

materials should remain with the controlling authority—particularly as it is known that the policy of the State Housing Commission is to progressively lift controls as the building materials supply position improves, as has already been the case in regard to timber and tiles.

Hon. J. Murray: The policy of the Housing Commission is to look after the Master Builders' Association.

Hon. H. L. Roche: When did they progressively reduce controls?

Hon. E. M. HEENAN: The hon. member can speak in this debate and answer the question himself. After listening to the comprehensive and convincing arguments submitted by the Minister, and after reading this circular, and as a result of my own experience, I have pleasure in supporting the Bill.

On motion by Hon. H. L. Roche, debate adjourned.

House adjourned at 9.19 p.m.

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

QUESTIONS.

FREMANTLE HARBOUR.

As to Further Tests for Pollution.

Hon. J. B. SLEEMAN asked the Minister for Works:

(1) In view of an answer to a question on the 9th October, that he would have samples in the Fremantle Harbour taken that could be done without the services of a diver, is he aware that the Harbour Works have a diver permanently employed?

(2) Is he not also aware that samples of the sludge can be taken without the services of a diver?

The MINISTER replied:

(1) Yes.

(2) Yes.

LABOUR SELECTION CANDIDATES.

As to Permission to Address State Engineering Works Employees.

Hon. J. B. SLEEMAN asked the Minister for Works:

On whose authority, and for what reason, were candidates in the Labour selection ballot for West Province refused permission to address employees at the State Engineering Works, North Fremantle, during their lunch hour?

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The MINISTER replied:

Successive Governments have for many years permitted addresses by selected candidates of all parties (with one exception) during lunch hour at the State Engineering Works, but it has been considered most undesirable for the staff at the Works to be subjected to many addresses by various aspirants on any one party for selection in respect of such party.

This policy has brought forth no complaints from the employees themselves.

There is, of course, no reason why such addresses should not be given immediately outside the boundaries of the Works.

CEMENT.

As to Distribution of Local and Imported.

Mr. GRAHAM asked the Minister for Housing:

Is there any substance in the suggestion that the Government is at present taking the entire production of local cement to the exclusion of merchants, who are thereby compelled to sell to clients only imported cement?

The MINISTER replied:

No.

TRAM AND BUS SERVICES.

As to Inglewood Changeover.

Mr. GRAHAM asked the Minister representing the Minister for Transport:

(1) Is it proposed to institute a bus service to replace the existing No. 18 trams?

(2) If so, what alterations in the suburban terminus are contemplated?

(3) Approximately when is it anticipated that the change will be effected?

The MINISTER FOR EDUCATION replied:

(1) The conversion of tramway services for operation by trolley-buses or buses will necessarily be a gradual process dependent, amongst other factors, upon future availability of plant. The proposal is that the No. 18 tram route will in due course be operated by omnibuses.

(2) When the time approaches for the conversion to take effect, the question of the terminus will be considered in the light of conditions and requirements then in existence.

(3) In view of other areas requiring attention and uncertainty as to the future generally, the conversion is not likely to take place for approximately five years.

SURF CLUBS.

As to Increasing Government Grant.

Mr. HUTCHINSON asked the Premier:

(1) Has he read the Press report on the front page, of "The West Australian" on Monday the 22nd October, headed "Life Savers' Narrow Escape as Surf Boat overturns again"?

(2) Is he aware that risks and dangers are faced cheerfully and courageously by these men in their endeavours to provide a full measure of safety for the men, women and children who flock to our beaches during the summer months?

(3) Is he aware that the surf clubs of W.A. who patrol our beaches give a public service that is without peer throughout the length and breadth of Australia and that the service given in an honorary capacity carries the unqualified admiration and approval of the public of W.A.?

(4) Is he aware that the State Government of Victoria (a lesser surfing State) makes an annual grant of £700 to an association comprising only seven clubs?

(5) Is he aware that the New South Wales State Government makes a grant to its association of £1,000 annually?

