over £1,000,000 a year was being spent when we were returned to office, and that expenditure was immediately reduced to £213,000. We had to reduce that expenditure; there was no alternative, because there was no money available. Probably that was not an unmixing evil. It is useless charging members sitting on the Opposition side of the House with responsibility because so much money has been written off. We know that large sums have been written off the liabilities of farmers, but that is happening in every State throughout Australia. There is not one State in Australia that has not had to write off. I was in Queensland for the first time early this year and as sure as I stand here I can assure the House that that State is proceeding with dairying on land in respect to the capitalisation of which 80 or 90 per cent. will have to be written down. The people could not possibly make the interest on the money that has been expended in cutting down some of that heavily timbered country. It is impossible. We complain about the expenditure in our South-West, but there is no comparison because in Queensland, by the time they have finished cutting down 100 acres at one end of the land, there has been a growth of from 10 to 12 feet at the other in that semi-tropical country. Strangely enough I had newspaper cuttings sent to me soon afterwards show-

ing that an approach was being made to the Government there to have the work done by men on sustenance. We have made mistakes in this State and every Government that attempts to do anything in the future will make mistakes, but it is no use of one side hurling all the responsibility on to the other. It gets us nowhere. We on this side of the House will undertake our responsibility. All I ask the Minister for Lands is that he should take the responsibility for his mistakes. He has unloaded nearly all of his responsibilities on to boards. The only one he has not unloaded is the Department of Lands. The Agricultural Bank has gone, the group settlement has gone, migration has gone, and everything else.

The Minister for Employment: We have migration.

Hon. C. G. LATHAM: You have not; it has been handed back to the Commonwealth.

The Minister for Employment: We have the results of it.

Hon. C. G. LATHAM: You might be finding the money to repatriate people, but the Commonwealth Government took the matter over. The member for Perth knows something about it. He tried to do some work in the interests of the Commonwealth. I remember he had a hard job. That was the time we transferred it to the G.P.O.

Hon. P. Collier: What has the Commonwealth taken over?

Hon. C. G. LATHAM: The responsibility of collecting the money owing. The present Minister's trouble is to get money to send some of these people home.

Hon. P. Collier: There is not much possibility of collecting the money owing. Whose responsibility is it to collect the interest?

Hon. C. G. LATHAM: One of the hon. member's colleagues once said that the money was in the pockets of the people.

The Minister for Mines: A good deal of the money that was in the pockets of the people has gone back.

Hon. C. G. LATHAM: Not much.

The Minister for Mines: They got from 35s. to £2 a week each.

Hon. C. G. LATHAM: There are some people who think that because we are increasing expenditure on education, educational facilities are being increased, but the increased educational vote does not necessarily mean additional educational facilities.

Of the expenditure 93 per cent. is for the payment of salaries. The increase in the vote is on account of an increase in teachers' salaries, and people cannot expect to obtain a great increase in educational facilities because the expenditure is higher than previously. I have been looking at the figures in regard to territorial land revenue which is down £5,899. When the Estimates were before the House last year I do not know whether the Government allowed for the Bill which was eventually passed to give relief to the pastoral industry.

The Premier: That only applied for half a year.

Hon. C. G. LATHAM: The Treasurer said that relief to the pastoral industry cost £35,000 last year and this was accounted for in reduced revenue.

The Premier: For the last half of last year.

Hon. C. G. LATHAM: I thought it was £35,000 for the year. As a matter of fact I think the Minister for Lands said £70,000. The revenue from the Mines Department was £5,000 below the estimate. The drought cannot be blamed for that. There was a reduction in the earnings of the State batteries.

The Minister for Mines: That is quite easily understood.

Hon. C. G. LATHAM: I know what the Treasurer said, that some of the batteries were closed down because the size was being increased. If that were so, during the rest of the period in which the enlarged batteries were operating the income should have been sufficient to make up for the period during which they were lying idle. With the increased gold production batteries should pay for themselves and should not register a loss. While a great deal is said about all the losses that the State has made in the agricultural areas in the South-West, there is always a great silence in respect of the State trading concerns. Because of the attitude of the Minister for Lands the other night I thought I had better find out some other ways in which the taxpayer had to put his hand in his pocket to make up losses incurred by the Government. I find that the Wyndham Meat Works, which were introduced when the hon. gentleman supported the Government of the day, owe the Treasurer £1,000,000 in interest.

Mr. Sleeman: What would you do with those works?

Hon. C. G. LATHAM: I would have let the people getting the benefit from them take them over long ago and cut the loss.

The Premier: We would have to pay just the same.

Hon. C. G. LATHAM: But there is more in it than that. Every year they lose money.

The Premier: They get the benefit of cheap prices.

Hon. C. G. LATHAM: I do not know about that.

The Premier: They do.

Hon. C. G. LATHAM: By comparison the prices in Queensland are much lower than here. I find that the Wyndham Meat Works have been lending money out on station property. Surely that is not their function. There have been two repossessed properties disposed of at a loss of £6,671. Where did they get the money from? There must have been a considerable amount advanced because £6,671 was lost on the sale of two of them. It is about time that we knew how much money is out on station properties, when it was advanced and who gave authority for the advancement. There is no authority for it under the State Trading Concerns Act. The Wyndham Meat Works owe the Treasury £1,000,000 in interest and the accumulated loss is £1,400,000. I am sorry to report the slackness of the management of these State trading concerns. They are bound by Act of Parliament to have balance sheets laid on the Table of the House at the end of September each year. Yet we have two balance sheets this year out of three presented, that are 12 months old. It is about time these departments were reminded that they are controlled by Act of Parliament and have to obey it just as the Premier and I.

The Premier: The Auditor General is stirring matters up in that connection.

Hon. C. G. LATHAM: I am pleased with the appointment of the new Auditor General. He has made a big improvement. His knowledge of the Treasury may have helped him. The balance sheets are due to be laid on the Table of the House every September. Parliament fixed the time, and it should be observed. The second thing I want to remind the Minister for Lands about is the State Shipping Service. The loss for 1935-36 was £34,436. The accumulated loss disclosed by the Auditor General's report is £816,571. The profits on the working are little more than one-third of the sum required to meet depreciation and nothing is available to meet interest at all.

The Premier interjected.

Hon. C. G. LATHAM: I do not think they ever made a profit.

Hon. P. Collier: Yes, in the war years.

Hon. C. G. LATHAM: Most of the profit was made by the Kangaroo when it was leased to the British Government. It paid for itself.

Hon. P. Collier: A quarter of a million.

Hon. C. G. LATHAM: I admit it paid. But there is a debit against the service. It is like the State hotels, though they have paid for themselves over and over again.

The Minister for Mines interjected.

Hon. C. G. LATHAM: It is about time the State left trading to the people capable of handling it. Let us wipe out these State enterprises and give the private individuals a chance. The State Shipping Service showed a loss of £34,436 according to the figures for 1935-36. I have maintained that that utility was necessary for the settlement of the North-West but the price paid is considerable. The railways have also made some losses but they do provide money towards interest payments. There has never been a year I think when the Railway Department did not pay current expenses and some interest. But the State Shipping Service is run when there are profits on the working which provide no more than one-third of the sum needed to meet depreciation, and there is nothing available to meet interest payments. And the ships are run in competition with a service that has to be commercially conducted. Those running the private ships have to pay taxes and can run their vessels at a profit. Yet we make a loss! It is about time we had decent management in this connection also. There is not the same freedom allowed to the private ships as is allowed to the Government ships either. The Government ships have the whole of the advantage. They run to Wyndham, Darwin, and Malaya. The management of the State Shipping Service should be looked into. I am satisfied it can be improved. In spite of the financial position, a new office has been opened in an insurance company's building. I do not know for what purpose. Perhaps the Minister in charge of the Department can tell us.

The Premier: He is in the Legislative Council. You had better go there and get him.

Hon. C. G. LATHAM: No, I will leave him there. He has a full-time job in that Chamber. I think we will pass it by. But I would ask his representative in this House to inquire why that new office has been opened. We have a Tourist Bureau for which we have to find money. They can quite well do this work and they did do it too. The ex-Treasurer took fine care of that. I cannot imagine the management of the State Shipping Service saying to him, "We want to pay rent to the Colonial Mutual Coy." But an office has been rented there and I assure this House there is no need for it. The State Shipping Service has a monopoly of the trade on the coast and always seems to have full passenger lists. It is about time the officials were told that, in view of the loss being made every year, it should not be increased unnecessarily. If the new ship that is coming out shortly is to be run on similar lines, it will not have a chance from the start. I should like to draw attention to return No. 16 showing investments of loan funds. It includes a list of totally unproductive works, as follows:—

Aborigines stations, etc.

Public buildings, including schools, police stations, gaols, court houses, hospitals and institutions.

Rabbit-proof fence.

State brickworks.

State quarries.

State shipping service.

Tourist resorts.

The State Brickworks and State Quarries should surely be able to earn something. They should not be amongst the totally unproductive works.

Hon. P. D. Ferguson: Other brickmakers are making fortunes.

Hon. C. G. LATHAM: I would not say they are making fortunes, but the State Brickworks have not the rates and taxes to pay that other manufacturers have to meet. Perhaps they are able to give slightly better conditions to their employees. This is a serious matter, because those concerns are not doing anything that cannot be done by other people. The opening of the agricultural, pastoral and dairying districts is a totally different proposition, and I want the Minister for Lands to bear that fact well in mind. When he talks to this side of the House about the terrific losses made on land settlement, I would have him remember that many things he has supported have been failures. Many of those concerns, the establishment of which he has supported, could

well have been left to private enterprise and then there would have been no cost to the people, except that of collecting taxation from them. The Estimates for the year are easy to understand. For 1937-38 provision is made for an increase in revenue of £468,000 and an increase in expenditure of £225,000. The Treasurer anticipates finishing the year with a deficit of £129,000. It is expected that receipts from taxation will increase by £54,000, departmental revenue by £125,000, and public utilities by £264,000. I notice that the State Implement Works have suddenly become rather flourishing, but probably this is due to departmental work being done there, and of course there is no check upon the charges made. It is anticipated that financial emergency tax collections this year will bring in £1,000,000. Last year I told the Treasurer that he would go very close to collecting £1,000,000, and the actual amount received was £971,000. Taxation per head has increased from £6 3s. 5d. in 1935-36 to £6 15s. 9d. in 1936-37, despite the fact that there has been no increase of taxation. The public debt has risen from £199 4s. per head to £201 15s. per head, an increase of £2 11s. I am pleased to note that there are fewer people dependent upon the Government for sustenance and relief work than there were a few years ago, and I hope, despite the fact that the Premier emphasised the difficulty of providing full-time employment, the Minister for Employment will carry out the promise to which he was going to give effect last October.

Mr. Raphael: What about your work for all?

Hon. C. G. LATHAM: I think that is it; the cry was very contagious. The gold mining industry has materially assisted to reduce the volume of unemployment. There are now 17,000 men employed in the industry compared with 9,700 in 1933.

The Premier: That is the one big bright spot.

Hon. C. G. LATHAM: Yes. I am wondering whether the Minister for Mines will have anything interesting to tell us about the young fellows who have been sent out prospecting. Prospecting, I consider, is quite a satisfactory occupation for many of our young men. I do not know whether they will develop into prospectors of the old type. One certainly feels very sad at the passing of those fine old men. On the occasion of my last visit to Coolgardie, I saw a large number of them, and we can only hope that

they have found that rich patch embedded in the hill. One cannot but admire their optimism, and doubtless every one of them felt happy when he witnessed the revival of the mining industry. I should like to see young men trained to work along the same lines, though I do not consider that they should be subjected to the hardships that the old prospectors had to endure. Prospecting is certainly a healthy occupation, and, like a charities consultation, might bring reward some time or other.

Mr. Fox: It is healthy on the surface.

Hon. C. G. LATHAM: I am speaking of prospecting, not mining. In my younger days I was associated with mining, and it was a surprising fact that an underground man would not accept work on the surface if he could get a job below. I do not know what the attraction was, but it was always difficult to get an underground man to work on the surface.

Mr. Fox: He dislikes working in the sun. That is about the only consideration.

Hon. C. G. LATHAM: I commend the Government for having continued the improved methods of showing the financial position in respect to works that should be charged to revenue. Quite a lot still remains to be done in that direction. This alteration will not affect the spending power of the Government at present, but it will prove helpful in future. As the member for Boulder stated by way of interjection, if we are going to use loan funds for repairs and such like work that should be a charge against revenue, we shall be increasing our indebtedness without providing any asset for the expenditure.

Hon. P. Collier: The worst phase was taking loan money into revenue to make up interest payments due to the Agricultural Bank.

