

do not see why he should not be granted the same accessibility to amenities as the white man, provided that he observes our laws. Cosmo Newbery is controlled by the department, and I understand that it is doing first class work. Although the superintendent is very strict he appears to be doing an excellent job. Natives must be disciplined to some extent, just as we discipline ourselves or those working for us.

I am glad that the Government appointed Mr. Bateman, who is both just and impartial, and his report will be of value to the Government and the people of this State. Some of our policemen are sympathetic towards the natives, but, on the other hand, a few are too severe. I do not think such officers should be placed in positions of control over our natives. I could quote an instance from the early days where, because of his own doing, a policeman was speared. After that he shot every native that he saw.

Hon. A. A. M. Coverley: That was 50 years ago. They do not do that today.

Hon. E. NULSEN: No, but there are still some very hard-hearted persons in positions of control. I am sure that if the Minister were to hear of instances of harshness they would be properly dealt with. In a number of small towns it is difficult to deal with the natives, though that is not always their fault. In many instances I am inclined to blame the white man for the wrongdoing of the natives. I commend the Minister for being inclined to give the natives more liberty, to which they are justly entitled. I commend him for the good work he has been doing, in emulation of his predecessor, and I believe that at last our natives are to be given a fair go and put on a basis as near as possible to that of the white man.

Progress reported.

House adjourned at 11.55 p.m.

Legislative Council.

Wednesday, 19th November, 1947.

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

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

1. Optometrists Act Amendment.
2. Town Planning and Development Act Amendment.
3. Commonwealth Powers Act, 1943, Amendment.
4. Commonwealth Powers Act, 1945, Amendment.

BILLS (3)—THIRD READING.

- 1, Child Welfare.
Returned to the Assembly with amendments.
2. Increase of Rent (War Restrictions) Act Amendment.
Returned to the Assembly with an amendment.
3. Rural and Industries Bank Act Amendment.

Passed.

RESOLUTION—BANKING, NATIONALISATION.

As to Commonwealth's Refusal of Referendum.

Message from the Assembly requesting concurrence in the following resolution now considered:—

That in the opinion of this House the action of the Commonwealth Government in proceeding with its proposals for nationalisation of banking without first conducting a referendum calls for the strongest protest from this Parliament on behalf of the people of this State. The Commonwealth Government can claim no mandate from the people for such proposals which, in view of the controls over banking exercised under the Banking Act of 1945, are in no sense necessary or desirable and should not be imposed on the people without their assent. Therefore, this House calls upon the Commonwealth Government not to proceed with the Bill unless and until such a referendum of the Australian People has been held and decided in the affirmative.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban) [4.39]: I move—

That the resolution be agreed to.

This resolution has been transmitted to this Chamber to enable members to express their opinions on the confiscation of bank property, the confiscation of shares held in banks, and the confiscation of the assets of banks.

Hon. E. M. Davies: I thought they were being purchased.

The MINISTER FOR MINES: I repeat the word "confiscation." I use it deliberately, because there is only a purchase when there is a ready sale. Here there is not a ready sale but a confiscation called a purchase.

Hon. A. Thomson: You have to take what is given you.

The MINISTER FOR MINES: The Commonwealth Government is forcing political control on the banks, and on the people's everyday needs. It will be purely party political control. The party represented by whatever Government happens to be in power will control even the pocket-money of the individual.

Hon. E. M. Davies: Bunkum!

The MINISTER FOR MINES: I will deal with that interjection directly. I do not think Mr. Davies believes it himself. He is one of those unfortunate individuals who

have followed the party which has put him in the present position. In June, 1921, the all-Australia Trade Union Conference in Melbourne decided that the first plank of Labour's platform would be the socialisation of industry, production, distribution and exchange. But at all elections, that has been kept in the background. I for one have told the people from the hustings that that was the first plank of Labour's platform, and I was told that I was drawing the long bow. It was denied by the Labour candidates; it has been denied by nearly every Labour candidate. It was kept in the background at the last Federal elections because the candidates knew very well they would not be supported if the people knew truly what they stood for.

When I first sought a seat in Parliament, in 1927, I said that we were rapidly proceeding to socialism. I was laughed at, and perhaps rightly so, because it has taken nearly 20 years to come about. But it is here now. Capitalism—if our present system of democracy is capitalism, and I think it is—gives every citizen the same rights and privileges. He is allowed freedom of thought, freedom of speech and freedom of action, and the right to earn a just reward for the work he does. He has the right to work where he likes and at whatever occupation he wishes, with certain restrictions, which are being rapidly increased. But what does socialisation do? It is a doctrine of restriction and control of all the things which capitalism grants freely to every individual.

—Socialism takes away all freedom of action. We know the country most pronounced in this matter is Russia, where there is slave labour and the people are told what to do. Although they receive wages, there is nothing they can purchase, and there is no incentive to produce. Capitalism or democracy gives every opportunity to the individual to produce to his utmost, and in these days that is what we want. The nationalisation of banking means that the individual will have to go to the Commonwealth Treasurer who will have absolute control. We will be able to bank only where he permits, and he will decide what financial assistance we are to get.

Hon. E. M. Davies: That is what the Commonwealth Bank Board decided during the depression.

THE MINISTER FOR MINES: I am afraid the hon. member has not read the bank Bill, and obviously he does not agree with its contents, and for that I am pleased. At all times, socialisation has been detrimental to the standard of living and the advancement of the people. True socialisation brings everyone to the same level, which means that no-one works more than he wishes to, and so leads as idle a life as possible because there is no encouragement to do otherwise. This is exemplified in our midst—we have only to see the aborigines in their natural state to see complete socialism. Again, socialism breeds tyrants. It is clear that the present Commonwealth Government has no intention of hearing the views of the people or of taking the slightest notice of them. Not only that, but the Speaker appointed by the Government refused to allow members to address the House. The gag has been applied frequently by the Government's preponderance of members.

Hon. E. M. Davies: How many times was it applied by the previous Government?

THE MINISTER FOR MINES: I do not know, but if it applied the gag often, it was quite rightly put out, and I trust this Government will be put out if it does not allow members to air their views.

Hon. E. M. Heenan: I think every member in the House voted on the Bill.

THE MINISTER FOR MINES: That is so, but not every member was allowed to speak. The time was limited.

Hon. E. M. Heenan: Every member voted on it.

THE MINISTER FOR MINES: I say without fear of contradiction that a time limit was fixed, and members were allowed only a certain time in which to speak. There was no freedom, as we know it. Not only were members of the Commonwealth Parliament not allowed to speak, but the people are not allowed to give their views. Fortunately the Legislative Council of Victoria took the bit between its teeth and said, "We will let the people speak." The Government said, "This is a shocking thing for the Legislative Council to do—to put the Government out of power." But the freedom of the people of Victoria was emphasised when they said, "Is it? We will show you." They put the Government out by the neck. They said, "It is only proper

that we should have a say." Although it was not a State matter, the people desired to show that they had no time for a Government connected politically with the one endeavouring to put through the Bill to bring about the nationalisation of banking. Even now the Prime Minister entirely ignores the wishes of the people expressed in Victoria, the only State where there has been the opportunity to do so.

It might be said that we should hold a referendum here. Well, to conduct a referendum in Western Australia would occupy many months because it would have to be taken over the whole of this sparsely settled State. But we are doing the next best thing. We are giving an opportunity to the representatives of the people to express their views on behalf of their constituents. I am pleased, as I represent one-third of the people on the Legislative Council roll, to be able to express my views on their behalf. I am perfectly sure that there are very few people who desire the nationalisation of banking, apart from those who do not think and the Communists. With the Communists, I include the Socialists because they are virtually one and the same thing.

Hon. E. M. Davies: The same old story!

THE MINISTER FOR MINES: Well, we shall see. In order to bring about in one fell swoop their objective of bringing about complete and absolute socialisation of industry, the Government has followed the immediate and direct tactics of the Communists, and I shall quote the remarks of Lenin, made in 1917, to show how appropriate they are today. In addressing the 1917 Bolshevik Conference on how the transition from capitalism to complete socialism should be brought about, Lenin said—

We are all agreed that the fundamental first step in this direction must be such measures as the nationalisation of the banks and the trusts. Let us put into practice these and similar measures and we shall see. It is possible and even indubitable that the transition will not be made without combined types, i.e., we cannot either nationalise the small consumers' concerns, i.e., one or two wage workers, or place them under a real workers' control. Their role may be small to the vanishing point; through the nationalisation of the banks they may be tied hand and foot; all that is true, but why throw over the minimal programme so long as vestiges, however slight, of bourgeois relations remain.