(6) Is he also aware that in Queensland the State Government makes a subsidy of 7s. 6d. for every £1 raised by the Surf Life Saving Association, and by the various clubs; and that the total grant runs into figures well in excess of the New South Wales grant?

(7) Is he aware that in our State, according to the estimates for the coming year, the Surf Life Saving Association, comprising 12 clubs, will receive the meagre sum of £100, this being £50 less than the Association received last year.

(8) In view of the facts and figures quoted above, will he agree to reconsider the estimate of £100, and take steps to increase substantially that sum to a figure at least comparable with that of the least generous of the Governments of the Eastern States?

The PREMIER replied:

(1) to (8) The very fine work carried out by members of the Surf Life Saving Association of Western Australia is acknowledged. The amount of the Government grant to be paid to the Association this financial year is receiving consideration. The grant will be fixed, having regard to the Association's financial needs and the Government's ability to pay in the light of our resources and other commitments.

BRICKS.

(a) As to Supply for Dwelling, Armadale.

Hon. J. T. TONKIN asked the Minister for Housing:

(1) What quantity of bricks was supplied by the State Brickworks on the release of Mr. R. O. Williams, Armadale?

(2) When was the order for these bricks lodged?

The MINISTER replied:

(1) 16,500 bricks.

(2) 15th March, 1951.

(b) As to Future Supply and Demand.

Mr. CORNELL (without notice) asked the Minister for Housing:

(1) Did he see the statement in this morning's issue of "The West Australian" in which the Minister in charge in another place is reported to have said that within six months the supply of bricks will exceed the demand?

(2) Is that a statement of fact or is it another example of Ministerial wishful thinking?

The MINISTER replied:

The Minister in another place stated that in May or June of next year there would be more bricks available than bricklayers to lay them and that information, I consider, is correct.

HOUSING.*As to War Service Group Scheme, Plans Fee.*

Mr. GRIFFITH asked the Minister for Housing:

(1) Is he aware that persons purchasing homes under the War Service Homes Act group housing scheme, are being charged a fee of one per cent. for preparation of plans and an additional one per cent. for supervision charges?

(2) Is it not a fact that these plans are of a standard type, and that the same plan is used repeatedly for the construction of many homes?

(3) Does he not consider that ex-Servicemen are being exploited by such a practice?

(4) Will he make representation to the Commonwealth Government to rectify this position?

The MINISTER replied:

(1) Purchasers of War Service group homes are charged a joint fee of 2 per cent. for preparation of plans and supervision of the building construction. The charge for supervision of other War Service Homes is 1½ per cent. In effect, the purchaser of a group home is only paying ½ per cent. for his plan.

(2) Homes are of standard types, but a large variety of designs is in use and each home calls for the taking of levels and preparation of separate site plans.

(3) No. Ex-Servicemen are receiving from the State Housing Commission a service for 2 per cent. that would cost them a higher fee if carried out by private architects.

(4) The fees charged by the State Housing Commission are fixed by the Director for War Service Homes and approved by the Commonwealth Minister for Housing.

POULTRY INDUSTRY.*As to Commonwealth Subsidy.*

Mr. BRADY asked the Minister representing the Minister for Agriculture:

Will he have representations made to the Commonwealth authorities to see that poultry farmers, other than egg producers are subsidised for wheat used in all phases of the industry in lieu of for egg production only?

The MINISTER FOR LANDS replied:

Yes.

LAND RESUMPTION, WANNEROO.*As to Hearing of Objections.*

Mr. NIMMO asked the Minister for Housing:

(1) Is he aware that the six weeks indicated by him on the 13th September last in this House, relative to the hearing of objections to Wanneroo Road Board land resumptions expire on Thursday, the 25th October, 1951?

(2) As no intimation has yet been received by one big holder, as to the hearing of his objection, is he intending to decide the issue without giving the holder the right to discuss his objections?

(3) Is he aware that a senior officer of the State Housing Commission, giving evidence before the Chief Justice on the 15th instant in the Supreme Court, Perth, indicated clearly that all land in this resumed area that was to be released to its owners had now been released?