Hon. C. G. LATHAM: I was not in the House when the measure was passed, but the Act certainly did enable that to be done. Of course there was no idea that interest arrears would accumulate as they have done. I remember the measure being introduced, in 1911 or 1912 I believe, providing for an increase of advances to £2,000. As advances increased, so the position became more difficult for the Treasurer, because the heavier advances entailed heavier interest bills for the settlers. Arrears of interest were made good from loan funds instead of revenue, but, as I have pointed out, this was per-

mitted by the Act. Other members will doubtless interest themselves in the Estimates, but I have made a careful scrutiny and have found them little different from those of other years. We have very little control over finances to-day. We have delegated our authority by Act of Parliament, Public Service Act, Arbitration Act, and other measures, to other people. All we can do now is to amend those Acts and bring back control to the House, or be satisfied with their administration.

MR. NEEDHAM (Perth) [5.40]: The Budget speech delivered by the Treasurer a week ago and criticised by the Leader of the Opposition this afternoon does not suggest anything extraordinary or abnormal about the finances of the State. There is nothing startling in the Budget; in fact the only note that I can discover is a note of caution, that we are not yet out of the wood, despite the assertions frequently made that we have turned the corner and are once more in prosperity street. During the course of the current financial year, two factors might operate to improve the financial position. The first is the prospect of a more bountiful harvest being reaped than for some years past. The other is that the Commonwealth Grants Commission, which is an important factor in our financial destiny, might reveal a change of heart. I feel confirmed in that hope by the statement made by the chairman of the Commission reported and commented upon by the "West Australian" newspaper yesterday. Quite evidently the Commission, for some time past, has considered the requests of the smaller States simply on the ground of needs and not on the ground of disabilities. The chairman of the Commission suggested that there had been some neglect on the part of the Treasury officials in not placing before the Commission their claim for consideration on the basis of disabilities rather than of needs.

Hon. P. Collier: There is no justification for his saying that.

Mr. NEEDHAM: I think that anyone who has read the reports of the Commission can come to only one conclusion, namely, that the question of disabilities was tabooed by the Commission. I cannot imagine any Treasury official of this State neglecting such an opportunity. In view of the chairman's remarks, I sincerely hope that in future our claims will be considered on the basis of the disabilities under which we are labouring

as a result of being a partner in the Commonwealth, rather than on the bare needs of the State. Another important factor to be borne in mind is that while the Financial Agreement exists we are handicapped by it. We are partners to the Financial Agreement entered into between the Commonwealth and the States and ratified as the result of an appeal to the people. That Financial Agreement is now, and for years has been, embedded in the Commonwealth Constitution. I remember taking an active part against the proposed inclusion of the Financial Agreement in the Constitution. I said then and say now that the day the Financial Agreement was entered into was a bad day for the States. On that day disappeared every vestige of sovereignty the State Governments were supposed to possess. However, I will not pursue that aspect further, but will merely express the hope that at the end of the current financial year the position of Western Australia will be better than it was at the end of the year 1936-37. I wish to take the opportunity presented by the Budget to discuss two or three matters now engaging public attention. The first of them is the question of a shorter working week and the agitation for 40 hours. The 40-hour week is already established in other countries—New Zealand and France—and nothing disastrous has happened to those countries because of the shortening of the working week to 40 hours. I was hoping that the Government of Western Australia would take immediate action to bring about a conference of the State and Commonwealth Governments to get something definite done in that regard.

The Premier: There has been a conference. The Minister for Works attended it.

Mr. NEEDHAM: Then all I can say is that so far nothing very much has eventuated. That the 40-hour week is necessary no one will deny. Whilst we realise the need for a shorter working week, we are getting no nearer the goal. The Commonwealth Government say they have not the constitutional authority to introduce a 40-hour week. I am not sufficiently a constitutional jurist to say whether they have or have not. All I know is that the Commonwealth Government: instructed their delegates to the Geneva Labour Conference to vote for the 40-hour week. Those delegates having done that, the Commonwealth Government failed to put the 40-hour week into operation, whether because they believe they have not

the constitutional power to do so or because vested interests have prevented them from doing it I do not know. The Premier has said that a conference of Commonwealth and State Governments has already been held on the subject. However, the proposal should be persevered with in view of the need for a shorter working week. The same old arguments are now being advanced against the reduction to 40 hours as were advanced when a successful effort was made to reduce the working week from 60 hours to 54. I have a keen recollection of working as a boy for ten hours a day in an English coalmine. Then it was contended that if the hours of work in coalmines were reduced, capital would flee from the country, industry could not stand the toll, and the nation would become bankrupt. The same arguments were adduced when an endeavour was made to reduce the working week from 54 hours to 48. In that connection I recall the great struggle put up by the Amalgamated Engineers' Union in the Old Country. There again it was argued that industry could not stand the reduction of hours. To-day we have a repetition of that contention. It is said that the advent of the 40-hour week would be disastrous. I realise that for any one State of the Commonwealth to put the 40-hour week into operation without similar legislation in the other States would not be well for that State from an economic point of view. However, I think it might be wise for the Government of Western Australia to institute by administrative act a 40-hour week for their own employees, and thus show private employers that the system admits of being put into operation economically. Still, there is the danger that if we did establish a 40-hour week in Western Australia, we should have to compete on an unfair basis with industries in other States. That is the reason why I hoped definite steps would be taken to establish the 40-hour week throughout Australia. The States might even go so far as to surrender powers in this regard to the Commonwealth if the Federal Parliament is not now constitutionally empowered to impose the 40-hour week. Another feature of the agitation for the 40-hour week is this. There was a time when those of us who advocated a shorter working week were really a kind of industrial John the Baptist, a voice crying in the then in-

dustrial wilderness. At that time it was represented that labour unions were solely responsible for the agitation for shorter working hours; and considerable opposition had to be faced from the Press and other quarters against the proposed reduction. In recent times, however, the position has changed considerably. To-day Labour leaders are not the only advocates of the shortening of working hours. The advocacy of the 40-hour week is not now restricted to trade union organisations. Men and women of various organisations throughout the Commonwealth and in other parts of the British Empire who are entirely opposed to Labour's political ideals are nevertheless heart and soul for reduction of working hours, because they believe this would help to relieve the unemployed problem. I am not one of those who say that a 40-hour week will solve that problem, that it will put into full employment the large army of unemployed still remaining. Even to-day it is admitted that the unemployed position is not what one would like to see it. True, the position has improved considerably; but there is still some leeway to be made up. I know the difficulties facing the Government in their endeavour to improve the situation. However, there it is. If we had a 40-hour week, it would help by putting some of the unemployed into employment.

Mr. Hegney: It would be one step forward.

Mr. NEEDHAM: Yes, a good step forward in the right direction. I need not occupy the time of the Committee by stressing the fact that mechanisation in industry is an important factor in employment. That importance is not applicable to manual labour only. No matter where one looks, one finds that the inventive genius of man has installed some machine to increase output and cheapen the cost of production. I repeat, that is not confined to manual labour. Look at the typewriter, the adding machine and so forth. Unfortunately, every time a new machine is invented or some class of machinery is improved, we have in the wake of the invention or the improvement an increase in the number of unemployed. The inventive genius of man should give human beings a greater share of the Earth's products, and make their lives more worth living. But we find, on the contrary, that the inventive

genius of man has proved to be a Frankenstein's monster. Inventions and improvements, instead of leaving in their wake comfort and security, have left insecurity and in some cases destitution. Therefore the sooner we get down to practical politics by shortening the working week, whether by the surrender of State powers or a solution of the problem through the powers of the Commonwealth Parliament, the better it will be for all concerned. No disadvantageous results have been produced in New Zealand, where Labour lost no time in putting the 40-hour week into operation. The Prime Minister of the Dominion of New Zealand, whether he be Labour or anti-Labour, was in an entirely different position from the Prime Minister of Australia, because the latter has the different Constitutions of the States of the Commonwealth to contend against. No such difficulty confronted the New Zealand Prime Minister. Thus it is easier for a New Zealand Government to put reforms of this nature into operation. So much for a 40-hour week. If I had the power I would make the week considerably shorter and so try to remove the curse of unemployment from our midst. Another matter to which I wish to refer is armaments. We find this year that Britain has joined in the armament race, and that the House of Commons has approved of a plan starting in April, 1937, and finishing in 1942, to expend £400,000,000 on rearmament. That is a very serious proposition in more ways than one. Before I go further, however, I wish to pay a tribute of recognition to the splendid efforts put forward by the British Government to try to stem the armament race. Britain did everything possible to set an example to the world in that respect. The suicidal policy of spending millions of money in the manufacture of weapons of destruction was stressed, and it was only when it was realised that her example was not being followed, and that other nations were arming to the teeth, that Britain was compelled to do what I have just mentioned, create a plan for the manufacture of armaments over a period of five years costing £400,000,000. Perhaps that action might be the means of preventing another world conflagration; it might be the means of preventing a repetition of the 1914-18 shambles. But even if it does, and it will be a glorious thing if it does, there is still the possibility of the repercussion of

another financial depression, a depression which to my mind would be of greater magnitude than that from which we are now emerging. I presume there have been reasons for this action on the part of the British Parliament. There must have been sound reasons from their point of view for asking authority for the expenditure of such a colossal sum of money. I daresay Britain was impressed by the enormous rearmament policy of Germany and Italy in recent years, which must have created a feeling of real anxiety, and was enough to justify Britain's decision to carry out the rearmament programme to which I have referred. At the same time this expenditure may have terrible consequences from a business point of view. There is no doubt that a lot of people make big fortunes out of a rearmament programme. I have no doubt that shares in armament companies, which have already advanced considerably, will take another upward move. The wages of the men employed in these factories will, we know, advance; unemployment will be temporarily decreased, and it seems that under such conditions everybody will be getting something out of the expenditure. All this, however, can only be a temporary advantage. So huge a sum of £400,000,000 cannot be spent in the direction I have named without making a terrible inroad into the wealth of the country. There lies the danger. We must remember that if the repercussion comes in the direction I have suggested we will feel the effect of it in Australia. I predict that many people will make fortunes out of England's great rearmament programme, but in Australia the position is entirely different. Whatever provisions we make here to defend our country against an aggressive foe are made mainly by the Commonwealth Government and not by private individuals. Whilst the incentive of profit is there to make munitions of war there is always the danger of private manufacturing firms on some excuse or other urging the wholesale manufacture of weapons of destruction. A lot has recently been said on the subject of how to prevent a depression arising. In the recent five years we experienced what I daresay was the greatest depression in history, and the rearmament programme is not being carried out to prevent another depression such as that we have just been through. It seems to be overlooked that a depression is the outcome of a boom. A boom created by the

pouring of money into unprofitable channels must cause depression. So that looking at this matter from the Australian standpoint, and admitting the necessity for Britain taking the action she has taken, I consider that should war not eventuate—and I express the hope that it will not—there is still the danger of a recurrence of a greater economic trouble than that which we have lately experienced. Looking at the matter generally, the growth of armaments is really alarming. It is true that employment in various countries has been given a stimulus as a result of the armament policy of the various nations, and particularly the re-armament policy of Britain. But money spent on armaments means money withdrawn from private enterprise.

Hon. C. G. Latham: Does it mean that it circulates through private enterprise?

Mr. NEEDHAM: It is withdrawn from private enterprise for the time being, and is being spent on something that is not production. I do not hold a brief for private enterprise. I think my friend knows that very well; I am simply pointing out that the employment of labour for the manufacture of weapons of destruction is labour withdrawn from other channels, and that nothing is being done to increase the national wealth. After all the object of industry is to increase the national wealth. I contend that the armament policy instead of creating national wealth, will decrease it. The armament race is an element of weakness in the world's economic recovery, and while the fear of war prevails, as it did towards the end of last year, the world cannot obtain its full economic momentum. While some members may think that we who are so many thousands of miles away might not be affected, I am very much afraid that should things happen as I have indicated we will very soon feel the effect of the launching out on the armament policy. Another matter to which I wish briefly to refer is that of immigration. This question has been resurrected, and many people are desirous of seeing a return to the conditions that obtained prior to 1930. We must, however, be very careful. With the advent of the Scullin administration in 1929 a very effective check was put on the immigration policy then in existence. The reason for that action by the Scullin Government was the very alarming unemployment position at the time. Work could not be found for thousands of our own people, and the Scullin Government determined to put a stop to the influx of migrants from

other countries, so that we might have breathing time in which to provide employment for those who needed it out here. Now that we are alleged to have recovered from the economic depression, there is a suggestion that the embargo then placed on migration should be lifted, and that we should throw open our doors to all and sundry. I have no objection to anyone coming to this country provided they make good citizens, but I am opposed to any Government assistance to migration, because I do not consider we are ready for it, and because we have not fully recovered from our troubles.