That was what Lenin said in 1917. He took over the banks. There is now not one private bank in Russia. That is what is happening here now. If the Commonwealth Government has this power there will not be a private bank in Australia. It is also very significant that the "Party Training Manual" of the Australian Communist Party makes reference to it.

Hon. G. Bennetts: You will be on the black list of the Communist Party.

The MINISTER FOR MINES: I sincerely hope and pray that I will be. Next there is the following extract regarding the Communist Party—

The Australian Communist Party in its Party Training Manual (pp. 38 and 39) pictures the measures which must be taken to bring about Communist rule over Australia, through "parliamentary action."

It is parliamentary action of which we now complain.

Hon. E. M. Davies: There is not one Communist in Parliament.

The MINISTER FOR MINES: I venture to assert that there are many, and that there will probably be more.

Hon. G. Bennetts: Can you name one?

The MINISTER FOR MINES: Yes. I cannot say if the name by which he will describe himself is "Prime Minister" or "Treasurer."

Hon. E. M. Davies: You would not say that outside!

The MINISTER FOR MINES: I have said it. The manual contains the following—

These (i.e., communist sponsored) members enter Parliament, not that they may take the machine into their hands, but that they may destroy it. . . . The Communist Party makes use of bourgeois Parliaments and enters them for the furtherance of the revolutionary class struggle.

That is what is happening now. Who gets the support of the Communists at the elections?

Hon. E. H. Gray: The Liberal Party!

The MINISTER FOR MINES: That is quite wrong.

Hon. E. M. Davies: At any rate, it gets the second preferences.

The MINISTER FOR MINES: I am perfectly sure that many supporters of the Commonwealth Government do not realise

what the socialisation of banking means. Only the other day Mr. Kenneally—I think it was in Canada—stated that the next step would be the socialisation of the steel industry. He need not worry about that, because the socialisation of banking socialises everything. The steel industry cannot carry on without finance and if the Commonwealth Treasurer has control of the finances, everything else is socialised. Does any hon. member believe that the people of Russia are happy and free? If any member thinks so, he is quite justified in voting against the resolution. One object of the banking Bill is to control credit. Very frequently the statement has been made that the Commonwealth must have power to control credit. That has been stated by supporters of the legislation.

When the supporters of the Commonwealth Government's legislation contend that it is necessary for it to control credit, I would point out to the House that Russia is the only country where the Government actually does control credit. Have members given thought to what it means to control credit? It means the control of all overdrafts, of all trading accounts, of all shopkeepers who give any credit, of hotel keepers, warehousemen, merchants, manufacturers, mining people, squatters and farmers—all are absolutely and directly controlled.

Hon. G. W. Miles: And the unions?

The MINISTER FOR MINES: Possibly unions will have special privileges—if they vote in a certain way. Take the position of a small shopkeeper who gives credit every week. He cannot give that credit unless he himself obtains credit, and so it goes up the scale. The small shopkeeper obtains credit from the warehouseman, and the warehouseman in turn must get credit. Where does he get it from? Obviously from the bank.

Hon. G. Bennetts: He would get it from the Commonwealth.

The MINISTER FOR MINES: From the Commonwealth Treasurer—if he likes to make it available.

Hon. G. Bennetts: The same applies to the ordinary banks.

The MINISTER FOR MINES: If the Treasurer says he will not give credit to

a person because he is a Communist whom he does not like but will provide it to a Liberal whom he does like, the latter will receive the necessary credit. That is the way in which the socialisation of banking will operate. Most decidedly if the small shopkeeper gives credit to a person of the wrong political colour, the transaction will be traced right up, and credit will be withheld from him.

Hon. G. Bennetts: Does the Bill say there is no right of appeal if an individual is turned down?

The MINISTER FOR MINES: Obviously the hon. member has no idea of what this means, and that is what the Commonwealth is preying on. How will it be possible for the small man to carry on? An aggrieved person will not be able to go to court and lodge an appeal because he has not been able to get an overdraft. What will be the position at election time? Do members think that a bank manager will have authority to grant an overdraft or extend credit to a candidate who is standing in opposition to the Government in power? Do they think for one moment that a non-Labour Government if in power would allow the A.L.P. credit in order to enable it to fight an election?

Hon. E. M. Heenan: You are spoiling it now.

The MINISTER FOR MINES: Do members think that when they get some extreme and unreasonable man as Treasurer in control of the banks, he will allow any extension of credit to those that desire to oppose him? It is not reasonable to think that he would.

Hon. G. Bennetts: At election time you would get the decisions through the ballot box.

The MINISTER FOR MINES: Mr. Bennetts has struck the point exactly. He says it will be all right if a man gets through the ballot box. I am one of those who object to going through the ballot box in order to secure pre-selection. Everyone should have the right to stand and not be required to gain that right through the pre-selection ballot box in order to be able to secure the necessary finance. But that is exactly what will happen. The present Government is determined to bring about absolute and complete socialism. As I

have already pointed out, the Federal Bill will give the Commonwealth Government control of all credit and the Treasurer, who is usually, and in future will be, the Prime Minister—by what name he will call himself when the Bill is passed, I do not know—will take the action that has been indicated. We know what such people were called in other countries. Hitler was called the Chancellor, which, I understand, is the equivalent of Treasurer.

It is significant that the present Commonwealth Government has already shown its tyranny by refusing to allow the people to express their opinion. Furthermore it is in great fear that it has overstepped the bounds of the Constitution. It is significant that the principal adviser on constitutional questions to the Commonwealth Government, a man holding an extremely high office in the Administration, has been out of Australia during the banking legislation controversy. I refer to the Federal Attorney General, the man on whom the Government has a right to lean and from whom it has a right to expect advice. He is out of the country and has taken no part at all in the discussion.

There is a great dispute as to the constitutionality of the proposal. We know that there are many manoeuvres already on foot to avoid the possibility of this project going before the High Court. The Commonwealth Government hopes to induce the Governor General to give his assent quickly so that it may then appoint new directors of its own choosing and also in order that those directors may prevent the banks from taking action to apply for an injunction. Why should a member of the Commonwealth Parliament go out of his way in a most dastardly manner under the privileges of Parliament to abuse people whom every honest British person is proud of, namely, the personnel of our High Court, the judges. One thing the Britisher is proud of is that his judges are incorruptible and honest. No-one suggests that judges do not make mistakes, but they are honest; and that is the one solid foundation of the British Constitution.

The Prime Minister himself does not say anything, but one of his underlings abuses them in a most diabolical manner. One of the Prime Minister's colleagues got up and supported him but the Prime Minister did

not say a word. I was asked just now who were the Communists. I leave it to members to judge. A Communist is one who keeps quiet and allows others to do the talking while he stands back. Why is it that there is this attack on the High Court, and why is this effort made to prevent the matter going before the High Court? Why is the Federal Attorney General kept out of Australia. I sincerely hope it is because those concerned know well that they are on dangerous ground from the constitutional point of view.

Hon. G. Bennetts: He is trying to keep peace in the world.

The MINISTER FOR MINES: No doubt the hon. member saw the criticism in the paper the other day as to Dr. Evatt trying to keep peace in the world. We all agree that in normal times what we require is to keep our people employed and occupied, and to endeavour in every way to support new industries. We want people to come here and we want to keep them moving. Mr. Dedman said that by wiping out the banks and having only one bank we would put 5,000 people out of work. He contradicted that statement afterwards, for he knew he had put his foot in it. The Postmaster General said "No, we will not put people out of work; we will have them all digging trenches for the department." By introducing the banking Bill the Commonwealth Government is not increasing the number of our citizens who can gain an honest and useful employment.

Hon. G. Bennetts: The private banks put 50,000 people in this State out of work during the depression.

Hon. J. A. Dimmitt: Nonsense! There were not 50,000 people out of work.

The MINISTER FOR MINES: That is the Communists' cry. The hon. member is not a Communist. I do not suggest that, because if he were he would keep quiet.

Hon. G. Bennetts: The money was not in the hands of the workers, so it must have been in the possession of the banks.

The MINISTER FOR MINES: Mr. Scullin was Prime Minister when the Premiers' Plan was formulated.

Hon. E. M. Davies: He did not have the Senate with him.

The MINISTER FOR MINES: He did not have the other Labour Premiers with him.