(4) Why is the planning of the area proceeding unless a decision not to return this land has already been made by the Department without having given the objector the right of ordinary British justice?

The MINISTER replied:

(1) Yes.

(2) An opportunity will be given to objectors to state their cases fully, either in writing or in person.

(3) No. The information furnished was to the effect that some land had been returned and other applications were pending.

(4) Planning is necessary before some of the issues can be decided.

MEMBERS' SPEECHES.*As to Government's Consideration of Suggestions.*

Mr. BRADY (without notice) asked the Premier:

Is there anybody in his department or in the employ of the Government whose duty it is to peruse "Hansard" reports of members' speeches, and refer to Ministers suggestions made during the debate which should be put into effect?

The PREMIER replied:

Copies of "Hansard" go to all departments and are perused by officers, who advise their Ministers accordingly or discuss the relevant matters with their Ministers.

BILLS (4)—FIRST READING.

- 1, Wheat Marketing Act Amendment and Continuance.

Introduced by the Minister for Lands.

- 2, Fremantle Harbour Trust Act Amendment.

Introduced by the Minister for Education.

- 3, Native Administration Act Amendment.

- 4, Natives (Citizenship Rights) Act Amendment.

Introduced by the Chief Secretary.

BILLS (2)—THIRD READING.

- 1, Marketing of Eggs Act Amendment. Returned to the Council with an amendment.

- 2, Library Board of Western Australia. Transmitted to the Council.

MOTION—FREMANTLE HARBOUR.

As to Contradictory Statements and Order of Extensions.

HON. J. B. SLEEMAN (Fremantle)

[4.42]: I move—

That in view of the contradictory statements made by the Minister for Works as against the report and statement of Colonel Tydeman regarding the size of ships likely to use the Fremantle Harbour in future, this House requests the Government to immediately have the necessary investigations made and suitable action taken to prevent what Colonel Tydeman says, in paragraphs 35, 137 and 187, will happen.

This House also requests the Government to investigate the ever-changing contradictory statements made as between engineers and Ministers as to the order in which the harbour is to be extended and tell the House in what order they intend to do the expansions so that the public will have the proper information.

In moving this motion I trust it will get the support it should and that it will be carried. It is asking the Government to take us into its confidence, and tell us what is to happen in regard to the extensions to the Fremantle Harbour in view of the contradictory statements between Ministers and engineers, and also in view of the conflicting statements in regard to the size of ships, namely, that

in future they will be smaller instead of larger. Such statements require a great deal of explanation.

Some time ago "The West Australian" advised the Government to have a second look at the scheme for the extensions to the harbour and, notwithstanding the fact that the Premier claimed that there was no need for a second look, it now seems to me that the Government has had a second look. However, the trouble is that it has looked in the wrong direction, that is, upriver instead of seaward. Also, it now appears that the harbour will be going upriver—if the Government has its way—much quicker than was ever anticipated. When Mr. Tydeman first brought down his report he had a definite scheme, and in paragraph 91 appearing on page 31, volume 2, of his report he says this—

From the foregoing, it is clear that assuming the existing rail bridge has only some six years of remaining useful life left, it must be removed before 1954. Its re-siting at Point Brown will involve the re-siting of the road bridge.

The corollary essentials of river straightening and accompanying reclamation must be carried out at the same time, as referred to in Part VIII, paragraph 150, on Maintenance, and the land so obtained on the south bank used as a vitally-needed construction and maintenance yard for the future port.

Now we come to his workable programme. In the same paragraph, he says this—

Thus a workable programme of these developments will be:—

He does not say that they may be, because on another occasion he used the word "may" as much as possible. In this paragraph he says, "Thus a workable programme of these developments will be." Continuing to quote from the paragraph—

Beginning of Year of—

1950—Commence straightening Swan River by dredging to limit of plant, i.e., about to —20. Reclaim on each bank as requisite; on south bank to form new port construction and maintenance yard.

1951—Commence new road bridge and approaches at Point Brown.