Sitting suspended from 6.15 to 7.30 p.m.

MR. NEEDHAM: I realise the necessity for developing and defending Australia. I also realise the necessity for an improvement on the migration schemes which we have had in recent years. Australia has spent fabulous sums on migration and land settlement schemes and our experience in Western Australia surely must have taught us a very salutary lesson in the matter of migration and land settlement schemes. We have always before us our experience of the group settlement scheme and no matter how laudable might have been the intention to develop our land in this State, it will be generally admitted that that scheme was a costly failure. With those lessons before us we should be very careful as to what we do in the future. Despite all the money that has been spent on migration schemes and land settlement schemes we still have empty spaces. The cities are growing out of all proportion to the country in wealth and population. Statistics reveal that between 1911 and 1933 the cities and towns became three times as populous as the country. Looking at the report of Mr. Justice Pike who made an inquiry into this matter in 1929, I find that that report showed that losses on soldier settlement amounted to £23,500,000. To June 30, 1934, the total advances to settlers were £165,000,000 of which £85,000,000 was outstanding and was owed by 111,000 persons. The foregoing was limited to advances by the Crown. The primary industries debt structure could be stated at about £500,000,000. These are staggering figures and should cause us furiously to think before we allow ourselves to be dragged into another migration scheme, particularly at this juncture of our history. I admit the need of population for the purpose of security and for the development of

this nation, but I contend that our first duty is to see that those who are here in this country should have employment. They should not have to suffer in any way as a result of unemployment. Their lives should be made comfortable. The children they are rearing should be assured of a respectable and effective future and the youth of this country of both sexes should be assured of employment and a chance to assert themselves as far as their abilities permit. The people already here having been made secure in those respects, we could then make provision for those whom we invite to our shores so that they too will be able to live up to the standard of those already inhabiting the country and not be a drag upon the nation. I have no more to add. There are other matters to which the Budget Speech referred, but I prefer to deal with them during the discussion of the various items.

MR. WARNER (Mt. Marshall) [7.37]: I did not detain the House during the Address-in-reply debate, but I have a few remarks to make at the present time. I hope the Premier was correct in his belief regarding a yield of 35,000,000 bushels of wheat this season. That would do a great deal to encourage the primary producers and help to straighten out the unfortunate position in which they are placed at the present time. I trust that what I mentioned a year or two ago with regard to soil erosion will be kept in mind by the Government, as some action has been promised in this regard in the Federal sphere. We shall be in a sorry position in time to come unless we take notice of a decision made many years ago that there should be a strip of country left uncleared on two sides of every large block of 1,000 acres and upwards, to prevent soil erosion. The existence of strips of timber between these large stretches of cleared land will do much to stop soil erosion. I am glad to have had the assurance of the Premier that a larger amount of money is being made available this year to the Minister for Agriculture to enable him to deal with the grasshopper problem. It is a pity this amount could not have been made available last year or the year before. Had it been available last year a greater amount of good would have been done and the saving of a good lot of crop would have been assured. I agree that a good deal has been done by the Agricultural Department during the past year to cope with the grass-

hopper problem and I believe that the proper method has at last been adopted of breaking up abandoned property which is the breeding ground of the pest and that, as a result of that practice, more revenue will be brought in than if the money had not been so spent. It will make those abandoned properties more attractive to prospective purchasers, and in addition will tend to preserve the improvements already made on those properties which were deteriorating. It will mean that those abandoned farms can now be taken up, either by leasehold or by someone going on in occupation and straightway cropping them for next season. I am satisfied the asset will be there for the amount of money spent. At the same time, in dealing with the grasshopper problem, I am sorry that certain local authorities making application for sprays to cope with the pest did not have their requests granted, for want of finance. I am afraid I have been something of an annoyance to the Agricultural Department over this problem, but I believe the Minister is aware that I was very much concerned and did only what he would have done had he been the representative, as I was, of a district where the greatest menace to the farming community was existing. Up to the present, the season is not assured for the whole of the eastern wheat-belt. There is a portion of the north-eastern belt which is not yet assured of having a good return; still, the prospects are fairer over the major portion of my electorate than they were last year. I believe a lot of chaff will have to be purchased to enable the farmers who are doing their work with horse teams to carry on next year. Yet in other places, where they were without hay last year, they will certainly get some this year, and I do not think that any part of the district will have to go without seed next year. I trust the Minister for Lands will see that all that is possible shall be done for those unfortunate men who this year will not get any return from their farms. Among the farming community in my district at present there are very few farmers of whom it could be said that they were not triers. Quite a number of those who first went up there went on the land because things were made attractive for them and because they would sooner be free up there than working for a boss. Most of those still left there will make good and be a great asset to the State. I was pleased with the attitude of

the Government last year in putting down a number of water supplies in my district. I am satisfied that I have had at least a reasonable share. From statistics I have consulted I am sure that I have done as well as any other man on the other side of the House, unless it is where some big scheme is being put in. At the same time, I can say that the water supplies that have been given to my district will become a great national asset. I am grateful for those supplies that have been given to me, and I may say there are other supplies that I have applied for. I trust that the Minister will give those requests the same consideration that he gave my earlier ones, and I trust also that he will be able to view them as I did, namely that if they are granted it will not be money mis-spent but will result in a splendid asset. We have too many men still looking for employment and some, at all events, of them would find a job if those water supplies were put in process of construction. I want to thank the Government for the various works that my district has been given, and I am not selfish enough to say that the Government should provide me with a lot more.

MR. McDONALD (West Perth) [7.45]: I propose to offer some general remarks on the Budget and the financial outlook of the State. The last Grants Commission's report shows how much the State debt weighs upon the position of the three smaller States in particular. That aspect is very forcibly pointed out in the last report of the Grants Commission, and they quote this as among the factors which cause difficulties in the claimant States, of which this burden of interest is perhaps the most important, and I think we might say, by far the most important. In his Budget speech the Premier showed that he was fully seized with the difficulty involved by the enormous amount in proportion to our total revenue he has to meet every year to pay interest. That feeling becomes emphasised when we realise that during the last financial year an event occurred which attracted very little notice, although it was an event of the greatest possible interest to the people of the State. It was the circumstance that during the last financial year we passed the £200 mark in the indebtedness per capita of the people of the State. Comparisons of per capita debts or State

debts between Western Australia and other States or countries are not always valid, as our State debt is represented in part by some substantial assets, notably our railways. At the same time, we are compelled to realise that we have to shoulder a per capita debt which is very high as compared with many other countries of the world. A good deal of alarm has been expressed in America with the great rate of public expenditure that has been inaugurated by President Roosevelt, but a circular of the Bank of Canada pointed out that if America continued its expenditure for the next 20 years at the same rate as during the last three years, even at the end of that period the per capita debt of the American people would be equal only to the per capita debt of the English people. As the Americans say, however, that is rather cold comfort, and they have no wish to arrive at a per capita debt equal to that of the English people. When we find that our debt has reached that figure and our interest burden is so severe, it becomes very necessary that we should not lose any opportunity to examine our position and, in particular, try to arrive at some conclusion as to where we are going in future. In the last ten years the State debt, in round figures, has increased 50 per cent.; in 1927 it was £61,000,000, and now it is about £90,000,000. If we continue at the same rate with our present population, we shall meet with increased difficulty. I am not dealing with this matter in any spirit of pessimism, but I think we have to deal with it with a strong sense of realism. It is not the existing debt that is going to worry us to any disastrous extent, because we have provided for it by a system of sinking funds that are fairly effective. They represent a fairly high rate, and give promise that we shall discharge any debt raised within a reasonable time. But what does give us concern is the fact that, in addition to our present heavy burden of debt, we are increasing that debt—we have increased it by £30,000,000 in the last ten years—and at the present rate of borrowing it must mount considerably in the next ten years. This matter has been given some consideration in America by the American Academy of Political and Social Science. Conditions in America are instructive to Australia, because the problems there are comparable with those here on account of the resem-

blance in the political constitutions. The Americans have, as we have, what they call government on three planes, namely, the Federal Government, the State Governments and the local government. The American Academy of Political and Social Science, in January of last year, published a book to embody the views of various experts on these matters. The book is entitled "Government Finance in the Modern Economy." So far as I know, it represents one of the best of recent attempts to measure conditions as they exist at the present time, and to try to point to some way in which those conditions can be improved—the position of States from the economic point of view and through the agencies of the various governmental instrumentalities. One of the writers in that work, who has been technical adviser to what is called in the United States the Bureau of the Budget, has pointed out that during the depression the first reaction of Governments was to scale down expenditure, and this was usually accomplished by a percentage reduction of salaries, by administrative economies, and by the lowering of fixed charges such as interest rates. That observation describes word for word what was done under our Premiers' Plan—a plan that I think in the circumstances was perhaps not the best, but at all events was of great benefit to Australia. I consider that the Scullin Government, in conjunction with the other Governments that brought in the Plan, deserve to be remembered for something of a statesmanlike action which they took at a time of crisis, and which had the effect of restoring confidence, because the people of Australia for the first time felt that the Governments were giving the people a lead and had made up their minds to do something. It does not matter if what is decided upon is sometimes not the best thing, provided it inspires confidence and incentive, for the people feel that some definite plan is being worked on. The next idea about meeting depression conditions referred to by the American authority is that the budget must be balanced and that revenue must be increased by additional taxation. The survey to which I refer does not favour endeavouring to improve conditions simply by increasing taxation, but the writer does think that the best practical method in all the circumstances is a combination of the first and second ideas, namely, by an overhaul of the taxation system of what the Americans call the three levels of government, with the object of producing greater revenue in a more

equitable manner, and at the same time a reduction of public expenditure, particularly those items for emergency purposes that might be of doubtful value. So they suggest that under orthodox finance, we have to try to increase revenue by equitable taxation, taking it from those who can afford to pay, and at the same time carefully examine our expenditure in order to cut out all items of doubtful value. The cutting out of expenditure is a very difficult and dangerous matter, because the reduction is bound to hit somebody, and political repercussion is something that any Government or Parliament desires to avoid. None the less, it would be ridiculous to suggest that the expenditure of Western Australia or of any other country could be reviewed and not found to be faulty in some respect. What we have to address ourselves to is the question of finding means to eliminate expenditure, to use the phrase I have quoted, of doubtful value, of conserving our means and arriving at a more balanced economy. In England this is being done. A searching study of the entire field of public expenditure in England is now being carried through by one Joseph Sykes. The first volume has appeared under the title, "British Public Expenditure, 1921-31." I have not had an opportunity to see this work, but it seems to be a step in the right direction, and it is commended by the American Academy of Political and Social Science as a valuable aid to governments when preparing and planning their budgets. I should like to make one more reference to the conclusions of the academy in America on the question of the problems of Government finance. It is said by the writer in question that—

It seems highly desirable that we should have a system of co-operative planning in the finance of our national, State, and local Governments. The lack of such a system makes for inefficient spending, inequitable taxes, and burdensome debts. Public moneys are spent needlessly on duplicate or useless functions. Taxes are improperly distributed on the three levels, the financial burden being much heavier at some points than at others.

The criticism which might well be applied to American economy may not be so applicable here. I believe that in Australia we can justly say that in many respects our Government expenditure is on a better level than that which exists in America. I would here refer to the rule of the English Parliament that a money Bill, or a Bill which imposes a burden on Government expenditure, can only be brought down by message from

His Majesty. That system does not appertain in America. I have been informed that in one year as many as 2,000 Bills have been passed through the American Congress by private members, imposing some additional burden upon the exchequer. There, for example, if a constituent of mine is not eligible to come under a pension scheme, I bring down a special Bill to award him a pension. If I want to get my Bill through I get the support of some of my hon. friends, in return for my promise to support their Bills. That system has given rise to some of the serious criticisms which are addressed to American governmental economy, and which do not apply to Governments in Australia.

Hon. P. Collier: That is known as log-rolling.

Mr. McDONALD: Yes, I am glad it has not arrived at those dimensions here.

Hon. W. D. Johnson: It has not arrived at all. The Standing Orders would not permit it.