It was stated that the Socialists' objective was drafted by a committee headed by a man who became Labour's first post-war Prime Minister, Mr. Scullin. It was forced through the 1929 Conference, where it was explained in detail by Mr. Scullin himself. That deals with Mr. Scullin and the depression. The Premiers, including the Labour Premiers, forced the plan through. Socialism decreases the opportunities for people to engage in useful occupations but capitalism encourages it in every way and promotes production and employment. I recall that in Western Australia in the early days how pleased everyone was when the banks began to open up. There were only one or two then but gradually others came in. Then the country began to flourish, and now they are going to be wiped out. We have not been allowed to express our opinions and therefore we can only present them here, as the representatives of the people.

Hon. E. M. Heenan: That statement is hardly justified, because there has been a great deal of publicity.

The MINISTER FOR MINES: The people themselves have not been heard. The Senate is supposed to be a House representing the States, but it is purely a party machine. In the House of Representatives, Opposition members are not allowed to speak. Parliament in its true sense has ceased to exist in the Commonwealth.

Hon. E. M. Davies: I heard a lot of Opposition members speak over the air, and so did other people.

The MINISTER FOR MINES: Were they put out during the course of their speeches?

Hon. E. M. Davies: There was not so much row as when the other side was speaking.

The MINISTER FOR MINES: I submit that in the present Commonwealth Parliament members are not given freedom or sufficient time in which to express the views of their constituents, as they are justly and rightly entitled to as members of that Parliament. I suggest that in future all candidates for parliamentary honours be asked whether they are socialists. Communists candidly admit what they stand for. I regret that there are many other people who

will not admit that they are socialists but vote for all legislation dealing with socialisation. The people of Victoria by an overwhelming vote have shown that a large section of Australia is opposed to the nationalisation of banking and socialism. I ask those members in this Chamber who are in favour of the resolution not to hesitate to declare themselves. It is only right that the people who have put us here should know definitely and distinctly whether we are for or against the resolution.

Hon. W. J. Mann: Do you think you will get a division?

The MINISTER FOR MINES: If those who are in favour of socialisation of industry will come out with their views and can indicate that there is anything good in their ideology, then we will have their views before us, and we will be able to adopt them if we like. Let us hear what is good in socialism so that we may adopt it if we feel like doing so.

Hon. E. M. Heenan: Are we not here to deal with State matters?

The MINISTER FOR MINES: Yes. But as soon as the banking Bill goes through the State will cease to exist because all the finances of all its people will have gone. The State Parliament itself will cease to exist. If the Bill becomes law, State Parliaments will cease to exist in six years. I felt I had to express my views but also the views of the Government of which I happen to be a member. I therefore ask the House to support the resolution.

HON. J. A. DIMMITT (Metropolitan-Suburban) [5.13]: I congratulate the Government on having brought forward this motion. There is no need for me to speak as to the demerits of the proposed legislation. I propose to take up the same attitude as that adopted by the Premier in another place. As our Leader in this Chamber dealt fully with the demerits, I shall confine myself to certain other aspects. Many volumes have been written in regard to banking in Australia, so that there are many opportunities for students to get a good and clear insight into the banking system which has operated here for a great number of years.

Members should keep in mind the point that in 1936 a Royal Commission was

brought into being at the request of the Commonwealth Parliament to investigate the banking system of Australia. In 1937, that report was presented to the Commonwealth Parliament. It is not a popular publication with members of the Labour Party for the simple and obvious reason that the findings of the Royal Commission did not support the contentions which are now advanced in favour of the banking Bill. On the contrary, it praised the banking system of Australia for playing an important part in getting Australia out of the impasse which occurred from 1930 to 1933. Mr. Chifley was a member of that Royal Commission. Reference was made by the Minister to the absence of the Federal Attorney General, and he rather suggested there were obvious reasons for that absence.

I would like to refer to an advertisement which appeared in the "Sydney Morning Herald" on the 9th August, 1943. I quote this in support of the inference I read into the Minister's remarks. This was a half-page advertisement and featured a picture of Herbert Vere Evatt. To the left of the picture, in big headlines appeared this caption—

"Evatt Ends an Argument."

Below that it stated that—

"Labour is opposed to National Security Regulations except where they are essential for the prosecution of the war and is pledged to revert to legislation in the normal manner as soon as war exigencies permit."

Below that, in capitals, and underlined, appeared this caption—

The Commonwealth Constitution gives no general power to nationalise industries.

I think that the Minister had that in mind when he referred to the absence of Dr. Evatt. Below that was a further caption in equally large letters, and also underlined—

Under a Labour Government there will be more room for private enterprise and business initiative after the war than ever before.

Hon. E. H. Gray: There will be, too!

Hon. J. A. DIMMITT: Then there appeared a facsimile of the signature of Herbert Vere Evatt. There has been no mandate given by the people of Australia to the Commonwealth Government to nationalise banking. Here we have a clear-cut, concise statement made by the Federal Attorney General in 1943. In 1946, Mr.

Chifley told the public of Australia that he would follow the precedents and principles laid down by his predecessor, the late Mr. Curtin. He did not anticipate or indicate to the people any intention to introduce nationalisation of banks or of any industry. For those reasons I intend to support the resolution and congratulate the Government on bringing it before the House.

Hon. E. M. Heenan: You have not dealt with the demerits of the Bill, as promised.

Hon. J. A. DIMMITT: I said I would not deal with them.

Hon. E. M. Heenan: I am sorry.

Hon. J. A. DIMMITT: I said that I would deal with two other aspects. Now that the hon. member has raised this point, it has been suggested that this is a futile effort. Even if it is a futile effort; even if it is true that the Prime Minister closes his mind to any objection that may be raised against his policy, I hope the Government will proceed with this resolution and that it will be sent to the Prime Minister in spite of its possible ineffectiveness.

HON. G. W. MILES (North) [5.20]: I congratulate the Government on bringing this matter forward. I was anxious to see some of the supporters of the Labour Government get up and give us some of their views.

The Honorary Minister: You are an optimist.

Hon. G. Fraser: We do not want to waste the time of the House.

Hon. G. W. MILES: As Mr. Dimmitt mentioned, the Commonwealth Government has no mandate from the people to introduce this socialistic legislation. On the contrary, when Mr. Curtin was Prime Minister in 1943 he gave an assurance that no socialistic legislation would be introduced during the war.

Hon. E. H. Gray: And he carried it out.

Hon. G. W. MILES: Yes; yet Labour supporters say that the Commonwealth Government has a mandate from the people. I want to quote this statement—

The Government's case is inherently and thoroughly bad, and the Government knows it. It has not a shred of warrant for this legislation and, on the statement of Mr. Chifley himself, up to two months ago, it requires no powers for the control of the credit structure—

Hon. W. R. Hall: What are you reading from?

Hon. G. W. MILES: This is in a publication entitled "Hard Comment."

Hon. W. R. Hall: Who writes that?

Hon. G. W. MILES: It does not matter. These are facts, and I want Labour members to understand that these are Mr. Chifley's words I am quoting. The extract continues—

—it requires no powers for control of the credit structure other than those already expressly taken and approved by the country.

Mr. Chifley's excuse to Parliament is that he has a mandate for his proposals because—

(1) the Federal Constitution gives to the central Government power (in Chifley's words) "to control banking," and—

Hon. E. M. Heenan: What edition is that?

Hon. G. W. MILES: —

(2) the A.L.P. platform has always—or at least for the past 25 years—cited as the Party's objective "socialisation of the means of production, distribution and exchange" and specifically the nationalisation of banking (meaning a Government monopoly) as a process towards that end.

Hon. G. Fraser: The public put them in.

Hon. G. W. MILES: I will deal with putting them in and with what your leader said.

Hon. G. Bennetts: What is the name of the paper?

Hon. G. W. MILES: It is called "Hard Comment," and is published in Sydney. I will lay it on the Table.

Hon. G. Fraser: Never heard of it!

Hon. G. W. MILES: You are hearing of it now. The extract continues—

The first of these claims is false. What the Constitution does is to give to the Federal Parliament power to make laws for "peace, order, and good government" with respect (inter alia) to "banking, other than State banking, also State banking extending beyond the limits of the State concerned." To interpret this power as conveying that the pre-Federal convention which drafted the final compromise Constitution, expected and approved in advance the creation of a Federal monopoly in banking, is so palpably absurd that no person, even a socialist, can possibly believe it.

I think that members in this House who are supporting the Chifley Government cannot believe that was the intention of the framers of the Constitution. The paper continues—

Mr. Chifley knows that such a proposal was not even in the minds of the convention. He is therefore twisting the intention as well as the words of that foundation Act, and on that count he will have to answer in the courts.

Democracy in peril.

The second claim betrays the chicanery of the socialists' procedure. Mr. Chifley and his followers are utterly contemptuous of the electorate, or of any verdict by the electorate which runs counter to their designs.

Hon. E. M. Heenan: Who wrote this?