We want to remember that. In 1951 we will commence the new road bridge and the approaches at Point Brown. Of course, it is now nearly 1952, although I am not holding that against anyone and the fact that the work has not been commenced, but Mr. Tydeman definitely pointed out that the road bridge was the first one to be shifted. Continuing to quote—

1952—Commence new rail bridge and approaches including work on new North Fremantle Station.

1953—New port light mechanical maintenance facilities and works yard opened on south bank reclamation.

In 1954 he proposes to keep up with his schedule, because in his report he says—

1954—New road bridge opened to traffic.

That means that he will be opening the new traffic bridge 12 months before the new rail bridge, because he goes on to say—

1955—New rail bridge opened to traffic. Commence demolition of existing road and rail bridges.

I think members will agree that that is a most definite scheme, and it is to be noted that he proposed that the road bridge was the first to be shifted and, following that he would shift the rail bridge. After that we find that the Government apparently had altered its mind because of the condition of the rail bridge. However, it knew the condition of that bridge because Mr. Tydeman had reported on it. He pointed out that the bridge was in a bad condition, yet for some reason or other he said that the road bridge should be the first one to be removed and then, shortly afterwards, we find that someone had changed the mind of the Government and it was then decided that the rail bridge would be the first to be removed.

Mr. Marshall: Who changed its mind on that point?

Hon. J. B. SLEEMAN: I do not know; the Government or the engineer evidently changed their opinion.

Mr. Marshall: But who made that statement?

Hon. J. B. SLEEMAN: A statement was published in the Press that the rail bridge was the first to be removed because of its bad condition.

Mr. Marshall: Obviously they got it from someone in the Government.

Hon. J. B. SLEEMAN: I will now quote what the Minister for Transport, Hon. C. H. Simpson, had to say on the 7th June last. Apparently the Government had changed its mind again. In "The West Australian" an aerial picture is shown and underneath it the following is stated:—

This aerial picture of part of East Fremantle (top) and North Fremantle shows the area which will be involved in the up-river extension of Fremantle Harbour. Under the amended Tydeman plan, a railway will span the river in the vicinity of Point Brown, in the bottom left-hand corner of the picture. In the top right-hand corner is the traffic bridge which will not be disturbed until the end of its useful life.

From that description, it will be noted that evidently it is amended again there. If members will look through Mr. Tyde-

man's report they will see that he has estimated that the useful life of the Fremantle traffic bridge will be 30 years. We can beg to differ as to that estimate, because I think it will be nearer 50 years. I say that because the old Fremantle traffic bridge stood up for nearly 70 years and it was not built to the same specifications as the existing one, because the trouble with the old bridge was that the teredo got into the piles, and they had to be continually renewed because of the great damage thus caused. But, in the existing bridge, the piles are fitted with concrete sleeves and it will be rather difficult for the teredo to undermine it. The Minister for Transport says very definitely that the bridge will not be removed until the end of its useful life. In "The West Australian" of the 12th October last Mr. Simpson, in his capacity as Minister for Railways, is reported as having said—

New berths were required immediately and the quickest and most economical method of providing them was by removing the existing railway and road bridges further upstream and utilising the portion of the river which would be opened up.

So Mr. Simpson, in those few months, altered his mind and, of course, he had the sanction of Cabinet or of the engineer for his statement. At first the bridges were not to be removed at the outset, but now he has decided that the two bridges have to be removed immediately because that provides the most economical way of making available space for the new berths. There we have a reversal in form from that apparent in the early stages of the scheme! The next step was to effect immediate improvements to the berthing provisions and the reconstruction of the north and south quays. That work was supposed to continue until 1970. The provision of a new berth in the present harbour was next to be undertaken at a site near the bulk wheat sheds and that work was to proceed from 1970 to 1972. Next I will quote from the "Daily News" of the 3rd May, 1951, in which Mr. Tydeman is reported as having said—

The creation of six new prefabricated sheds at the North Wharf which, along with all the operating equipment, should be in use within 12 months, should do much to eliminate the Rottnest queue.