Mr. McDONALD: I should say it has not arrived here at all. No attempt is made to do anything more than budget and control expenditure from day to day and year to year. I appreciate the difficulty of Governments. There are many factors over which they have no control and which they cannot foresee. There may be droughts, wars, falling prices, and a hundred and one different things. Nevertheless, an attempt is being made in various countries to operate as far as possible upon a preconceived plan. I have said that the Premier's Plan, whatever its defects may be, had the great virtue of informing the people that the Government of Australia were aiming at a particular objective. That had a great effect in restoring conditions within the Commonwealth. The Plan has been carried out to a certain extent, as we see when we compare the deficits of the Commonwealth and States in 1929 with the deficits that exist to-day. I am not competent to criticise the Budgets delivered by Treasurers. It is difficult for anyone to do that unless one has brought down a Budget oneself. All these Budgets have the same defect. They look at the present and 12 months ahead, but no further. It might be possible to look further ahead. I should like to hear a Budget which attempted a survey over a period of some years, and which stated that the Government in question endeavoured to aim at such-and-such an object in years to come. The Premiers meet the Loan Council two or three

times a year. They have arrived through those meetings and through the Financial Agreement at a unified system of finance. We have unified our finances, and have done so with great advantage to the country. We shall have to continue that system if we are going to make any real progress. Although the Premiers at Loan Council meetings must discuss where we are going, they seem to make no pronouncement as to what they think. They never give us a broad opinion as to what we have to do. It would be welcomed by the people if the Governors of our country speaking of them in the sense of political Governors, would make some such pronouncement. We want to know where we are going.

Hon. W. D. Johnson: You cannot do that from the State's point of view because they differ so much. That is the duty of the National Parliament.

Mr. McDONALD: I am referring to unified finance. We have adopted the principle that all States shall be maintained at approximately a comparable level by means of State grants. The idea of State grants is that any State which is in difficulties shall not be allowed to fall too far below government level, and the level of social services, than is the average throughout Australia. If that principle is applied, it means that if any State meets any particular difficulty, the Commonwealth will afford that State some compensating payment to enable it to maintain a standard relative to the average existing in Australia. If that is so, it seems to me that it would not be impossible for the Loan Council and the representatives of the Commonwealth and the States to give the public a lead as to what our aims should be.

Hon. W. D. Johnson: They are two separate and distinct organisations.

Mr. McDONALD: Yes, but in the matter of finance they are absolutely bound together. All the debts of the States are guaranteed by the Commonwealth, and although constitutionally the parties are divided into two different compartments, they sink or swim together. They have, therefore, to mark out their future as far as possible so that they may act in unison. Is it not possible for some idea to be advanced by the Loan Council as to the tapering off of our loan expenditure? Would it not be possible for them to consider a new form of taxation which might yield more revenue,

and yet be more equitable? That should be possible, and if it were done, I think it would assist in the recovery of Australia by letting the people know what the objectives were. There are about Germany and Russia many features of government we do not like, but we are compelled to admit that under the influence of their controllers they have been able to rise to a new level, and engender a spirit amongst the people which has enabled them to do an immense amount in various directions, particularly in the matter of finance. It is not impossible that if some objective were placed before the people of Australia, they would be prepared to make very great efforts to improve the whole situation of the Commonwealth and the States.

Mr. Marshall: If they do not make an effort to improve the conditions of some people in the Commonwealth, those concerned will soon hear about it.

Mr. McDONALD: I am quite in accord with what the hon. member says. Our finances are bound up with the welfare of the people. The two things continually act and re-act. When I talk about aiming at some objective, I mean an objective which is going to imply better conditions for all the people. What other objective is there? I am quite prepared to see a rearrangement of taxation under which some additional burdens would be placed upon those proved by investigation to be able to bear them.

Hon. W. D. Johnson: You will never get unanimity throughout the States for that purpose.

Mr. McDONALD: The hon. member may be right, but what he says is a gospel of despair. If we never get unanimity and can never work together in a matter in which we are all equally concerned, our outlook will be thoroughly gloomy. I do not believe that we would fail to get unanimity. We got it once in regard to the Premiers' Plan, and in that Plan we carried the project through to a fair level of accomplishment. I believe that instead of waiting for another Premiers' Plan forced on us by a depression and by the dire situation of the people in the country, we should prepare our plan in times of prosperity. If we cannot get unanimity, that may be all right; but I think we should make an endeavour. What we have done once, I think we shall be able to do again. Even if we disagree with the basis on which the Grants Commis-

sion recommend grants—and personally I think there is a great deal to be said for the basis, after reading what they have to say—the work done by the members of that Commission is of the greatest value to the various States. In connection with any idea of unanimity, I think it would be possible that a body like the Grants Commission could extend its operations, and not merely deal with the comparatively narrow field to which it is restricted at the present time, and in connection with which the Commission have made the most exhaustive and valuable investigation, but might also, in dealing with the various States, make some observations as to the methods by which we might decrease our expenditure without placing any hardship upon any particular section of the people, and as to means by which we might increase our revenue. The Grants Commission is a body whose members are politically independent. They can speak their minds without any fear of repercussions from the electorate. If they give an opinion of that kind, it might be a valuable guide to various Governments and assist those Governments to bring forward reforms in our expenditure and our revenue. That would be made much easier if it were backed by the recommendations of a responsible body. I do not want to add much more, as I do not propose to enter upon any details of the Budget. As the member for Guildford-Midland (Hon. W. D. Johnson) says, it may be entirely impracticable ever to agree upon any concerted plan; but I hope that the Premier, when he goes to the Loan Council, will try to see whether there is a chance of some concerted plan. There is some chance of the people of Australia being told of the objectives which must be in the minds of the various Governments. I hope the Premier will see whether a Premiers' Plan cannot be formed—not an adversity plan, but a prosperity plan, a scheme for joint action by the States. That plan might be produced in comparatively stable conditions with the idea of making conditions still more stable and improving still further the lot of the average man, and particularly the lot of the man who is still, unfortunately, below the average.

Hon. W. D. Johnson: A highly laudable ambition.

Mr. McDONALD: A laudable ambition. the hon. member says; and I think not an impracticable ambition. I hope it may be

possible for the Premier to put forward some suggestion of that kind.

MR. NORTH (Claremont) [8.17]: I listened with great interest to the remarks of the member for West Perth (Mr. McDonald) and also those of the Premier and other speakers. I notice that there is a great attempt to improve this financial Budget, and I was glad to hear the Premier tell us that there have been some great alterations made in it, and that the present Budget contains clearer figures. I think that should be so, because every other form of process is being improved, and improved most remarkably. In that connection I would refer particularly to the science of astronomy.

Mr. Lambert: Astronomy!

Mr. NORTH: Astronomy. I see the hon. member is surprised at that. As a matter of fact, in 1940 there will be completed an enormous new telescope which will reflect the heavens in such a way that the moon will be as near to the earth as Rottnef Island is to us here. That will be a great achievement of process. Why should not we expect those who handle financial affairs and present Budgets to improve their powers of industry reflection just as in astronomy we improve the reflection of the stars? We do not want to bring the moon nearer, but we do want to try to bring the millennium nearer by an improved reflection in the Budget. It is because of that I was pleased to hear the remarks of the member for West Perth to the effect that care is being taken all over the world to effect improvements in this direction. The Premier spoke the figures of the Budget, beautiful figures, slim figures, stout figures, sinuous figures—indeed, I might add he strip-teased figures. I do not propose to do that. I would rather refer to a very interesting exhibition I once saw, which went further. A coffin was put on a stage before an audience. In the coffin was a beautiful lady. By arrangement electric rays were turned on, and suddenly the audience saw the coffin exhibit not a beautiful lady but a grinning skeleton! It was a most extraordinary experiment. Exactly in the same way we have to try to get past the body down to the real bones of the situation in which we find ourselves, instead of being nearly mesmerised by figures. In point of fact, that is being done.

I was astounded to see in an article published recently in the Eastern States that the general public have now got down to the real situation behind the Budget and its figures as presented from year to year. A most remarkable transformation has come over public opinion in the Eastern States, apparently, as regards the situation which confronts the Australian people now. I propose to quote a short extract from an article in the Sydney "Daily Telegraph" of Saturday week. This will show how necessary it is for us not to allow these Budgets to oppress us, but to have them present to us a far better situation than we have dealt with in the past. This is what the Sydney "Daily Telegraph" published—

The craftsman of the eighteenth century, the man who made a chair or a sugar-basin or a watch, enjoyed the satisfaction that crowns all individual creation

Work is good only if it serves man's creative urge. It is not good if it is merely a means to give him food and clothes and shelter. The machine can do this for us to-day. But if we are not to escape from a servitude to work only to enter a greater servitude to boredom, we must, as Professor Hart tells us, evolve a new conception of useful work. We cannot go back to the pre-machine age, and find our satisfaction in individual craftsmanship. We do not want to do this, when steam and electricity can do our unpleasant tasks for us. So we must go forward to a society that will recognise leisure, and will plan to make this leisure a rich and fruitful experience. In such a society we will not assess a task by the amount of muscular effort it involves. We will assess it rather by the amount of emotional or aesthetic satisfaction that it affords. We will not consider it noble for a man to dig a ditch, and look rather patronising upon the man who writes a sonata. We will regard happiness as the most valuable product.

It looks as though the Press of the Eastern States have begun to enthuse about the new ideals.

Mr. Marshall: They are alarmed and resentful of the present system.

Mr. NORTH: Perhaps there is something in that.

Hon. C. G. Latham: Was that article contributed?

Mr. NORTH: I have quoted from the leading article in the "Daily Telegraph." At the same time something else happened. I think the education authorities who were here recently must have been talking in the Eastern States in an endeavour to shake things up. In addition to that article, "The Watchman," who is on the air daily, and

who is very conservative in his statements, is said to have voiced the following sentiments, which I refer especially to the Premier as the Minister in charge of the Budget:—

Why should it be considered as amongst the edifying proofs of returning prosperity that there is a numerical increase in employment as if the only boon which a man has the right to ask from the world is that he should be allowed to work, and then, since his basic wage allows only for the cost of living, that he should consider himself prosperous if he has enough to pay his essential bills? The patronising way in which men are thus given work as if that were a boon and a blessing, without considering whether they have any opportunity for a commensurate amount of leisure or profit in it, always astonishes me. Why should the workman not have profit over and above his living, just for the same reason that the capitalist looks for a profit over and above his requirements?

That was said by "The Watchman" when speaking over the air through the National network. I wonder what is coming over Australia. It looks to me as if the Budgets we are required to consider must be reconceived. I have no complaint to make against those who handle Budgets in this House, because they have to do their duty just as the captain and officers of a ship are required to do theirs. They have to handle the ships they are given, and the guns and arms that are provided. If we put Cabinet Ministers on Nelson's "Victory" we could not expect them to fight a dreadnought. It is something like viewing the question through one of the old-fashioned telescopes compared with the modern type that brings the moon, so to speak, within 25 miles of the earth. We cannot blame the Ministers concerned, but it is surely time to give directions to those who produce the Budgets. I refer to the officers of the Treasury. The time is coming when we will have to direct the attention of those officers to statements such as that I have referred to, which appear in the leading newspapers of Australia, because the Press do know what is public opinion.

Hon. P. Collier: Not at all. They make it themselves.

Mr. NORTH: For a long time the Press may not necessarily reflect public opinion. For a long time the Press may decide on a line of action that is considered a little better for the people than the people themselves may desire, but in the long run the Press have to give way to public opinion. What I have already read

shows that the Press realise that mechanisation that is apparent now must be tackled thoroughly and not merely slurred over, as in the past. We hear talk about giving men work—as though it were a privilege at a time like this, when there is so much unused energy, and the machine age has made power available that is not really utilised!

Mr. Marshall: And with wealth in abundance!

Mr. NORTH: I do not make any charge against those interested in this question. What has been placed before us is a good Budget—in the conventional sense. I do not criticise it. My leader has not criticised it, but he follows the "West Australian" which said it was a good Budget on the whole, and that the State would wish to experience a better time—if only the Commonwealth would assist.

Hon. W. D. Johnson: The better word to use would be "permit."

Mr. NORTH: Yes.

Mr. Hegney: We hope there will be a change very soon.

Mr. NORTH: In this House things are not said or done because it is not etiquette, but I intend to commit a breach of etiquette now. We have never yet addressed ourselves to the matter from the point of view of the officers who handle the Budgets. During the war, when the battle of Jutland was in progress, Beatty's ships went into the fight, and three went down in a few minutes. The officers could not criticise; they were doing their job. At the same time, attention was drawn to the fact that two years previously the Admiralty had been directed to improve the designs of those capital ships to prevent enemy shells from piercing the decks and reaching the powder magazine. No action had been taken. The experts concerned in the construction of the ships ignored the request, and nothing was done. The result was that men went to their deaths in a few minutes. That gave rise, too, to Beatty's famous remark, "What the Hell is wrong with our ships to-day?" The same applies to our Budgets. There may be merely improvements from the standpoint of honest presentation. I saw in the "West Australian" a statement that improvement meant that we had less than ever to spend, and much money would be attributable to loan that was now shown as from revenue. There is no unanimity of outlook between those producing the Budgets—I refer to the officers and experts—and the public of Australia, as indicated by the article I have read.