Hon. G. W. MILES: I will tell the hon. member, and I will lay the paper on the Table for him to read. If he reads it, he will probably have more sense than he has today. Why does the hon. member not get up in the House and say what he believes?

The PRESIDENT: Order! Will the hon. member please address the Chair?

Hon. G. W. MILES: I am sorry.

Hon. G. Fraser: You are telling the House what we believe.

Hon. G. W. MILES: The hon. member needs telling, too.

Hon. E. M. Heenan: All I want to know is who wrote it.

Hon. G. W. MILES: Why not get up and make a speech instead of interjecting? I have said I will table the paper. I have said that it is called "Hard Comment," and it is issued by Citizenship Pty. Ltd., Third Floor, 28 O'Connell-street, Sydney.

Hon. G. Fraser: Who is the contributor?

Hon. G. W. MILES: The Editor.

Hon. G. Fraser: Who is the editor?

The PRESIDENT: Order! Will the hon. member please proceed?

Hon. G. W. MILES: The paper states—

Mr. Chifley and his followers are utterly contemptuous of the electorate—

So are his supporters. That is my interjection.

—or of any verdict by the electorate which runs counter to their designs. Henceforth, no Labour leader's policy speech is to be accepted as sincere unless he confesses frankly that he intends to socialise everything at the first opportunity and to substitute a regimented State for the existing democratic Commonwealth. That is what he will be committed to—by Mr. Chifley's own admission—and if he does not confess it on the election platform he will be practising deceit on the electors. Mr. Chifley has said that the socialisation objective is there, and that a vote for Labour, even when social-

ism is not mentioned in its leader's policy is a vote to go ahead with Labour's most extreme and hitherto theoretical aims.

Hon. G. Fraser: It has been a plank ever since I was a boy.

Hon. G. W. MILES: That is what the article says.

Hon. E. M. Heenan: How many more pages of that are there?

Hon. G. W. MILES: The paper continues—

So far was the majority vote for Labour in 1943 and 1946 from being a vote for socialisation of means of production and exchange (beginning with the trading banks),—

I want Fremantle members particularly to remember this—

—that Mr. Curtin won in 1943 only because, when expressly questioned, he unequivocally pledged his Party not to introduce any socialisation measures during the war, the end of which has not yet officially arrived as the Government's own use of the National Security Act testifies. Nor has Liberal been released from that pledge of Mr. Curtin. Mr. Chifley won in 1946 on a stand pat policy speech. He declared he would make no promises whatever in departure from the previous regime. He had made it plain that the banking Acts passed in 1945 afforded his Government sufficient power to control the national credit and to "gear the country for any recession."

That is a complete reply to the people who say they have a mandate for this Bill. They have no mandate and this resolution, carried by Parliament will show that we in Western Australia are opposed to the nationalisation of banking which will mean, as the Leader of the House has said, the nationalisation of all the industries of this country.

Hon. G. Fraser: You have not told us the name of the writer.

Hon. G. W. MILES: I have said it was the editor and have given the name of the paper and the place from which it is issued.

Hon. G. Fraser: Give us the name; we do not know it.

Hon. G. W. MILES: I have quoted what Mr. Curtin said, and the hon. member remembers he said it. Mr. Curtin said there would be no socialisation during the war, and Mr. Chifley also said it. I endorse those remarks. The war was over when Mr. Chifley was elected in 1946, and he said he would not introduce any fresh measures. Now he has the impudence to come along and say he has a mandate from the people.

There is no mandate whatever. I am hoping—

Hon. W. R. Hall: You will be hoping!

Hon. G. W. MILES: I will be hoping, and the hon. member will be, too, before it is all over, that our present Governor-General, who was appointed by the Labour Government, pushed on to the King—

Hon. E. H. Gray: The King appointed him.

Hon. G. W. MILES: He had no option. I hope that he will exercise his authority and perhaps save the face of the Labour Party by refusing assent to the nationalisation Bill until a referendum has been taken.

HON. L. A. LOGAN (Central) [5.30]: I do not think this opportunity should be passed over without members expressing their opinions as to what is right. The Government must be given credit for being honest enough in its convictions to present the resolution. It has been said, in favour of the Commonwealth banking Bill, that it has been brought down to save the country from another depression. No argument more puerile than that has ever been heard, to my knowledge. If we cast our minds back to the last depression we will recall the position that existed. Those who are trying to force the Bill through the Commonwealth Parliament say that the Associated Banks drove men off the land and caused the depression. If those same gentlemen were to go round the country today they would find that 95 per cent. of the primary producers are opposed to the Bill. Had men been driven off the land by the banks, and had the banks caused the depression of 1930-33, the primary producers would today have been in favour of the Bill. It is said that the Commonwealth Government has a mandate. There has never been a mandate given for such a purpose and there never will be, if the matter is put to the people for their decision. The result of the recent election in Victoria and the enormous number of signatures attached to petitions sent to Federal members—

Hon. G. Bennetts: Half of them were forced.

Hon. L. A. LOGAN: —and to the Governor-General, in protest against the Bill,

indicate the feelings of the people. We now hear that the Commonwealth Government wants a referendum on price control, which is something that the States can manage without any trouble, at a time when everyone is clamouring for a referendum on the banking Bill, Mr. Chifley, with his dictatorial attitude—we have recently got rid of another dictator, Adolf Hitler—refuses to grant it.

Hon. G. Fraser: He has taken a leaf out of the book of this House, which last year refused to grant a referendum.

Hon. L. A. LOGAN: I was not then a member of this House and know nothing about that referendum. I therefore cannot reply to the interjection.

Hon. G. Fraser: This House last year refused a request for a referendum.

Hon. L. A. LOGAN: Perhaps it had good cause for doing so. If those who are in favour of the banking Bill could come forward and give one honest reason why it is necessary, we might listen to them, but not one watertight reason has been given to convince us that it is necessary in the interests of the country. We can get down to socialism in theory, and it sounds quite good, but in practice it never has worked, and never will. There is no need to labour the point. In their own hearts I believe the majority of members are in favour of this resolution being agreed to, and are opposed to the nationalisation of banking.

HON. E. H. GRAY (West) [5.35]: Earlier this afternoon, Mr. President, I suggested that the debate be adjourned, as the Leader of the House had made a remarkable speech and I considered it my duty to study it carefully so that I could reply to his statements. I have never before heard such an address delivered in this House. It gave an exposition of capitalism and democracy such as I have never heard before at any time in my life.

The Minister for Mines: You are learning!

Hon. E. H. GRAY: I oppose the resolution as I think it is a grave mistake for the State Parliament to interfere with the Commonwealth Parliament. I have been a member of this House for 24 years, and can

assure members that never before has the Legislative Council carried a resolution of this nature. It is a bad move and one that will rightly be resented, not only by the Commonwealth authorities but by thousands of people throughout Western Australia. The banking Bill now before the Commonwealth Parliament has been part of the platform of the Labour Party for over 40 years, to my knowledge.

The Minister for Mines: Since 1921.

Hon. E. H. GRAY: The Minister can go further back than that. It was adopted by the trade union conference at that time, but was part of the Labour Party's platform 40 years ago. I have been a member of the Labour Party for 47 years, and can vouch for that. Resentment has been aroused among the people by the vicious propaganda tactics adopted by the Press, and by the Liberal and Country Parties behind the Press, as well as by other vested interests. Who would have believed that the day would come when the vice-president of the National Bank in Victoria could move successfully in the Legislative Council of that State a resolution holding up Supply, and causing many thousands of Government employees to wait for a fortnight for their wages, without protest from any party except the Labour Party?

The Minister for Mines: The people protested.

Hon. E. H. GRAY: If this House attempted to do such a thing, there would be a tremendous outburst of indignation from the people of Western Australia. That resolution was successfully moved in Victoria and the president of the National Bank dictated to the Government and stopped Supply.

Hon. L. Craig: His action was endorsed by the people.

Hon. E. H. GRAY: That was because of the huge sum of money spent on false and vicious propaganda. We know that hundreds of thousands of pounds have been spent on such propaganda. Where does that money come from? It comes from those people—the select few—who are anxious to retain their hold on the banking institutions. The successful operation of the Commonwealth Bank in every State of the Commonwealth is a direct denial of much that has been said in this House today.

Hon. W. J. Mann: Then why are the other banks still in existence?

Hon. E. H. GRAY: At Forrest-place, at Fremantle, or wherever there is a branch of the Commonwealth Bank in Western Australia, one can see well satisfied people of all classes doing successful business with the Commonwealth Bank. Does anyone drop dead or go in fear and trembling because the Commonwealth Bank is holding the savings of the people to the tune of many millions?