That refers to the reconstruction immediately and the improvements to the north and south quays. He went on to say—

The six sheds should provide an additional 160,000 square feet of transit sheds for general cargo to supplement the existing 80,000 square feet. The total cost of buying and installing the sheds together with their

self-contained equipment, plus the new quay cranes and the alterations to the road, rail and telephone system, would be about £900,000. It is no use complacently thinking how good the Fremantle turn around will be in 20 years or so; we must take immediate action to speed up now.

That is very definite. The first move is the immediate improvement of the north and south quays in order to make better accommodation for ships using the harbour. It is apparent, therefore, that at this stage he had no idea of going upriver but he had in mind first to complete the improvement and reconstruction of the north and south quays. The Minister for Railways, Mr. Simpson, again comes into the picture on the 12th October when, in the statement published in "The West Australian," he said—

The Tydeman report of 1948 recommended improvements to the existing berths before any new ones were created.

That was to be done before going upriver or anywhere else. The Minister went on to say—

None of that work could be done under present conditions until new berths were provided to free others for rehabilitation.

Thus in that short lapse of time the Government decided not to go on with the immediate improvement and reconstruction of the north and south quays and here we have the Minister for Railways saying that none of that work, respecting which Mr. Tydeman was so very definite as to which should be carried out first, can be put in hand until new berths were provided to free others for rehabilitation, and he went on to say—

The remaining method of increasing the port's capacity immediately was the employment of more labour.

That statement shows that the Minister for Railways does not know much about the working of the Fremantle harbour. That is not the way to cope with the situation. The proper way would be to reconstruct the north and south quays because, as Mr. Tydeman stated in his report, by doing so the tonnage handled at the port could be doubled from 2,000,000 to 4,000,000 tons. However, now it has been decided that that is not the proper way and that before anything can be done to improve the situation, the two bridges will have to be shifted some distance upstream.

So we have the Minister saying that the only way by which the port's capacity to handle cargo can be increased is by the employment of more labour. On the contrary, as I have shown, Mr. Tydeman in his report said that the only proper way was to effect the improvements I have

indicated and to carry out the alterations so as to secure the doubling of the tonnage handled to 4,000,000 tons. Mr. Tydeman in his report pointed out that once the tonnage handled gets beyond 4,000,000 the entrance to the harbour will have to be modified. The Minister for Railways talks about the employment of more labour being the only way to cope with the situation. If he were to ask any of the employers of labour at Fremantle what they thought about that proposal, they would tell him that if more labour were put on the wharf at Fremantle there would soon be no work done off the wharf in commercial activities.

The last time the Lumpers' Union opened its books and admitted 200 more members, there was an outburst of criticism all round Fremantle because the employers were losing their men. Thus if more labour were employed on the waterfront, we might have the spectacle of everyone working there and no one working in the town. Let the Minister ask Frank Manford or any of the other carriers at Fremantle about putting more labour on the wharf, and they will promptly say that every time the Lumpers' Union admits more members they lose all their drivers and others required to do the necessary work. That is no way of coping with the situation at Fremantle. There has always been the cry for more men on the wharf.

Mr. Marshall: All Governments are the same.

Hon. J. B. SLEEMAN: If they got their way there would soon be plenty of labour on the wharf and no one working in connection with business premises in the town.

Mr. Marshall: The Commonwealth Government sacks men today and re-employs them on Monday at reduced rates. That is what it is doing.

The Premier: That is not true.

Mr. Marshall: That is what it is doing, absolutely.

The Minister for Lands: You are talking a lot of nonsense.

Hon. J. B. SLEEMAN: Mr. Tydeman had this to say as well about the expansion of the trade of the port—

As will be shown later, the port is not fully used, and were more ships and trade available the existing maximum tonnage of some 1,800,000 (s) tons is capable of increase with improvements to 4,000,000 (s) tons. These tonnages are within the capacity of the entrance channel. Thus if no more than the 18 inner harbour berths are to be operated, little or no change to the existing channel movement and method of ship changeover need be contemplated. But if port extensions upriver are visualised providing more berths

with a capacity greater than 4,000,000 (s) tons, and involving more ship moves through the entrance each day, the existing entrance channel and its method of operation will need special examination and possible modification. Beyond 8,000,000 (s) tons per year duplication of the entrance will be necessary.