There is a conflict of opinion, and we are carrying the burden. Members of Parliament all over the world, particularly in Australia, are required to carry the burden. We have to take all the laughs and all the ridicule. We are told that it is time we did something. We hear of thousands being out of work, of slums, lottery arguments, and all sorts of questions. The fact remains that there is no real liaison between the great possibilities of advancement outside and the financial position that we handle in this House. Is it possible that by some means the problem may be tackled, and our views may be conveyed to those who formulate budgets?

Hon. P. Collier: I would be sorry if any responsible officer took an article from the Sydney "Daily Telegraph" as a guide.

Mr. NORTH: That paper is an expert in public opinion.

Hon. P. Collier: It is not.

Mr. NORTH: In the long run, public opinion rules this country. The only general that can generalise and rule us all at the finish is "General public."

Hon. P. Collier: The "Daily Telegraph" has no influence over there.

Mr. NORTH: I could quote from other articles in other papers, but I do not want to weary the House with long extracts.

Hon. P. Collier: Quote the "Labour Daily."

Mr. NORTH: Of course there are two sides of the House and it is an open go. This matter cannot be slumped over and slimmed over. The Budgets are improving, but not as fast as other processes. The whole outlook seems to be to keep the work complex going. I should like to read a few more lines from the same article I have already quoted on this subject—

We must get away from the idea that moving dirt is more useful than moving a man's emotions. Of all the sad fallacies that made up the shining mirage of Victorianism, the idea that work is essentially noble was perhaps the most foolish.

What is all this leading up to? I would not delay this measure for one moment, but we are now in a middle period. We have decided on mechanisation, but we are afraid to go further with it. I have prepared a few lines and put into the fewest words I can use an attempted explanation of the situation at the present time as it appears to me. The point is that we are faced now with the incomplete mechanisation of industry. We

cannot increase the tempo towards full mechanisation, because if we do we raise the wage-price spiral, which of course causes hardship. Therefore we go slow, and in going slow we force thousands of our fellow citizens, in order to maintain stable prices for those who are in work, to be sacrificed to live below the bread-line. Thus society should offer a big reward for a device to control the wage-price spiral. That is the shortest way in which I can put the situation as it appears to me. Without that control we shall not make progress, and the Budget as it now is will go on next year, and the year after and so on. The overdraft is £100,000 this year, but our deficit in reality is £200 per head.

Mr. Marshall: And doubling every 15 years.

Mr. NORTH: Is it a fair thing for this Committee to meet year after year and argue all the figures out, when we know that it is just the same as putting a lot of dreadnoughts against the ships of Nelson, taking into account the difference between our financial figures and the social output which is possible from the modern machine age that we are trying to postpone. It cannot go on. Is this Chamber prepared to recommend a select committee to go into this matter, or even invite offers from outside for some solution of this problem? The price-wage spiral is preventing us from giving people a chance of a decent living, and from employing men profitably. That is the problem. We were told by the member for Victoria Park (Mr. Raphael) of the conditions in Perth. This is a good Budget, but that does not alter the fact that the conditions of which we were informed do exist, and that we have 6,000 men on part-time relief or, as this article says, figuratively speaking, shifting dirt. Is it so necessary that we should make all those motor roads to which my friend from Guildford-Midland referred in another of his speeches when there is prevalent a condition of affairs in the heart of our city such as we heard about yesterday? I want to try to direct the searchlight on the officers of our departments, the men behind the guns who handle these budgets, and ultimately the source of the failure to connect between our financial affairs and the scientific output which is now being frustrated in every direction and in every country. It is not by mere chance that Mr. Eden, the

British Premier, Mr. Bruce, and Mr. Roosevelt are chanting the phrase that the living standards must rise to get us out of our difficulties. Those gentlemen will be helpless in their own spheres; they are carrying the responsibility outwardly, but behind them are the same experts so well and far removed from all the criticism we have to carry, and from the misery of the masses; experts who have safe jobs and good billets for life. Is there not some way by which this Committee can bring the facts direct, short-circuit us and bring the facts direct to the place where the change can be made? If changes are being made they are not being made as fast as changes in other spheres. I referred to astronomy and I could refer to other spheres of life, but I do not want to waste the time of the House, which is a House of practical men and two ladies. It is not a place in which to waste time. Enough has been said to indicate my views. The presentation of the Budget was faultless, and the particular line of policy adopted, under the circumscribed conditions, was above reproach. I only hope that the pressure of events will enable these Budgets to improve as are other affairs directed by mankind's efforts. I hope the Budget next year will show our productive capacity, and what our assets are; that it will not merely reveal figures showing what we spent and what we earned, but rather the total assets of Western Australia. If it did it would show us how glaring is the loss of all those unfortunates in our midst who are suffering so much that we try to forget but cannot. The problem does not grow better by being delayed. I hope the member for Victoria Park will be in the Chamber before the vote goes through, and express his views upon it also. I speak now apart from any party bias. The National Party is not here to produce party hacks, but encourages us to express our views freely and fairly. I do not make any charge against the experts who handle these figures. They are living amongst their figures in another age, not close up to the events of to-day. But there must be some means of bringing them back to the present. With these few remarks I close. I hope that when the items come up for discussion it will be possible for me on the Education Vote and the Railway Vote and

other Votes to speak on matters closely related to those particular Votes.

Vote put and passed.

This concluded the general debate.

Votes—Legislative Assembly, £2,921; Joint House Committee, £4,358—agreed to.

Vote—Joint Printing Committee, £5,277:

Mr. MARSHALL: I think we should protest against the Joint Printing Committee failing to give recognition to the necessity for printing some of the reports from our departments which, as far as I can ascertain, ceased when we were overtaken by the depression. A report that, I think, all members will be concerned in is the report which deals mainly with the protection of life and property. So glaring has the destruction of life become in one form that I think this report is more urgently needed now than ever before. I refer to the report of the Commissioner of Police. That report, I think, has not been printed since 1929. Having regard to the numerous fatal accidents that occur in the streets and on our roads, to say nothing of the various forms of crime on which the Commissioner reports and makes recommendations, I am sure we ought to have the Commissioner's report printed and made available to all members, instead of our having to scramble for a single type-written report on the Table. I certainly think the Printing Committee should resume the printing of the report of the Commissioner of Police, giving details from the Traffic Department. Accidents in this State are greater in proportion to population than are accidents in the other States. I do not know whether the Commissioner of Police has made any recommendation to overcome the problem, or perhaps to bring about legislation which would act as a deterrent. So I do not propose to move any motion, but I suggest that the Printing Committee might give consideration to having this most important report again printed.

Vote put and passed.

Votes—Joint Library Committee, £265; Premier's Department, £18,809; Governor's Establishment, £2,433; Executive Council, £5—agreed to.

Vote—London Agency, £11,915:

Item, Upkeep of Savoy House, £3,125:

Hon. C. G. LATHAM: This shows an increase of £1,301. Perhaps the Premier

could inform the Committee why this expenditure has to be incurred.

The PREMIER: The lease of Savoy House, which extends over 99 years, contains a provision that we have to spend a certain amount to keep the premises in perfect repair. During the depression repairs and renovations, one of the provisions of the lease, were allowed to go by the board, and this year we shall have to spend this amount in order to get the premises back into proper repair.

Vote put and passed.

Votes—Public Service Commissioner, £1,510; Government Motor Car Service, £3,748; Printing, £57,914; Tourist Bureau, £1,230; Literary and Scientific Grants, etc., £11,150—agreed to.

Vote—Fisheries, £4,982:

Item, Salaries and Allowances, etc., £4,082:

Mr. WITHERS: For years past I have mentioned here the disabilities under which our fisheries and game inspectors suffer in administering very large districts. In the Bunbury district we have a fisheries inspector doing wonderful service. He has a huge area to cover, extending right down to the Busselton district, including all the rivers and estuaries in the whole area. That officer has no means of transport other than his boat on the Bunbury estuary and a bicycle with which to get from place to place. When he has a real journey to make he must take advantage of some acquaintance travelling in a motor car, and induce that acquaintance to give him a ride, which is practically against the Transport Act. I should like the Government to take into consideration the necessity for making provision for the inspector to carry out his duties with less inconvenience. I merely bring up the matter so that the Government may consider whether this man should not have proper means of transport.

Vote put and passed.

Votes—Treasury, £27,753; Audit, £14,500; Compassionate Allowances, etc., £7,684; Government Stores, £16,461; Taration, £33,900; Workers' Homes Board, £16,378; Miscellaneous Services, £747,694; Forests, £26,486—agreed to.

Progress reported.

BILL—AIR NAVIGATION.*Second Reading.*

Debate resumed from the 14th September.

MR. McDONALD (West Perth) [8.53]: I gather from what has been said on this Bill that members agree with the conclusions arrived at between the Commonwealth and the various States that some means must be found to enable uniform regulations to be applied in the various States. As regards the object of the Bill there is no controversy, but some apprehension has been expressed as to whether we might by this Bill inadvertently part with portion of the sovereign powers of the State as affecting transport, and particularly that form of transport associated with aviation services. It is true that the Bill is drafted in a rather unusual form. I do not know of any Act of Parliament that is drafted in quite the same form. An Act of Parliament is usually based upon one of two principles; one is that the Act contains all the provisions within its four corners, and the other is that the Act delegates to an authority or person power to make regulations or by-laws to carry out the purposes of the Act. The type of Act that enables an authority to make by-laws or regulations is familiar to members and is dealt with by Section 36 of the Interpretation Act, 1918, which lays down certain safeguards. In order that the body or person empowered to make the regulations may not overstep the mark, the House has an opportunity to pronounce on the regulations when laid on the Table and may disallow them if it considers they are not in the public interest. This particular Bill, however, authorises regulations made by another authority, namely, the Commonwealth authority, to apply in this State without being laid on the Table of the House, and it not only does that, but it also authorises regulations made by the Commonwealth authority to apply that may be altered from time to time by that authority as experience may dictate the necessity for alteration. In those respects this Bill differs from the ordinary type of measure. But I have arrived at the opinion that there will be no delegation of our sovereign powers if we pass the Bill. I do not think we will be parting with the rights over transport or aviation that the State possesses at present. My reason for that opinion is that the Bill has been drawn with the idea of making the Commonwealth

regulations passed from time to time a substantive part of the Act. Clause 4, paraphrased, says that the regulations from time to time in force applicable in Commonwealth territories shall apply, with necessary changes, to and in relation to air navigation within the State of Western Australia as if those regulations so applied were incorporated in this measure. In other words, the Commonwealth regulations made from time to time are to have effect in Western Australia in the same manner as if they were set out seriatim in the measure and were a substantive part of it. It might be rather a new form of draftsmanship, but I see no reason why it should not be done and it appears to be the only practical way in which this scheme can be carried out.

Hon. C. G. Latham interjected.

Mr. McDONALD: An agreement could be ratified by Act of Parliament, but it would have to be varied every time the regulations were varied. The idea behind the measure, as I understand it, is to set up means whereby the regulations may be varied from time to time without putting into operation a whole lot of machinery. If we had to call Parliament together to alter an agreement every time an alteration was made in some detail of a regulation, a considerable amount of trouble would be caused. The Bill has been drawn to permit of a certain elasticity in the regulations and to enable the Commonwealth authority to function by prescribing the necessary changes from time to time without requiring a whole lot of machinery to be put into motion.

Mr. Marshall: The regulations take effect in Western Australia automatically.

Mr. McDONALD: Yes, in the same way as if we passed a Bill from time to time to incorporate the regulations about to be enforced. We would not desire to be passing a Bill every time a change is made in the regulations.

Mr. Lambert: They are attempting to circumvent our Constitution.

Mr. McDONALD: They are not doing so at all. Subsection 37 of Section 51 of the Commonwealth Constitution gives the Commonwealth Parliament power to make laws in respect to matters referred to the Parliament of the Commonwealth by the Parliament or Parliaments of any State or States. We are not, by this Bill, referring any power of ours to the Commonwealth Parliament, in my opinion. By the

very fact of this Bill we are asserting our sovereign powers by saying to the Commonwealth Parliament, "Your regulations have not the slightest effect in this State except as we say by this Bill or Act they shall have." Having given these Commonwealth regulations force and effect in this State by virtue of a special Act, we are inherently able to repeal the Act or amend it at any time we think fit.

Hon. C. G. Latham: You do not think that by virtue of these regulations being passed they would become an Act?

Mr. McDONALD: I think the regulations made from time to time by the Commonwealth authorities are not really regulations in one sense. The Bill says that when these regulations are made, they shall have the same effect as if they were set out "in this Act."