The Honorary Minister: It might be different with a monopoly.

Hon. E. H. GRAY: There is a monopoly of savings bank business in Western Australia.

The Honorary Minister: This would be a monopoly of all kinds of banking.

Hon. E. H. GRAY: The Commonwealth Government has carried out its policy and its pledges. The late John Curtin honoured his promises, but the war is now over and we must get ready for the future. I have no hesitation in supporting the Chifley Government and its legislation, as I believe that course is in the best interests not only of the working people of the Commonwealth but of business people also. This talk about stopping credit to small business people is all bunkum. There is no sense at all in that argument. The Commonwealth Government is wisely looking to the future. Neither in this country nor in any other part of the world can people anticipate a continuation of the present high market prices, and unless Party leaders in all countries use their brains and get down to hard work in planning wisely for the future, there will be tremendous problems to be faced.

The Honorary Minister: Do you not think the people should have been consulted by means of a referendum?

Hon. E. H. GRAY: The nationalisation of banking is not a new provision in the Labour Party's platform.

The Honorary Minister: We have not heard much of it in the Labour platform of the past.

Hon. E. H. GRAY: It has been part of that platform for as long as I can remember.

The Honorary Minister: It must have been well hidden away.

Hon. G. W. Miles: You want to go to Russia.

Hon. E. H. GRAY: I do not, and I do not think it is fair for Mr. Miles to mention Russia, or for the Leader of the House to try to mix up Labour Party principles with Communism. No member of the Labour Party hesitates to condemn Communism, as he knows what it is. None of us knows exactly what is happening in Russia but, bad as it may be, it is better than what existed in the old days. The Russians have the right to govern their country as they think fit, and we also have that right. This is the first time I have heard any Leader of this House claim that capitalism is democracy, and I say he will have a job to prove it. If capitalism is democracy, or vice versa, we are in for a bad time, as the history of capitalism from its inception is a story of cruelty and starvation inflicted on all those who have come under it. It has only been by the organisation of the working people, their trade unions and their political party, that they have been able successfully to resist capitalistic exploitation. It can never truthfully be claimed that democracy is capitalism, or vice versa.

Hon. G. W. Miles: You would have all bureaucrats and no producers.

Hon. E. H. GRAY: I say the Government is badly advised in presenting a resolution of this nature and I hope members of this Chamber will exhibit their usual caution and prudence in deciding that it should not be agreed to. We should look after our own affairs and allow the Commonwealth Government to conduct its own business. There is no doubt that the projected banking legislation is supported by many thousands of unionists throughout the Commonwealth of Australia.

Hon. G. W. Miles: They are not a majority of the people of the Commonwealth.

Hon. E. H. GRAY: The hon. member will live to see the day when the people of Australia will reverse the decision given in the last week or two, and say that the Labour Party was right all along. There is still time for this legislation to be put into operation, and before the next Commonwealth election people will realise its blessing. The Commonwealth Government will again be returned with a tremendous majority. I claim the Commonwealth Government has

a mandate from the people of Australia for the introduction of the banking legislation. We have our ambit of authority over the people and should not concur in a resolution of this sort, which is an interference in the Federal sphere of activities. I still hope that members of this Chamber will again exhibit their prudence and wisdom and, with their characteristic slowness in passing legislation, will defeat the motion for the adoption of the resolution which I have no hesitation in opposing.

HON. SIR HAL COLEBATCH (Metropolitan)[5.46]: I should like to reply to two of the arguments used by Mr. Gray. First of all he attacked the right of the Government and Parliament to endorse a resolution of this kind. I think the power to do so is beyond question, so we have to consider two points: Is it wise? Is it appropriate? I should say without hesitation that it is both, and particularly in the case of Western Australia.

I do not think the hon. member would question the right of this Parliament to do anything it thinks necessary in the interests of the people. What is the Federal Parliament so far as Western Australia is concerned? We have in all 11 representatives in the Commonwealth Parliament. Six of them in the Senate and four in the House of Representatives are bound to two things—they are pledged to unification, which means the destruction of State Parliaments, and they are also pledged to give their support to the majority vote in Caucus, whether they believe in it or not.

This means that approximately half of the people of Western Australia have no representation whatever in the Federal Parliament. That fact alone makes it wise and appropriate that we should take any step we think necessary to protect the interests of our own people, and I hope that although this is about the first time action of this sort has been taken, it will not be the last, and that this Parliament will be ready, whenever the Federal Parliament is taking action contrary to the best interests of the people of Western Australia, to enter its protest.

We are a State in the Federal union working under a Constitution, and that Constitution is being constantly violated by

the Federal Parliament and the Federal Government. We are entitled to enter our protest. The other point raised by Mr. Gray, to which I should like to refer, was the action of the Legislative Council of Victoria. I think one might say that that action was justified by the result, but I maintain that it would be quite impossible for this Legislative Council to take similar action. Section 46 (4) of the Constitution states:—

The Legislative Council may at any stage return to the Legislative Assembly any Bill which the Legislative Council may not amend, requesting by message the omission or amendment of any item or provision therein; provided that any such request does not increase any proposed charge or burden on the people.

And this is the important point—

The Legislative Assembly may, if it thinks fit, make such omissions or amendments, with or without modifications.

Subsection (5) states—

Except as provided in this section, the Legislative Council shall have equal power with the Legislative Assembly in respect of all Bills.

"Except as provided in this section." If we had the power to reject a Supply Bill, then we should have, in regard to money Bills, the same power as the Legislative Assembly and this subsection would be entirely meaningless. I think the general consensus of opinion, particularly of legal opinion, is that this House could not reject a Supply Bill as was done by the Legislative Council of Victoria. If members wish to confirm that opinion, all they have to do is compare the Constitution of Victoria with the Constitution of Western Australia or the Constitution of the Commonwealth. The Constitutions of the Commonwealth and of Western Australia are identical in that respect, and it is agreed that the Senate cannot reject a Supply Bill sent to it by the House of Representatives.

I regard the banking Bill, if it be passed, as the third step towards the complete abolition of State rights, and feel at liberty to say this because I have strongly opposed both the first and second steps. The first step was the Financial Agreement, which was put forward by the party to which I belong. I was a candidate for the Senate at the time and devoted the whole of my campaign to fighting against the Financial Agreement—although it was put up by my party—and my action was endorsed by the electors.

The second step was what is called the uniform taxation. I opposed that. Notwithstanding that there was a solemn promise by the then Prime Minister and the present Prime Minister that the power to tax the people would be returned to the States as soon as the war was over, that promise has been flagrantly broken. If the banking legislation becomes law it will be the third step, which I believe will entirely destroy the State's powers as they were intended to be preserved to it by the Constitution.

I am not going to enter into the question of whether the Bill is in accordance with the Constitution. That is a matter for the High Court to decide. But I am quite sure that it is entirely contrary to the intention of the framers of the Constitution, entirely contrary to the spirit of the Constitution, and would be destructive of State rights to a greater extent than any other legislation that has been passed.

It is worth while considering for a moment the convenience of the public. At the present time anybody wishing to raise money to extend a business or start something fresh has a number of different banks to go to, and generally finds that such an application will be dealt with in Perth by one of nine or ten banking institutions, which are not likely to be clogged up with business, and therefore can expect to get a ready and almost immediate answer to the application. What is going to happen under the Commonwealth banking proposals? If we are going to have a repetition of the practice followed in other matters, it will mean that all applications will have to go to Canberra. How long is it going to take to settle them? On the matter of convenience alone this is a retrograde step that must have the effect of hampering industry.

I wonder whether members have taken the trouble to compare a pre-war private bank balance-sheet with the balance-sheet issued by the Commonwealth Bank only a few months ago. They would find the private bank liabilities—those are the amounts of money deposited with them—on the one side and the assets on the other side and it is possible to see the use made of the moneys. They are invested in real things; there is a real security. But what do we find in the Commonwealth Bank balance-sheet? On the one side are the lia-

bilities—the amounts deposited in the Savings Bank and general bank, chiefly in the Savings Bank, running into enormous sums. What are the assets? Treasury Bills. Is that likely to be satisfactory to the people? What does it mean? It means that the Commonwealth Government, if that legislation be passed, will have an unlimited power over money.