That is his scheme. He suggests these immediate improvements with the reconstruction of the north and south quays and the provision of a new berth in the present Fremantle harbour. As he says there, once the tonnage handled is over 4,000,000, the entrance to the port will have to be modified. Of course, he talks about a maximum tonnage of 1,800,000 but he is slightly astray there, for during the last year the tonnage actually handled was 2,655,000. We all make mistakes, and certainly Mr. Tydeman was astray there. Then again he had something to say about an engineer who was here before him. Mr. Tydeman says, in paragraph 177, referring to Mr. Stileman's scheme—

His prognostication of future trade of the port, based on information then available, was wide of the mark.

But Mr. Tydeman, while saying that Mr. Stileman was wide of the mark, was himself in that position, because he estimated a 5 per cent. increase in traffic at the port, whereas last year it was 13 per cent. more than in 1949. In paragraph 166, Mr. Tydeman says—

The use of one berth for the discharge of inflammable oils in an enclosed waterway and constructed port area, containing many ships and much valuable cargo and port property, as is now the practice at No. 1 berth, North Quay, is dangerous. There is no alternative except anchoring tankers in Gage Roads at buoys and pumping the oil ashore via submerged pipelines. This is common practice elsewhere, but has disadvantages of fair weather operation, and of not having the more convenient use of an alongside berth. It is not suggested that this method should be adopted at Fremantle, except that such arrangement might prove to be a necessity for allround safety of shipping, cargoes and port during any future war. One accident to a tanker just inside the entrance to the port might put the port out of commission for years.

He also says—

The use of No. 1 berth for inflammable oils will have to continue until distant future seaward extension of the port takes place.

He is most definite. No. 1 berth will have to remain, with all the danger of the whole place being set aflame from one end to the other, until we can go seaward. Such an event occurred a little while ago just

off Singapore, when a ship went up, and a few months ago there was a huge fire in Great Britain due to the same reason.

At this stage, Mr. Simpson comes into the picture again. Notwithstanding that Mr. Tydeman says the use of No. 1 berth will have to continue until this future seaward extension takes place, indicating at the same time how very dangerous it is to discharge inflammable oils at that point, Mr. Simpson is reported to have said that "work was in hand for equipping one more berth for handling inflammable liquids, but nothing further was possible to improve the capacity of the port at the moment." So, instead of having just one berth at which an oil ship can unload cargo, it is proposed to have another berth further into the fairway; and if that goes up it will be goodbye to the port for many months, and probably years. So there are contradictions all over the place. Certainly, second looks are being taken, but those concerned appear to be always looking in the wrong direction. Then we had the Minister telling us that Mr. Meyer suggested that there might be a railway south of the river, and Mr. Tydeman had no quarrel with that. It will be interesting to see what Mr. Meyer did say about a railway south of the river. He said—

I certainly find myself in accord with those who believe that rail access to Fremantle alternative to that through Perth will be a future necessity, and I venture to suggest that it would be very timely at this juncture—

Mr. Marshall: It should be there now.

Hon. J. B. SLEEMAN:—

for the Government to decide upon at least a future connection between Midland Junction and Fremantle by way of the south side.

The Minister came to this House, and told us that Mr. Meyer suggested there might be a railway south of the river and that Mr. Tydeman had no quarrel with that. Let us see what Mr. Tydeman had to say about it. In paragraph 177, at page 79, he says—

Railways today consider the existing railway lines serving Fremantle as capable of increase in capacity sufficient for Fremantle's needs for the next half century, and that a southwards main line system is neither necessary nor likely. Thus the South Swan Line and Robb's Jetty diversion envisaged by Stileman are no longer required. Provision on the river bridge for 4ft. 8½in. gauge tracks in the future was sound.