Mr. Marshall: They apply automatically when they are made.

Mr. McDONALD: They would have the effect, not as regulations pure and simple, but would have effect as if they were incorporated "in this Act." There is no real danger that we may be inadvertently parting with any of our sovereign rights.

Mr. Marshall: Do you see any reason for passing this type of legislation? Why not control our own air transport, as we control our own railways, shipping and motor transport?

Mr. McDONALD: A conference was held made up of representatives of the Commonwealth and the States. That conference agreed to a certain line of conduct as being in the best interests of all concerned. I am not going behind that. No other course is open but to join in having uniform regulations for air transport throughout Australia. I am not going behind the decision of that conference.

Mr. Marshall: The regulations are the trouble.

Mr. McDONALD: What I am chiefly concerned about is the doubt which has arisen as to whether we might inadvertently be passing some of our power to the Commonwealth Parliament. I think we can take it that the doubt is unfounded. The only section under which we can inadvertently surrender any of our powers to the Commonwealth Parliament is the section I have read, Section 51 of the Commonwealth Constitution. That is the "matter" referred to the Parliament of the Common-

wealth by a Parliament of a State or States.

Hon. C. G. Latham: Is not this "matter"?

Mr. McDONALD: I am convinced that no court would hold that the State Parliament had transferred portion of its sovereign powers to the Commonwealth Parliament unless the Bill or Act were perfectly plain and contained no equivocal meaning whatever. The court would not hold that any State had surrendered part of its sovereign powers unless the Act that was relied upon in favour of that surrender was clear beyond any doubt. I do not think it could be said by any advocate that this Bill represented a surrender of sovereign powers, or that it was clear from it that such powers were being surrendered.

Mr. Marshall: Would it not be possible to do so by way of an Act of Parliament without adding to the Constitution of the Commonwealth?

Mr. McDONALD: Yes. By the subsection I have quoted, a single State Parliament might surrender to the Commonwealth Parliament a certain power, and the Commonwealth Parliament might pass legislation, but it would only affect that State which had made the surrender. Two States might surrender certain powers to the Federal Parliament, and the Federal Parliament could exercise those powers by legislation, but this would be applicable only to the two States concerned.

Hon. C. G. Latham: Could these States subsequently withdraw?

Mr. McDONALD: No. Once they had surrendered powers, the surrender could not be withdrawn without the consent of the Federal Parliament.

Hon. C. G. Latham: I think that is right, too.

Mr. McDONALD: Looking at the matter from the commonsense point of view and from the point of view of the probabilities, I do not think any court could possibly hold that this Bill involves a surrender of State power. In view of the notorious intention with which this Bill would be passed, as evidenced by the debates in this Parliament, I do not think the Commonwealth would ever suggest that we had parted with any of our sovereign powers.

Hon. C. G. Latham: I am thinking of ten or 20 years hence. The courts would not take much notice of what was said in Parliament.

Mr. McDONALD: I know that courts do not refer to debates in Parliament. Recent writings upon the construction of Acts of Parliament by authorities show that they are now advocating that the courts should take a wider view, and should refer to parliamentary debates to ascertain what was the intention, or what was in the mind of the Legislature. Personally I think that practice will come to be adopted, and that "Hansard" will be referred to by judicial bodies, with the object I have stated. By the time this Bill comes before the High Court or the Privy Council, to decide whether we have surrendered sovereign powers or not, that principle may be the rule.

Hon. C. G. Latham: That is very doubtful.

Mr. Marshall: You will be immortalised as a detriment to this State if the Commonwealth Government try to get out of it.

Mr. McDONALD: I do not feel any doubt that we are not surrendering any power by this Bill. On the other hand, we are retaining complete authority over those matters over which we have authority at present. By this Bill we shall be passing something which we can recall at any time we like by the simple process of repealing or amending the Act.

MR. MARSHALL (Murchison) [9.10]: I agree with the member for West Perth (Mr. McDonald) in regard to the transfer of sovereign rights to the Commonwealth. I had arrived at the same conclusion as that hon. member even before hearing him speak. He has certainly dispelled any doubts I may have had. Just the same, however, I do not know why State Governments are perpetually prepared to transfer various powers to the Commonwealth, or why they permit the Commonwealth to encroach upon what are entirely State premises. The Commonwealth Government are being placed more or less on a pedestal. "Here is something that the States cannot do for themselves, so away to the Commonwealth with State authority!" That attitude suggests that we are not capable of doing things for ourselves. I fail to see any real difference between what the Bill proposes to effect, and similar legislation passed in all the States and regulations of identical wording adopted in all the States which would be of Commonwealth-wide application outside Commonwealth territory. The Commonwealth could endorse our regulations, or take part in framing them. I do not like the extension of authorities and

powers to the Commonwealth by a Bill such as this. If the control of aeronautical operations is so essential, why not adopt the same method for our railways, our motor transport, and our shipping? Why seek Federal authority in respect of aeronautics only? That would be on the same line of reasoning as the granting of authority to the Commonwealth under this Bill. And if the Bill passes, it will not be long before the Commonwealth will want similar authority for other forms of transport. Then this measure will be quoted as a precedent justifying the demand. Great difficulties will arise if we pass the Bill, because invariably the isolated States such as Western Australia receive a crude deal when either laws or regulations having Australia-wide application are made. Those laws and regulations may be excellent for the larger States, entirely workable and satisfactory; but they may not work out advantageously for isolated States like Western Australia and Tasmania. If regulations are made—and, incidentally, we shall have to pay for those regulations under the Bill—

Hon. C. G. Latham: Yes. The Commonwealth gets all the fees.

Mr. MARSHALL: That is so. Western Australia is up against any costs of administration. I would like to know from the Minister whether Commonwealth regulations under the Bill will be laid on the Table of this House for members to approve or disapprove, or whether we must adopt them if they are approved by both the Federal Houses. If we do not get an opportunity of reviewing the regulations before they become law, obviously we must accept them whether they are advantageous or detrimental to this State, until such time as we can repeal the Bill. We know that once arrangements of this kind have come into existence, we put up with all sorts of inconvenience and trouble before taking the drastic step of saying, "We are finished; we are leaving the arena, and are washing our hands of the business." States do not often go to that extreme. Therefore I am not too sanguine about this legislation. Again, what to one State Government may seem all right, to other Governments of different views may appear utterly wrong. From the defence aspect there is probably some urgent need for the Commonwealth to have the right of general survey and control as regards aviation. I recognise that aspect to be national in character. Certainly I do not like interference with the Federal Govern-

ment's right to take full control in case of war, or if a matter of urgency arises in connection with defence. However, there is always some State Minister going East to negotiate with the Loan Council, for instance; and regulations under this measure could be reviewed at such opportunities. I suggest that each State could have its own regulations, plus the Commonwealth regulations. Further than that we should not go. In case of war, the Commonwealth Government would take control of everything; so that aspect can be left on one side. I seriously suggest to the Minister that the proposed arrangement should not be made. If any arrangement of the kind is to be considered at a conference, it should be submitted to this House before a Minister agrees to it at the conference in the East. The Minister may be a most fitting representative of the State, but he may fail to convey the wishes of the majority of members of this Parliament. In his enthusiasm to do the right thing, a Minister may make a mistake just as easily as any other man. I am becoming sceptical as to the gradual encroachments which the Federal authorities are making upon what may be termed State activities, while at the same time the State is to bear the cost of the Federal activities. We must pay the piper while the Commonwealth calls the tune. That is not a right principle. I fail to see the necessity for giving the Commonwealth the powers in the Bill so far as civil and commercial aviation is concerned in times of peace. Those powers may be necessary to the Commonwealth in times of war. Having regard to all the circumstances, I am unable to support the second reading of the Bill.

MR. WATTS (Katanning) [9.18]: It is not often that on a matter of this kind I find myself in disagreement with the member for West Perth (Mr. McDonald), but I must say that in regard to this measure I cannot hold the views that the hon. member has expressed. In introducing the Bill the Minister began by saying that it was a simple measure. The more it has been discussed, and the more I have considered it myself, the firmer has become my opinion that the Bill is far from simple. There is no doubt whatever that the Commonwealth in entering into the arrangement at the conference referred to distinguished carefully between the power to make aerial regula-

tions which would have effect all over Australia—and which, by the decision in what is known as the Goya-Henry case, it retains out of those it thought it had—and the powers it now seeks to obtain from Western Australia, powers which by virtue of that decision were found to be vested in the State. That, I think, is clear from Clause 4 of the Bill, which applies to regulations from time to time in force and applicable to air navigation within the territories except so far as those regulations are, by virtue of the Commonwealth Act and the regulations, applicable to, and in relation to, air navigation within the State of Western Australia. As I read that clause, it appears to me that it is not intended in any way that this measure should be anything more than a surrender of powers held by Western Australia, as a State in the Commonwealth, that, before the High Court decision, it was assumed, for all practical purposes, were held by the Commonwealth. As a consequence of that particular decision, a referendum was held of the electors of the Commonwealth wherein it was sought to give the Commonwealth power by an amendment of the Constitution to regulate aeroplanes and air navigation. The people of the Commonwealth, and of this State in particular, turned down that proposal. I was not one of those who joined the Leader of the Opposition in exhorting their friends to support that referendum by voting "Yes" on that particular question, because I was of the opinion that it was unnecessary to amend the Constitution for that purpose and thereby definitely yield further powers that Western Australia had in regard to air transport. Whatever our individual views on that question may have been at the referendum, we must bear in mind that the electors of this State very definitely turned down the proposal. It behoves us, therefore, to look with somewhat greater caution at this Bill than we should have done had the question, so far as this State was concerned, been decided in the affirmative, and only lost because of the other States deciding in the negative. I am prepared to admit that, in all the circumstances of the situation, there is necessity for the Commonwealth to have some control of aviation in the State. It is apparent it would be difficult to run inter-State services if the conditions and regulations were to change as soon as the aeroplane crossed the border of South Australia and entered Western Australian territory.

But that is not to say that I believe the Bill is the proper way to achieve that objective. It is necessary that we should make quite certain that the decision of the electors of Western Australia is not to be nullified. I am not at all sure that, if the Bill be allowed to pass in the form in which it is at present, the decision will not be nullified. I do not wish to suggest, either, that those who attended the conference between the State representatives did not, as far as possible, give very careful consideration and thought to the subject before they arrived at the agreement that has been referred to. But there are those who claim that the Commonwealth regulations—not only those that are attached to the Bill, but those that the Commonwealth may hereafter make, whatever they may be, and without any consultation with the people of this State—will become law in this State unless the opinion expressed that this Bill can be amended or repealed is correct. If that is so, however obnoxious such regulations may be to the people of Western Australia, unless our right to repeal or amend the Bill if it becomes an Act is most carefully preserved, we shall have no protection whatever against such obnoxious regulations. There have been, in my opinion, some extraordinary decisions of the High Court in regard to Federal Constitutional matters. While the member for West Perth (Mr. McDonald) observed in the course of his remarks this evening that the Act was planned beyond any doubt so that our sovereign rights were retained, and it was unlikely that any judgment would be given that would have the effect of forcing us to surrender them, I believe—and I will give one or two examples—that our experience of such Constitutional decisions, both in regard to the Constitution in its original form and to some amendments made since, do not bear out that contention sufficiently to warrant our ignoring the opinion of others who hold that we are asked to surrender certain sovereign rights that we ought to retain. In Section 114 of the Federal Constitution there is a provision that the Commonwealth shall not tax the property of any State. I suggest that the framers of the Constitution, if their debates on the subject could be considered in the manner suggested by the member for West Perth, would have been found to have intended by that provision, when they consented to it, that the Commonwealth should not tax, in the generally accep-

ted meaning of the word, property of the State. That is to say, they should not put any impost on property of the State, it being obviously, in my opinion, considered it was not reasonable for the superior taxing authority in the Commonwealth to take funds from the State that had been raised by taxation imposed by the State. Yet in a High Court decision it was decided that the Customs duty is not a tax and, in consequence, what sums has that decision cost this State alone? It was for many years a bone of contention in newspapers and elsewhere in this State regarding the unfairness and impropriety, from the point of view of the people of this State, that we should be called upon to pay Customs duty on Government property we were compelled to import for the development of the State. That decision arrived at, rightly or wrongly, was, I consider, definitely at variance with the views of the framers of the Constitution. I will refer to another decision given by the High Court of Australia. Some years ago there was an amendment of the Constitution, which was in the nature of a financial agreement. It was, I think, an amendment to Section 105 of the Constitution, which enabled the Commonwealth to make financial agreements with the States, and that has since been done. At that time I believe the people of this State were convinced when, at a referendum, they voted by a big majority for that amendment of the Constitution, that it was intended to simplify the financial arrangements of this country, to enable them to be co-ordinated and carried on in a manner satisfactory to both the Commonwealth and the States, to provide loan funds when required at reasonable rates of interest, to put sinking fund and other considerations on a definite basis, and to provide the State with a certain sum of money in lieu of the per capita grant then discontinued. I think that another decision of the High Court in connection with the dispute between the Government of New South Wales and the Commonwealth Government about 1930 arose directly out of this financial agreement. I have here a book entitled "Studies in the Australian Constitution" edited by Professor G. V. Portus, in which the author says:—