I am one of those who believe that it is extremely dangerous to grant complete power to any Government. It is an old saying that complete power corrupts absolutely, and that is what will happen in this instance. What are the reasons given for bringing forward this legislation? It is suggested that if the Commonwealth Government had had the power at the time, the depression might have been avoided. All the authorities worth listening to say that Australia got out of the depression almost better than did any other country, in spite of the fact that we suffered more than almost any other country because our exports were confined to things for which the prices dropped to almost nothing. The authorities say there were two reasons why Australia got out of the depression so well. One was that credit was controlled to a large extent by the private banks and not by the Government; the other was that the man on the land throughout Australia kept on producing though he was losing money, and lifted Australia out of the depression quicker I think, and better than was the experience of almost any other country.

The Honorary Minister: At his own expense.

Hon. Sir HAL COLEBATCH: What would the Commonwealth have done had it possessed this power? The suggestion is that it would have freed credit and doled out money everywhere. But it was not want of money that brought about the depression; it was because we could not get the materials required to carry on the many public works; and the printing of bank notes would not have helped the position one bit. Suppose we struck another depression. We all hope we shall not do so, although Mr. Chifley is constantly suggesting the danger of it. What would happen? These theorists, not satisfied with the 200 millions of pound notes already printed and circulated, would have printed another couple of hundred millions.

What could anyone do with those notes? How would they help to get over the depression? They would make matters worse and bring about quickly what Mr. Chifley has so often described as the horrors of inflation.

Many countries—strong countries such as the United States and Great Britain—are at present wavering between inflation and uncontrolled inflation. Australia is not in a position to stand up against anything of that sort. Should there come a depression, there will be only one way of getting out of it, and that will be by all-round economy and by a continuance in work, whether the result of the work is as satisfactory as it is now, or not. Those are the only two things that will help us. A pouring out of millions of pound notes would only make our position more difficult.

I do not wish to repeat what I have already said, but I do say that, in time of peace, the Government should have no money excepting what is voted to it by Parliament and raised by taxation of the people or by loan. No Government should have the power to create money in time of peace. In time of war, on the other hand, it is usually necessary. It is something resorted to by most Governments, but resorted to regretfully and with a knowledge that it is a dangerous thing, justified only by the need for saving the country from invasion or defeat. In peace-time, however, it is entirely wrong that the Government should have power to create money. It should have power to spend the money that the Parliament votes, and that money should be raised either by taxation of the people or by loan.

The creation of money by Governments would have the effect of empowering them to set up what I believe is the aim of the present Commonwealth Government, and that is to set up a totalitarian State. During the war, the Commonwealth enjoyed enormous powers, and power always feeds on itself and increases. Now the desire is that the powers enjoyed during the war should continue in peace-time and continue indefinitely. The banking Bill, if it becomes law, will give that power. It will give absolute power. One cannot take complete control over the people's money and also take to oneself the right to issue money at one's own sweet will, without establishing the totalitarian state. I would suggest to

members of the Labour Party who are inclined to support this legislation, "What would the totalitarian state mean to you?"

I am not one of those who accuse the entire Labour Party of being communistic. I know that for the most part the members of that Party are anti-communistic. Why? Because they have the strongest possible objection to the regimentation of labour. They object to the working man being told, "You must go there, you must do this, you must do that, you must leave this employment and go into that employment." That is why the thoughtful members of the Labour Party do not favour the communistic idea, because under it everyone has to do just what he is told and receive in payment just what is thought fitting.

Another reason why the Labour Party is opposed to Communism—and I do not think it is such a good reason—is that the principle under which men work in Russia is that the man who does the most work gets the most pay. The old communistic idea, "From each according to his capacity, to each according to his need," was amended in 1935 at a conference in Russia, when the last words were made to read, "to each according to the work done." That is something to which Labour members generally object, but I warn them that this legislation is a step towards the building up of the totalitarian state. I doubt very much whether many thoughtful Labour members desire anything of the kind. Undoubtedly it will place power in the hands of the Commonwealth Government to do just what it pleases.

I do not want to labour this question of Communism, but I think it rather significant that within the last few weeks three gentlemen have been sent, with the concurrence and to some extent the support, of the Commonwealth Government to conferences in different parts of the world and all of those three gentlemen are avowed Communists. That is something worth pondering over because it is a fact which cannot be disputed. They are avowed Communists and have been sent with the concurrence and probably with the support of the present Commonwealth Government.

I can see no merit whatever in the Bill to nationalise banking. It would certainly make the nationalisation of everything else easy; and when we consider that this plan

spoken of by my friend, Mr. Gray, for the nationalisation of all means of production, distribution and exchange, when we remember that this is the policy of the Commonwealth Government, we should realise the danger of putting into the hands of the Commonwealth Government an instrument which will enable it to carry out that policy. I shall conclude by repeating what I said at the outset, that it is both wise and opportune for the Government to pass this resolution, and I hope that in the future the Government will never hesitate to move the State Parliament, when it appears to the Government that some form of Commonwealth action is detrimental to the interests of the people of Western Australia.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban—in reply) [6.4]: There were some extraordinary remarks made by Mr. Gray. He said, "Wait. When the banks are nationalised, we will see." But he did not tell us what we would see. He also said that he had never heard of capitalism and democracy side by side. I have always been taught that Britain led in democracy. Britain's Government is a democratic Government under a King. I have always been told that the United States of America were a wonderful example of democracy. I have always understood that Australia was a democracy; but Mr. Gray, who came here from other parts, presumably because he preferred a democracy, apparently does not think so. He certainly knew when he came here that Australia was a capitalistic country. He must have known that Britain was a capitalistic country.

Hon. G. W. Miles: That is where he was born.

THE MINISTER FOR MINES: Capitalism has been the ordinary control in Western Australia since 1829. It still is. Mr. Gray says, "Wait and see." What has happened? What has happened in Russia? He said that we did not know what was happening in Russia. Wait until we get the iron walls in Western Australia, so that no-one will be permitted to come in or go out. What are we to wait for?

Hon. G. Fraser: Wait and see the benefits.

THE MINISTER FOR MINES: Can anyone tell me in what way we are to bene-

fit? Shall we benefit if the Government pays us our wages on a Friday or a Saturday and not someone else? Is the Government going to force us to work instead of allowing us to work of our own free will?

Hon. G. Fraser: You will be able to raise loans at one per cent.

The MINISTER FOR MINES: And none will be able to build a house. There is plenty of money available to build houses.

Hon. G. Fraser: At four per cent.

The MINISTER FOR MINES: It can be had at a lower rate.

Hon. G. Fraser: Tell us where.

The MINISTER FOR MINES: There is the Commonwealth Bank, with a housing department.

Hon. G. Fraser: Yes.

Hon. A. Thomson: If the banking Bill passes, you will be able to get money for nothing.

The MINISTER FOR MINES: Who will provide the money?

Hon. Sir Hal Colebatch: If you have the money in your pocket, even then you cannot build a house.

The MINISTER FOR MINES: Exactly. Mr. Fraser says, "Here is a promise for the future. Although the Commonwealth Bank will lend you money now, you will get it cheaper when the Commonwealth Government gets control of banking." Why?

Hon. G. Fraser: Because the Commonwealth Government will have all the banking profits.

The MINISTER FOR MINES: Where will they come from?

Hon. G. Fraser: Where they come from today.

The MINISTER FOR MINES: Tell me what the banking profits are—two per cent. What are the profits of the Commonwealth Bank and where do those profits go? Up the spout into thin air. Mr. Gray deplores this House considering the resolution because he is of the opinion that the matter is a Commonwealth one. Surely he knows that when the private banks are nationalised, the taxes which they now pay, the water rates and general rates, will stop. Who will pay them? The Commonwealth? It is not bound to pay them because the

bank properties will then be Commonwealth properties and, as such, will not be liable for payment of rates. Our citizens will not be able to do what they like with their own money. I have never heard anything so preposterous. Mr. Gray followed exactly the lines on which I opened; he went hard for socialism, something in the future.

I do not anticipate shuffling off this mortal coil very soon, but I guarantee that even in my lifetime the Commonwealth will not permit the people to do as they would like. We have heard about the happiness of others and about what they are going to do with their money. We have heard of those who have taken their accounts away from the private banks, but we have not heard about the hundreds of thousands of people who are still doing business with the private banks. The Commonwealth Bank has not yet got all the banking business. There was no need to nationalise the private banks, as the Commonwealth Bank could have got the accounts in the ordinary course of business if the people so desired. It is only because the Commonwealth Bank cannot compete with the private banks that the Commonwealth Government intends to spend a stupendous sum to take over the trading banks.

Hon. E. M. Heenan: You are not sticking very closely to the resolution.

Hon. G. Fraser: He is going all round. We have been to Russia.

The MINISTER FOR MINES: We have been to Russia and are back in Australia.

Hon. E. M. Heenan: The resolution is confined to the necessity for a referendum.