Another contradiction to which I wish to refer concerns the cost of various schemes. A newspaper report of the 12th September has reference to this matter. I think I have told those concerned often enough that it is about time they found out the truth about the cost! This newspaper extract reads—

Referring to another suggestion, that the cost per berth would be less if a seaward scheme was adopted than with the proposed up-river extension, Mr. Simpson said this gave a false impression. The correct viewpoint was that the final seaward project, envisaging a very large number of berths, possibly to be constructed over the next two centuries, would cost less per berth than berths upstream, if the scheme was carried out in one contract.

The Minister said that we gave a false impression. Let us see what Mr. Tydeman says in paragraph 181.

Mr. Marshall: What does the Minister say?

Hon. J. B. SLEEMAN: He says that a wrong impression has been given.

Mr. Marshall: Does he not say what they are going to do about it?

Hon. J. B. SLEEMAN: No. He says—

The correct viewpoint was that the final seaward project, envisaging a very large number of berths, possibly to be constructed over the next two centuries—

I cannot see anything in the report about two centuries—

—would cost less per berth than berths upstream, if the scheme was carried out in one contract.

When we look at paragraph 181, on page 85 of Mr. Tydeman's report, we find the following:—

Costs today of these schemes are roughly three times as originally estimated. This is due mainly to various important items apparently having been omitted in the original estimates, and to the considerable increase in costs of materials and labour over the last 25 years.

From these figures the following inferences may be drawn:—

- (a) Upstream development is more expensive than seawards development when the whole scheme is considered, but in initial stages is cheaper and therefore preferable.
- (b) There is no difference in the costs per berth between Stileman and Gibb schemes, but Stileman's seawards lay-out is the more economical of the two.
- (c) There is virtually no difference in cost between major upstream development (Buchanan scheme) and major seawards development.

These factors are of no moment in these schemes of 20 years ago as they are unacceptable today. The inferences drawn from analysis of estimating, however, are applicable to any schemes and can be adapted for the future.

Economics of upstream versus seawards development will thus not weigh heavily in deciding on the location of development in the future, except that upstream development initially is the cheaper.

If we turn to Mr. Meyer's report, we find he says—

Such an outer harbour as I have proposed would be a good harbour. It would have a common entrance with the inner harbour which would be kept open and clear by the ebb flow of the river, and would be reasonably comfortable for vessels berthed therein from whatever quarter the weather might come. Whilst, on a rough estimate based on the unit figures employed by Mr. Tydeman (page 162, volume 2 of Tydeman Report) the cost—berth for berth—of an 11-berth instalment would compare quite favourably with the cost of upstream development.

Mr. Simpson said a false impression had been given, but there are the remarks of Mr. Tydeman and Mr. Meyer. There is another contradiction, which I mentioned before, and I notice the "Daily News" of today has something to say about it. Mr. Tydeman told the Nedlands Road Board that sewerage from boats could be caught by hopper barges. There is no mistake about that, because he told them what it would cost. But notwithstanding that he said it could be done, and mentioned the cost, the Minister for Works told us that it was impracticable. I am not aware whether the Minister knows more than Mr. Tydeman or whether Mr. Tydeman knows more than the Minister. But Mr. Tydeman said it could be done at a cost of £200,000 by the use of hopper barges, whereas the Minister ridicules that and says it is impracticable and cannot be done, and has not been done in any part of the world.

We were told that no germs, no organisms, can live in the water and that the nearer we get to boats discharging sewerage the purer is the river. The Premier told us that. He said that if we went outside the harbour, the river would be just as much polluted as it would if 11 more berths were established 3,000 feet up the river and boats discharged sewerage at those berths into the stream. On this subject the "Daily News" has the following heading in today's issue:—"Brand Told It's His Job." That is to say, it is his job to keep the river clean. I think it is his job to help to do so. Here are the words of the "Daily News." They are not my words but those of a paper that supports the Government. The report states—

River pollution has reached its present state because of Government neglect.