The effect of the Financial Agreement and the powers which it gives to the Commonwealth authority were very definitely tested in the litigation which took place in 1932 between the Commonwealth Government and the State of New South Wales, and the effect of the agree-

ment has been summarised as follows:—(a) The agreement is an effectual instrument for ensuring that the obligations of all the Governments with respect to the service of their public debts will be carried out. (b) A State may be compelled to carry out any agreement made under Section 105A, and, in the process of compulsion, the "sovereign rights" of the States may be ruthlessly swept aside. (c) In the course of enforcing such an agreement, the control of the servants and of the revenues of a State may be taken out of the hands, not only of the Government, but even of the Parliament of that State. (Indeed, the people of that State may be prevented from having the Government they want.) (d) The Financial Agreement can be used as a lever to secure the adoption and the carrying out by all the Governments of national policies which may encroach very considerably upon the independence of the States and Commonwealth. If a Government needs to borrow it must do so on terms approved by the Loan Council, and must conform to the conditions which the Loan Council imposes. During the last phase of the struggle between the Commonwealth and the State of New South Wales, the Commonwealth Parliament passed an Act entitled Financial Emergency (State Legislation) Act. Under this Act power is given to the Commonwealth firstly, to prevent a State taxing mortgagees—

There follow other powers which I need not read now. The article continues:—

The provisions of this Act have yet to be tested as to their validity, but there is general agreement that most of the provisions are valid. The Commonwealth Parliament, exercising the powers given to it under the Constitution and in order to give effect to the further powers given to it by the Financial Agreement, may be able to control entirely the whole legislative programme of a State.

Mr. Marshall: That was considered to be a very good agreement.

Mr. WATTS: When this matter we have before us boils down to an expression of opinion whether or not the State having once done something can retract it, it is obvious that some steps should be taken to ensure, by the insertion of some provision in the Bill itself, that if the State decides to give these powers to the Commonwealth it can very definitely retract them. I propose to quote from the same book in regard to the final observations which I desire to make on this measure. On page 211 reference is made to that section of the Federal Constitution which was also mentioned by the member for West Perth (Mr. McDonald) in which the Parliament of the Commonwealth may make laws in respect of matters referred to the Parliament of the Commonwealth by the States. I have endeavoured

to find out what the meaning of the word "referred" is and I find in the New Oxford Dictionary the definition of that word as follows:—

"Committed or handed over (as regarding some question, cause or matter) to some ultimate authority for consideration, decision, execution, etc."

As I said, the position does amount at the moment to an expression of opinion on one side or the other. My opinion is that this Bill commits or hands over to some special authority for execution laws relating to air navigation in the State of Western Australia. As Professor Portus in this book states:—

Doubts have arisen as to the precise meaning and effect of this provision. For instance, can a State, having referred a matter to the Commonwealth Parliament, revoke the reference; and, if so, what is the effect of such revocation upon a law already passed by the Federal Parliament? What is the effect if a State Parliament limits its reference, as for a period of years, or makes the reference subject to a condition? In fact, this provision has never been exercised; probably this is to a large extent due to the above-mentioned difficulties. It will be noted that the power given by paragraph 37 is in respect to "matters" referred by the States. It is not a power to make a specific law, but a power to legislate generally with respect to a specific matter referred. Of course, a purported reference by a State might be so framed, or subject to such conditions as to prevent it from in fact being a proper reference under paragraph 37; in such case there would in law be no reference and therefore no legislative power in the Commonwealth. I am of the opinion, however, that a matter once properly referred becomes irrevocably subject to the Federal legislative power.

It will be noted that he says "it is not a power to make a specific law, but power to legislate generally with respect to a specific matter referred." I contend that by making these regulations now and more particularly those hereafter to be promulgated by the Commonwealth effective in the State of Western Australia, we have done or are about to do exactly what is referred to in that paragraph, and there is to my mind a very grave doubt as to whether we would be wise in passing the legislation in its present form. I do not therefore propose to vote for the second reading of the Bill, but if the second reading is carried I trust the Minister will give us a little time to consider putting up at the Committee stage some amendment which may have the effect of avoiding the trouble I foresee. There is one

other matter to which I would like to refer and that is that these regulations, supposing the Bill to become law, when they are promulgated by the Commonwealth will be practically unknown to the people of Western Australia, in that it is almost as hard in my experience for the common person, particularly in the country, to get hold of a Commonwealth Gazette as it is to find precious metal in this House. Our method of advertising the regulations of this State is in the "Government Gazette" of this State which does circulate very freely and I see no reason why these regulations of the Commonwealth should not have to be published in the State "Government Gazette," and by this Act, if it must be passed, be treated as State regulations and be subject not to an amendment of the Act or repeal of the Act, but be capable of disallowance by either House of this Legislature. In the present circumstances and believing that the risk the State runs is much more considerable than we have been lead to believe, I do not propose to support the second reading.

MR. NORTH (Claremont) [9.40]: The electors of Claremont supported the Federal referendum in favour of aviation with a majority of "Yes," and I therefore have much pleasure in supporting the second reading of the Bill.

THE MINISTER FOR WORKS (Hon. H. Millington—Mr. Hawthorn—in reply) [9.40]: In view of the questions that were asked, I have done my level best to have the position clarified. First of all, it has to be remembered that this Bill is the result of a conference, and the report of the conference, indeed of two conferences, is on record. At the conference, various States endeavoured to agree as to what powers the Commonwealth should have in respect of air navigation. They eventually agreed, and the Bill sets out the result of their agreement. Representing the State at that conference, I was naturally anxious to see that we retained those powers that we desired to have, that is, the powers in respect of transport that we have, and any other powers that we wished to retain. But as to air regulations and air navigation, it is not only a question of having uniform regulations in respect of those matters in the Commonwealth, but actually those regulations represent an agreement convention arrived at a conference between the various European nations concerned. They apply there, but the United

States of America have not adopted the regulations entirely, although in regard to certain of the regulations the United States are a party to them. At the conference I was under the impression that we retained the powers that we required. I was endeavouring to find out what the position really was. I said we desired to have included a clause to the effect that nothing in this Act should be deemed to affect the legislative powers of the State's control of transport. I said that that should be set forth plainly. Mr. Mullen, the Attorney General of Queensland, said it was already in the Constitution. Mr. Menzies said that nothing in the Bill could limit our powers of transport law. Mr. Jeffries, the Attorney-General of South Australia, said, "But it is interfering with transport in our own States." Mr. Menzies said, "But no State can make a contract with the Commonwealth that it will not exercise its constitutional powers. What it is saying here is that we will make an agreement on all those matters as to aircraft and air navigation. The conference at its last meeting agreed that the Transport Regulation Act should still operate in the States." Then he said, "If I were you, Mr. Millington, I would not make any specific mention of the points you raise." He added that it was quite unnecessary. Mr. Menzies contended right through that we were simply authorising the Commonwealth to exercise control in respect of air navigation, and there was no need for us to reserve certain powers. I said I would not question it in view of his assurance, but that my Parliament would want a very definite assurance that it was not necessary. Mr. Menzies said, "I think we all agree that the constitutional powers of the States in relation to these matters are unaffected by this Bill." He also said that I could read to the Parliament of Western Australia the resolutions passed at the last meeting. I read those resolutions, when moving the second reading of the Bill, and they are in "Hansard." I said the question asked would be whether we were in any way interfering with our own power or giving away anything in respect of transport. Mr. Mullen, the Attorney-General of Queensland, said that if the Parliament of Western Australia were to put these in the Bill it would not affect uniformity for their purposes. Mr. Menzies said that my best answer would

be to say that here was a record of the conference which laid down these things on the 15th April, 1937. In the decisions of the conference, No. 2 is that each Government reserves the right, subject to the observance of the general rules in paragraph 1, to make its own laws in respect of transport regulations, and also to reserve the right to establish a State-owned air service. I said that on that understanding I would agree. It is to be remembered that there were six States represented, together with the Commonwealth, and presumably they were not there to indulge in any sharp practices, but to discover just how we should agree that the regulations should be operated by the Commonwealth. In respect to what has been said to-night, actually the Bill simply applies to the Commonwealth regulations in this State.

Hon. C. G. Latham: And all future regulations.

The MINISTER FOR WORKS: I will come to that. If we authorise the Commonwealth to administer and police the regulations, that is the protection that we give to the Commonwealth. We say to them in this Bill that we have these regulations and that we authorise the Commonwealth to administer them and police the air navigation regulations in this State. As to the future regulations, there is a difficulty. That also was discussed at the conference. Mr. Vincent was representing New South Wales. He said—

There is need for an annual committee composed of nominees from the States, together with representatives of the Aviation Department, to review the regulations. Otherwise we are going to have difficulties.

That was done, and as a result you have the consolidated regulations printed in one copy for the first time attached to the Bill. Mr. Menzies said that they would be nothing to the difficulties we should have when we proceeded to get six or seven authorities to agree on a set of regulations. Mr. D'Alton, representing Tasmania, said—

I do not think it will be necessary to get six or seven authorities to agree, but on many occasions difficulties could be overcome by a discussion amongst the representatives of the States. A lot of the friction we have had at times with the Civil Aviation Department would be obviated, and a much more friendly understanding would be created.

Mr. Jeffries (S.A.): The occasion might arise when there would not be time to have a conference.

Mr. D'Alton: I am not speaking of that. In such a case the regulation would be brought in straight away, and then it could be reviewed.

Mr. Menzies: You are suggesting in effect that annually there should be a meeting between the Commonwealth Department and the State Departments concerned at which the States would have an opportunity of making suggestions in regard to the regulations.

Mr. Henchman (Q): This point was covered at the last conference, it seems to me.

Mr. D'Alton: I raised the matter at the previous conference.

Mr. Menzies: Yes. I said, "If any question arose at any time in regard to an alteration which the Commonwealth might make, the State authority could say, 'We are not prepared to agree to that.' There would be a conference then and the matter would have to be ironed out."

I quite agree that it is most difficult to commit any Parliament to regulations that might be made in future. Therefore a workable arrangement had to be arrived at.

Mr. Seward: Suppose they could not iron it out and could not agree, what would happen?

The MINISTER FOR WORKS: The report continues:—

Mr. D'Alton: That is one way of covering it, but if we did our washing or ironing each year, we would reach a point where it would be impossible to go on without breaking down our uniformity.

Mr. Menzies: Could we have the meeting each year in conjunction with the Premiers' Conference?

Mr. D'Alton: I think there would be no objection to that.

Mr. Menzies: Anyhow, your suggestion is for an annual opportunity to discuss matters.

Mr. D'Alton: I do not think the Bill would go through without it.

Mr. Menzies: I make no great objection to the suggestion. The suggestion of Tasmania is that there should be an annual opportunity of consultation between the Commonwealth and the States in relation to the regulations. So far as the Commonwealth is concerned, I am quite agreeable to make that arrangement.

That is the statement of the representative of the Commonwealth in conference, according to the official report. If desired, an annual conference can be held, or a conference could be held more often if necessary to iron out any matters.

Mr. Marshall: There is nothing binding there.

The MINISTER FOR WORKS: Yes there is.

Mr. Marshall: How are you bound by that? It is a discussion at a conference.

The MINISTER FOR WORKS: This is an agreement that the conference arrived at. There were six State representatives and one Commonwealth representative who agreed that this should be done.

Mr. Marshall: Where is it?

The MINISTER FOR WORKS: In the conference report.

Mr. Marshall: It is not binding simply because it is in the conference report. That is what I am contending.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: This Bill is the result of the conference deliberations.

Mr. Marshall: There is nothing in the Bill providing for an annual conference.

Mr. Watts: Why not make the roads agreement on the same basis, if this is so satisfactory?

The MINISTER FOR WORKS: That is an entirely different matter.

Mr. Watts: But you say it is a binding agreement made at the conference. Why was not the road agreement made in the same manner?

The MINISTER FOR WORKS: Here we are simply adopting the Commonwealth regulations. We could police and administer them ourselves, but we consider it would be more satisfactory, having regard to the need for uniformity, for the Commonwealth to do it.