Hon. J. A. Dimmitt: Are you the President?

The MINISTER FOR MINES: Mr. Heenan has interjected, but he did not say one word on the question before the Chair, nor did he interject when Mr. Gray was speaking. Mr. Gray had a perfect right to speak as he did and let the people know what he thought about banking. We know quite well that although in our opinion a referendum should be held, the banking Bill is being rushed through the Commonwealth Parliament as fast as it can be and before there can be any possibility of a referendum.

Hon. G. Fraser: You thought differently last year.

The MINISTER FOR MINES: What about?

Hon. G. Fraser: About the Upper House.

The MINISTER FOR MINES: I cannot recall that for the moment. The hon. member has referred to a referendum, but I regret to say he has not spoken to the resolution. All he has done is to interject. I did hope that members who support the Bill would have something to say to help us to see why we are wrong. The only one who has given expression to his views—he is entitled to them and I respect them, although I think they are entirely wrong—is Mr. Gray, who said he would support the Bill at all costs. He admits that he is a believer in Socialism; he is entitled to believe whatever he likes and to express his views. I am afraid, however, that I am not quite so happy about it. As to the other members who will not express their views, but only interject, I sincerely trust that they will show where they stand by the way in which they vote.

Hon. E. M. Heenan: The resolution deals with a referendum. It does not deal with the merits or demerits of the banking Bill.

The MINISTER FOR MINES: So that there may be no fencing about the matter, I sincerely hope that the members of this Chamber will vote according to the views which they hold on the banking Bill. Do not let us have any quibbling. I do not want members to go out of this Chamber and say at some future time, "I was against the banking Bill, but I was not in favour of a referendum." Let us have it straight out.

Hon. E. M. Heenan: The Minister is not confining himself to the resolution as is required by the Standing Orders. Members are not called upon to declare themselves on the merits or demerits of the banking Bill. The resolution confines itself to a criticism of the Commonwealth Government for proceeding without first holding a referendum.

The PRESIDENT: Perhaps the Minister will confine himself to the wording of the resolution.

The MINISTER FOR MINES: If I have offended I am pleased that the hon. member drew me up promptly. I certainly take

it, and I think every member does, that the resolution really resolves itself into a question of ascertaining what members, if any, in this Chamber are in favour of the banking Bill. With those remarks I will resume my seat.

Hon. E. M. Heenan: Are members afraid to express their opinion?

Question put and passed and a message accordingly returned to the Assembly.

Sitting suspended from 6.15 to 7.30 p.m.

BILL—WHEAT MARKETING.

Second Reading.

Debate resumed from the previous day.

HON. A. L. LOTON (South-East) [7.30]: I support this measure because it is essential that it be passed. It follows very closely the recommendations of the Royal Commission, set up by the ex-Premier, Mr. Wise. Those recommendations have been approved by the great percentage of wheat-growers. I am doubtful whether the Federal Minister for Agriculture is going on with any wheat stabilisation plan, because recently when he gave approval for the further payment of 1s. a bushel on bulk and bagged wheat he is reported to have made the following statement:—

Mr. Pollard said that the Australian Wheat Board had received 98,000,000 bushels from the crop, and with sales proceeding satisfactorily, further payments would be possible later. When asked whether he could indicate the Government's policy on the future of the wheat industry in view of the fact that the wheat stabilisation plan could not be put into operation owing to the failure of some State legislation to pass the necessary complementary legislation, Mr. Pollard said that he would make a statement at the proper time.

If the proper time is not at this moment, I am doubtful whether in the opinion of Mr. Pollard it will ever arrive because we are now facing a new wheat harvest. The harvest in New South Wales is an all-time record and that of Western Australia will show a big increase on the original estimate. I therefore think we are facing a period when Commonwealth legislation should be introduced if that Government is genuine in its desire for a wheat stabilisation plan. The legislation introduced by the State Government is necessary to be on the statute-book in the event of the Federal plan not coming into operation.

The cost of production of wheat has been assessed by competent authorities in this State at being not less than 6s. a bushel. If 6s. is the correct figure, and the last payment made to the growers a fortnight ago brought the aggregate payments to 6s. 7d. for bulk wheat, then up till that time the farmers had received less than the cost of production. I am sorry that there are not more of my Labour friends here tonight, because it is remarkable how the farming community could keep going. Perhaps with the nationalisation of banking they will be able to go to the Commonwealth Bank for finance to carry on. I feel certain that many of them must have been assisted during the last eight or nine months by private institutions, if those costs are right.

We are facing an acute shortage of bags, and I hope the Minister will give us some information as to the position when he replies. From what I have learned, the Federal Minister for Agriculture has commandeered bags that should have come to this State, not only for wheat but for flour, superphosphate and potatoes. The explanation given to me is that he was going to direct the bags to be delivered to the areas in which he considered the needs to be most urgent. If some of the bags were to have come here, I do not think he had the right to deprive Western Australia to the advantage of New South Wales.

I quite agree there are more votes in New South Wales than in this State, but that does not give the growers of Western Australia a great deal of satisfaction. No balance sheets have been made available in connection with the wheat that has been delivered under the acquisition plan to show what wheat has been sent in, what is on hand or the amount of bonus that growers can expect from the scheme. I feel sure that if the State legislation comes into force these balance sheets will be available to those who supply the wheat.

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

BILL—NATIVE ADMINISTRATION ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—ROYAL STYLE AND TITLES.

Second Reading.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban) [7.38] in moving the second reading said: This is a short Bill to give effect to the change in title of His Majesty the King caused through his ceasing to be the Emperor of India by reason of the fact that Pakistan and India are now dominions. The title of His Majesty included the words "Emperor of India" or, the Latin "Indiæ Imperator." It is desired to follow what has been done in England and in the Commonwealth where his title has been altered. There are many Acts, rules, regulations, Bills and forms in which the King's title appears. It would be rather difficult to alter them all, so this short measure is for the purpose of altering the title wherever it is necessary. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—FISHERIES ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. G. B. Wood—East) [7.43] in moving the second reading said: This is a small Bill which seeks to continue the last amendment of the Fisheries Act. In 1946 it was found desirable to amend the Act to make provision to regulate the supply of cotton and hemp, and such other materials as were required for the making of fishing nets. So great was the shortage of those materials that it was considered essential that professional fishermen should have all that was necessary for the repairing of their nets. Up to 1946 this was done under National Security Regulations, but with the cessation of those regulations it became necessary to amend the Act.

It was thought by the Minister for Fisheries that at the end of this year, 1947, the shortage would be overcome and there would be plenty of these materials for the

manufacture and repairing of nets. It was not considered that a continuation of the amendment would be necessary. But the shortage still exists, and the position has in fact got worse, so the continuance of the measure for another year is required. All the amendment seeks to do is to insert the words "one thousand nine hundred and forty-eight" for the words "one thousand nine hundred and forty-seven." I can see no objection to the Bill, and I hope members will agree that it is necessary. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—COMPANIES ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from the previous day.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban) [7.47]: The subsection which it is sought to delete from the Act has, according to the advice tendered to me, very little effect whether it is in the Act or is omitted. However, the history of its inclusion is somewhat interesting. This subsection was not in the Bill when drawn nor was it put in by the Royal Commission which inquired into the operation of the Companies Act. It was inserted at the instigation of a private member in another place, and the reason it was agreed to was that at that particular time one of the biggest shareholders of a private company died. It was then found that he had borrowed very extensively from the company, which was perfectly solvent. It was thought that perhaps a person having control of a majority of the shares in a private company could continue to borrow from it. Having the controlling interest no-one could gainsay him or force him to pay if he refused.

Undoubtedly, the question of co-operative companies was overlooked, where obviously a man who is only entitled to own £5 or £10 worth of shares could not incur a credit

in excess of those amounts without committing an offence. But if, in fact, that director did obtain credit above the amount of his capital in a co-operative company, he could not be prosecuted without the Attorney General being first consulted. So, in effect, it would have no value, but in order to overcome any impossible difficulties I have placed an amendment on the notice paper setting out that this subsection shall not apply to co-operative companies. Perhaps that might meet Mr. Loton's wishes.

HON. C. G. LATHAM (East) [7.48]: The object of the sponsor of the Bill is to delete Subsection (5) of Section 147. I do not know how it is possible to amend something that is to be deleted.

The Minister for Mines: Look at the notice paper.

Hon. C. G. LATHAM: We will have to leave the subsection in the Act and seek to amend it. That means defeating the Bill as introduced by Mr. Loton.

The Minister for Mines: Look at the notice paper and see the method proposed.

Hon. C. G. LATHAM: I have tried to work it out, but I cannot see how it is to be accomplished. At any rate, I ask your ruling, Mr. President, as to whether it is possible to include the amendment in the Bill.

The PRESIDENT: It is quite possible to deal with the amendment as indicated in the notice paper.

Hon. C. G. LATHAM: If that is so, I am prepared to accept the ruling. At the same time the Bill seeks to delete a subsection and the Minister proposes to amend it. I do not know how it can be done.

The PRESIDENT: It can be done in Committee.

Hon. C. G. LATHAM: This proposal affects the section of the Companies Act that I tried to get the House to deal with when the previous Bill to amend that Act was before Parliament. That measure has been passed by both Houses, but there is certainly a great necessity to amend that section. To make a criminal offence of something which in these circumstances is really trivial, especially as there are some individuals who might be inclined to invoke the provisions of the Criminal Code, which

indicates how serious this might be. I wonder if the Minister gave any consideration to the position regarding proprietary companies. We know what many of those companies consist of.

The Minister for Mines: You are referring to what are called one-man companies.

Hon. C. G. LATHAM: Yes, or companies where the principal shareholder has 96 per cent. of the shares and the remaining four per cent. are held by others.

The Minister for Mines: Or it might be that he holds 52 per cent. of the shares.

Hon. C. G. LATHAM: That would be different because the 48 per cent. shareholder would have a substantial financial interest in the concern. With a person holding 96 per cent. of the shares, the remaining shareholders would only have a very small interest. I think I know of the particular case to which the Minister referred where an amount of money was borrowed by a director from the company. This would also affect the proprietary companies which are more or less one-man shows, so I think we might give consideration to them also. We should deal further with the amendment suggested by the Minister and provide for some exemption for proprietary companies.

HON. L. CRAIG (South-West) [7.53]: I remember this particular question being discussed by the Royal Commission when we were dealing with the Act, and the view being expressed that an individual should not be able to borrow money from a company of which he was a director. I still think that is very desirable. A director is appointed to represent the shareholders and as such he should not have privileges, which would be unknown to shareholders, perhaps enabling him to borrow large sums—through his powers as a director—from his company.

I have no recollection whatever of the subsection under discussion and I was glad to hear the Minister say that it had been subsequently inserted by a private member in another place. I could not imagine myself allowing a subsection such as this to be included in the Companies Act, because it is quite foreign to practice and ordinary commonsense. The Minister proposes to insert an amendment exempting co-operative

companies. That is not nearly enough. Not only should co-operative companies be exempted but all companies, and therefore the Bill should be supported. Section 5 reads—

Any person being a shareholder or a director of a company to which he, his wife or child, is indebted in a sum equal to the nominal value of his shares held by him in such company, or the amount subscribed of such shares whichever is the lower cannot be a director.

There are many public companies operating retail stores and if a director of such a company or his child did what is contemplated in this section, he would be liable.

Hon. C. G. Latham: Or your son might be miles away and you would still be liable.

Hon. L. CRAIG: Take a director of Worths or Foy & Gibsons—

Hon. H. L. Roche: Or one of the stock companies.

Hon. L. CRAIG: Yes, or a director of one of the stock companies such as Goldsbrough Mort, Elder Smiths or Dalgetys. These are all public companies and every farmer who deals with them becomes indebted for considerable sums of money. If a farmer goes to one of them to buy 150 sheep, he immediately becomes indebted to the company for £150 and so may exceed the amount of his shareholding, thus making himself liable under the Act to imprisonment. It applies to any retail store or any company. I cannot understand why this subsection was included. It has the effect of preventing any man from trading with a firm of which he is a director, and that is too ridiculous for words. It goes further and includes his wife and child. If there were any reason for it, I would endeavour to find it, but I am sure it crept into the Act by some error of judgment on somebody's part.

Hon. E. H. Gray: We passed it!

Hon. L. CRAIG: I think that Mr. Loton's Bill should be supported and that Subsection (5) should be deleted.

HON. C. F. BAXTER (East) [7.58]: There is quite a lot in what Mr. Craig has said. It places a man who may hold a controlling interest in a company, and there are many such people, in a most invidious position. While this is a dangerous provision, still some protection is required to safeguard a position that might be abused.

In the ordinary course of running a business, the provision is ridiculous. I see no need to elaborate upon what Mr. Craig and the Minister have referred to, but if the amendment be agreed to it should be applied to all companies. To make a man who is a director responsible for his family as well is ridiculous and could easily place a man in a most invidious position. I can appreciate what was in the mind of the private member who succeeded in having the subsection included in the Act, and it was really placed there to deal with dummying. I think the subsection should be amended.

Hon. L. Craig: Or deleted.

Hon. C. F. BAXTER: If it is deleted there will be no protection against the individual who may have a controlling interest in the shares.

Hon. L. Craig: There is the right of appeal to the Court.

Hon. C. F. BAXTER: I know of one or two instances of men holding such a position, of which they make full use. If the Companies Act contained no such provision men of that type could continue ad lib. to the detriment of the shareholders. While there is every reason for the amendment, it will not put the subsection right and it should be expanded.

HON. H. L. ROCHE (South-East) [8.0]: I think it is generally recognised that this provision was inserted in the original measure by a private member to prevent an abuse of which an example had recently occurred, or what appeared to be an abuse. On giving consideration to the effect of the provision on other people who may be conducting their affairs in a manner different from that in which that gentleman conducted his, it would seem that in an effort to correct one abuse we can conceivably create a most unfortunate state of affairs. Mr. Loton referred to the position that would arise in regard to co-operative companies. Many of those companies limit the shareholding of any individual to three or five shares, so that a director in such a company would have a shareholding to the value of only £5 at the most. He might be doing business with that company up to as much as £100 a month and, under the Act, he would apparently be liable to action in the Criminal Court. It seems

even more unjust in the case of a shareholder who is a member of one of the stock firms. Even if he were not doing much business on credit or on advances with the firm, if his son bought £1,000 worth of stock on a three months bill, he also would be liable to criminal proceedings. So it seems to me that while we do not want to leave the way open to abuse—

Hon. L. Craig: It was not an abuse.

Hon. H. L. ROCHE: It could become one. Whilst we do not want to leave the way open to abuse, neither do we want to create hardship which might occur under the provision of the Act as it stands. I would like to suggest to the Minister that further consideration could be given to the amendment of the Act, as proposed by Mr. Loton. In view of the discussion that has taken place on this amending Bill, the Minister might be able to suggest to the House at some later date a means by which we can correct a possible abuse and, at the same time, not impose hardship in genuine cases.

On motion by Hon. J. A. Dimmitt, debate adjourned.

BILL—DRIED FRUITS.

In Committee.

Resumed from the previous day. Hon. J. A. Dimmitt in the Chair; the Honorary Minister in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 2 had been agreed to.

Clauses 4 to 38, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—UNIVERSITY OF WESTERN AUSTRALIA ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption from the 18th November of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Second Reading.

Debate resumed from the 18th November.

HON. E. H. GRAY (West) [8.13]: I obtained the adjournment of the debate to examine the Act, and I think that the amending Bill will be of great assistance to the department and will straighten out the position in the country, where the present shop districts overlap chiefly in road board and municipal areas. I think it would be an advantage where there is divided opinion in regard to early closing and the annual weekly holiday. The Minister mentioned Busselton, where there was some confusion, and said that people living in another township had the right to vote in the Busselton district, in which they had no particular interest. I should imagine that if there was a keen opinion with regard to the weekly holiday or closing on Saturday, it would be awkward for people who had a genuine right to vote on such a proposal. I therefore think the Bill should be passed and I have much pleasure in supporting the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

ADJOURNMENT—SPECIAL.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban): I move—

That the House at its rising adjourn till Tuesday, the 25th November.

Question put and passed.

House adjourned at 8.17 p.m.

Legislative Assembly.

Wednesday, 19th November, 1947.

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

QUESTIONS.

HOUSING.

As to Privately-Built Homes at Bassendean.

Hon. W. D. JOHNSON (on notice) asked the Premier:

On the 31st July, 1947, the following Notice of Motion was given, and subsequently lapsed:—

That all papers having reference to the selection of sites—tenders and acceptance of same—together with all inspectors' reports and the ultimate occupation by tenants of two houses erected by private contractors and now occupied, at Barton Parade, West Read and Deacon Streets, Bassendean, be laid upon the Table of the House.

Can he give an assurance that the subject-matter of the proposed motion will be investigated by the Royal Commission now sitting, and state whether the Commission, in its report, will embrace a reference on the selection of the sites for the homes stipulated, and the erection and occupation of same?