Hon. C. G. Latham: But we are delegating our authority to the Commonwealth. If we adopted the regulations, we would have control.

The MINISTER FOR WORKS: The object of this Bill is to adopt the Commonwealth regulations. The report continues:—

Mr. Bassau (V.): Personally I do not think the annual conference is required, but if the regulations are altered and the States are notified of such alteration, if they deem it advisable to get together, of course, the annual conference would give its decision. No great harm could be done by an annual conference.

Mr. Vincent (N.S.W.): It is highly desirable that there should be meetings if necessary.

That indicates the desire on the part of the States to have a clear understanding as to what was implied in the draft Bill. Regarding the Bill, there are conflicting opinions amongst legal representatives in this House, but we have to remember that the representatives at the conference were not only the Attorneys-General of the States and of the Commonwealth, but

also the draftsmen. Our Crown Solicitor, Mr. Wolff, attended each conference on behalf of this State and was a member of the committee that drafted this Bill.

Hon. C. G. Latham: Was anything said about the 1936 amendment?

The MINISTER FOR WORKS: I do not know what the hon. member is referring to.

Hon. C. G. Latham: The amendment of the Air Navigation Act.

The MINISTER FOR WORKS: No, we were dealing entirely with the regulations. It is important that the House should know what happened, even if the Leader of the Opposition does not desire to hear what was decided by the best authorities who could be got together in the Commonwealth. When I was interrupted I was saying—

Hon. C. G. Latham: I heard you. Do not get cross about it.

The MINISTER FOR WORKS: Mr. Wolff, representing this State, now gives his opinion, which is as illuminating, authoritative and reliable as that of the Leader of the Opposition.

Hon. C. G. Latham: If you are going to adopt that attitude, instead of having a friendly discussion, you will have the reverse.

The MINISTER FOR WORKS: And I might add, as authoritative as the opinion of the member for Katanning.

Mr. Watts: The High Court does give some extraordinary judgments. You have to remember that in future you must rely on those judgments and not on anybody's opinion.

Mr. Marshall: That is so.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: Now I wish to deal with the question whether we have referred power to the Commonwealth. This is Mr. Wolff's view, and he had an opportunity to discuss the question with those authorities—

I see it has been suggested that the Commonwealth could, if the Bill now before the State Parliament is passed, embark on legislation which would interfere with the domestic transport system or domestic affairs of the State. That is quite wrong. If the Commonwealth did pass such legislation, it would be ultra vires the Commonwealth Constitution. That is what the Commonwealth did in the Henry case, and there the legislation was held by the High Court to be ultra vires. Any legislation by the Commonwealth which for example interfered with the State Transport Co-ordination Act, 1933, or with the control of transport within the State, would be of no effect, and no enactment of the State Parliament or

Commonwealth Parliament can alter the position unless, of course, we refer the power of making that class of legislation to the Commonwealth under the Commonwealth Constitution. There is no constitutional reference at all by the present legislation. All the present legislation does, in effect, is to adopt for the purpose of this State the navigation regulations of the Commonwealth. If these regulations contained any provision which sought to usurp any of the powers of the State in regard to internal transport, then even the adoption by the State would have no effect, because the State Parliament is not entitled by means of a mere adoption act to take away the rights of the people under the Federal Constitution.

At the last conference it was agreed that any further amendments of the regulations would be submitted to the various States before the amendments were promulgated. This was regarded as satisfactory by all the delegates present. As this Act is not in the nature of a reference Act within the meaning of the Commonwealth Constitution, if the Commonwealth pass any regulations even within the scope of the Bill now before the House (that is to say a regulation dealing with safety precautions which did not satisfy the State), the State would be in a position by its own Act to provide that the offensive regulation would not apply in Western Australia; and what is more the Parliament of this State can at any time, even if this Bill is passed, repeal it absolutely.

That is the opinion of Mr. Wolff. He had a unique opportunity to discuss this with all those who were present. The various representatives of the States were particularly concerned about conserving State's rights. They were aware of what had taken place in connection with the referendum, and were most careful. The New South Wales representatives said, "We will have to satisfy the House that we are not giving away the rights of the State that we desire to retain." The experts from New South Wales conferred with Captain Johnston, the chairman of the Civil Aviation Board, with respect to the regulations. They went through them and took some time over doing so. I attended that conference for my own benefit to see what took place. I could see that the chairman of the board and the other members had a grip of the whole matter, had closely studied what had taken place here and in European countries, and eventually they satisfied the representatives of New South Wales with respect to the regulations. The important point is as to the regulations that may be promulgated after this Act is passed. The Commonwealth authorities have agreed with the States that these matters will be referred to the States. We are not going to

accept this on the blind, but will have an opportunity, if we desire, to confer in respect to any new regulations that may be made. Of course, they may not be important. It was suggested by the member for Murchison (Mr. Marshall) that the Commonwealth was going to collect the fees that would be used to meet the cost of the administration. The Commonwealth will collect the fees. They will be the licensing authority for pilots and the examining authority. I do not know that we have anyone in this State capable of administering the regulations, of examining pilots and of determining the airworthiness and the safety of aircraft. The Commonwealth Government have the advisers and administrators. They will therefore collect the fees, and will be entirely responsible for the cost of the administration under these regulations. Clauses 4 and 5 of the regulations authorise the Commonwealth to be the administrative authority. That is all it amounts to. They will have everything to do with air navigation as such, will have to bear the cost of administration and collect the fees. They will be the authority. One thing had to be provided for. It is necessary that the authority to enforce these regulations shall be definitely reposed in some quarter. There must be no wavering as to whether it should be the State or the Commonwealth authority. In the Henry case the Commonwealth discovered that they had no power to enforce the selfsame regulations in New South Wales. Having discovered that, they have adopted this method. Instead of the Commonwealth assuming the power, they have asked the States to convey that power to them. Some say that we have already refused, by the referendum, to give these powers to the Commonwealth. The two matters are entirely different. The Commonwealth Government asked the people of Australia to give certain powers to them not only in respect to air navigation but air transport. In that instance they sought the right to exercise powers in respect to these two things. The States, with the Constitution altered, would have had no say in these matters, and no opportunity to make any bargain with the Commonwealth. We were in an entirely different position when we met the Commonwealth authorities on this question. As the Crown Solicitor points out, the power is not referred. I ask my legal friends to give particular attention to that point. This Bill does not refer any State power to the Com-

monwealth. It is not a reference Bill. There is a great difference between referring a power to the Commonwealth, giving a power away permanently, and, as in this case, adopting Commonwealth regulations. We can adopt the Commonwealth regulations. We can do that for the sake of securing uniformity between all the States. In the Eastern States, which are more adjacent to each other than we are to them, it would be impossible for each State to administer its own regulations, and at the same time have uniformity of control throughout Australia. The adoption of the Commonwealth regulations is not a reference of any power to the Commonwealth. We certainly do authorise the Commonwealth by this Bill to police and administer the regulations. The Commonwealth get this power by mutual agreement between the six States and by uniform legislation. Having given that power to the Commonwealth, or authorised them to administer the law on our behalf, this Parliament and the other Parliaments in Australia can revoke that power. That is the opinion even of the Federal Attorney General, the State Attorney Generals, and the legal advisers of all the States. They are at one in that respect; and I ask hon. members to take this into consideration because, as Mr. Wolff states quite definitely, the Bill is not a reference Bill. If it were, all the dangers spoken of would be apparent.

Mr. Watts: We do not yet know what a reference is. There is no judicial decision as to that.

The MINISTER FOR WORKS: Do we not know! I should say that the fine legal coterie got together ought to know the difference between referring power to the Commonwealth under the Constitution and adopting Commonwealth regulations and authorising the Commonwealth to administer and enforce them.

Hon. C. G. Latham: What is the difference between referring and vesting?

The MINISTER FOR WORKS: The Bill does not vest, but adopts.

Hon. C. G. Latham: What is the difference in meaning?

The MINISTER FOR WORKS: Here we have the application of the Commonwealth air navigation regulations to air navigation within the State. We adopt those regulations. There are certain powers and func-

tions vested in the Commonwealth authorities.

Hon. C. G. Latham: That is what I am afraid of.

The MINISTER FOR WORKS: As I have said, we have given the Commonwealth authorities the job. If they are to administer and enforce the regulations, this Parliament can give them the power, and proposes to give them the power, to administer and enforce those regulations. What is wrong with that? We are simply giving the Commonwealth authorities the job to do.

Hon. C. G. Latham: I hope there is nothing wrong with it.

The MINISTER FOR WORKS: I hope so too. I have never known more care to be taken to conserve the interests of the State. All the other States are in the same position as this State is in. Since we are all so careful now, I may say that we owe our Premier some recognition, because he was the man who discovered the entire difference between handing over powers to the Commonwealth and retaining the powers while delegating to the Commonwealth such authority as we desire to delegate. Thereby we retain our right to control State transport. We wired the Prime Minister on this subject early in the month. I promised to ascertain what attitude the other States were adopting, because, almost needless to say, we want no special pleading as far as this matter is concerned. We want to know what the other States are doing. Here is the reply of the Prime Minister, which must have been received about the 8th September—

Your telegram seventh air navigation regulations. Following advice has been received (Stop) New South Wales. Bill not yet introduced. Review of regulations not completed. Matter being expedited (Stop).

Hon. C. G. Latham: As regards New South Wales, the telegram says, "Review of regulations not completed." How do we get these regulations?

The Premier: That is what is happening in the other Parliaments.

The MINISTER FOR WORKS: May I be permitted to complete the reading of this telegram from the Prime Minister—

Victoria. Bill providing application Victoria air navigation regulations had reached second reading stage when dissolution Legislative Assembly granted (Stop).

Hon. C. G. Latham: That explains it. Now we know. We have been looking for a reason.

The MINISTER FOR WORKS: I think it will be admitted that that is as far as Victoria could get—a dissolution. The Prime Minister's telegram continues—

Queensland. Air Navigation Bill passed third reading Parliament eighth September. Now awaits Royal assent (Stop). South Australia. Bill passed House of Assembly. Second reading Legislative Council eighth September (Stop). Tasmania. Bill will be presented to Parliament early in coming session.

Mr. Doney: What is the date of that telegram?

The MINISTER FOR WORKS: About a fortnight ago. In spite of the interruptions, that is the attitude of the Eastern States. New South Wales takes its air navigation regulations most seriously.

Hon. C. G. Latham: I may have interrupted you. Will you please tell the House the position as regards New South Wales?

The MINISTER FOR WORKS: The Prime Minister's telegram says—

New South Wales. Bill not yet introduced. Review of regulations not completed. Matter being expedited.

The rest of the telegram will be remembered. There is a slight amendment necessary, owing to an omission. I shall give notice of it. After the word "aircraft" in the sixth line of the preamble, the following words need to be inserted:—"and in particular to the airworthiness of aircraft."

Hon. C. G. Latham: If the omission is in the preamble, it makes no difference.

The MINISTER FOR WORKS: I assure the House that this Bill is a facsimile of the Bills introduced in the Eastern States, apart from the omission. Those words were inadvertently omitted in the Crown Law office. I propose, in Committee, to move their insertion.

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

Ayes	23
Noes	14
Majority for	9

AYES.

Mr. Coverley	Mr. Nulsen
Mr. Cross	Mr. Sampson
Mr. Fox	Mr. F. C. L. Smith
Mr. Hawke	Mr. Stynants
Mr. Hegney	Mr. Tonkin
Miss Holman	Mr. Troy
Mr. McDonald	Mr. Welsh
Mr. McLarty	Mr. Willcock
Mr. Millington	Mr. Wise
Mr. Munale	Mr. Withers
Mr. Needham	Mr. Wilson
Mr. North	

(Teller.)

NOES.

Mr. Boyle	Mr. Rodoreda
Mrs. Cardell-Oliver	Mr. Seward
Mr. Doust	Mr. Sleeman
Mr. Lambert	Mr. Thorn
Mr. Latham	Mr. Warner
Mr. Marshall	Mr. Watts
Mr. Raphael	Mr. Doney

(Teller.)

Question thus passed.

Bill read a second time.

House adjourned at 10.22 p.m.

Legislative Council.

Tuesday, 23rd September, 1937.

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

LEAVE OF ABSENCE.

On motion by Hon. J. T. Franklin, leave of absence for six consecutive sittings granted to Hon. A. M. Clydesdale (Metropolitan-Suburban) on the ground of continued ill-health.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 23rd September.

HON. C. B. WILLIAMS (South) [4.36]: I find myself in disagreement with the Government on some of the amendments proposed in the Bill, especially the first amendment. It may be said, in reply, that I ought to take more interest in my Parliamentary work as regards attending party meetings,