The Minister for Works: Neglect of past Governments.

Hon. J. B. SLEEMAN: It is my opinion, too, that Government neglect has caused this state of affairs. It is no use saying that to go 3,000 feet further up the river will not lead to greater pollution, because it certainly will. The trouble today is that the river is not getting the washout that it used to receive in other years. The Fisheries Department said that this year was going to be a wonderful one for crabs because no fresh water was coming into the river. The Canning Dam and Mundaring Weir have not overflowed, with the result that the river has remained pretty salty through the year. If you had seen the Point Walter bank, Mr. Speaker, the other day, you would realise that it will be a mud pool in another 20 or 30 years unless something is done.

Mr. Oldfield: How long has the algae been there?

Hon. J. B. SLEEMAN: Not very long. I crabbed on the Point Walter bank before the hon. member was born.

The Minister for Works: And the algae was there then.

Mr. SPEAKER: Order!

Hon. J. B. SLEEMAN: No, it was then a clean and beautiful bank. I defy any man to say there is not ten times the amount of algae in the river that there was a few years ago. It is being fertilised. The Minister is not doing anything to prevent the algae nuisance, but is just relying on the fact that the salt water will kill all the microbes and organisms, and that they cannot possibly live beyond Blackwall Reach.

When Mr. Meyer came here in November last he said he did not know anything about pollution, but in January, when he returned, he had written five pages on the subject. He said the organisms would not live after so many hours in salt water, and he did not think they would live if they got past Blackwall Reach. But in the next paragraph he said that if the harbour were taken upstream special precautions would have to be taken to see that this physical flotsam did not get into Freshwater Bay. Why the need for special precautions? If the salt water will kill these organisms the Minister need only twiddle his thumbs; he need not worry. But Mr. Meyer said that special precautions would have to be taken.

I hope the Minister will read tonight's "Daily News". Several people were interviewed on this subject, but I do not know that any of them are political supporters of mine. The Acting Mayor of Claremont, Mr. Crooks, is one who was interviewed. The member for Cottesloe ought

to sit up and take notice because the secretary of the Peppermint Grove Road Board is pretty wrath about the position. He said—

We feel that the Government should clean up the river. We are keen to help and are doing so.

The member for Cottesloe should help me to do something to clean up the Government because, if it is going to sacrifice our beautiful Swan River, the quicker it is put out of office the better. A little further down in this newspaper report, secretary Johnson, of the South Perth Road Board said—

The Government should bear all the expense of clearing pollution from local authorities' river boundaries.

I suppose the member for Canning will vote for the motion, anyway. Quite a number of people were interviewed. I do not know how they all came to be dealt with in one day. Secretary A. H. Jenkins, of the Nedlands Road Board, said—

We are willing to help the Government in the matter of foreshores, but we feel that unless the Government does something about pollution in the river proper, our work can go on for ever.

I hope the Minister will do something. The Lord Mayor has not come into this at all. I am anticipating that he will feature in tomorrow's paper, because he has missed today's. He, I suppose, will be in tomorrow, supported by the member for Victoria Park. I am satisfied that if they both get into it they will shift someone. I feel that I have said enough to show that the Government should do something to let the people know what it is going to do. First, the Government was going to do the North Wharf and then the South Wharf and the immediate improvements. Then it was going to deal with the berthing at the present harbour, and then shift the bridges and go upstream. But now it seems that everything is thrown overboard.

Like the baby in the Pear's Soap advertisement who would not be satisfied, the Government will not be satisfied until it has extended the harbour upriver. If the Government does that, it will have some trouble in connection with the navigating of the ships that will come here in the future. We find there are contradictions about the size of the ships. This is a most important point. If we are going to have a narrow waterway, going up the river, and we have larger ships instead of smaller ones, we will have trouble. Mr. Tydeman, in paragraph 6, vol. 1 of his report, has this to say—

This problem to posterity, of virtually insoluble difficulties of bridges high enough to pass increasingly large ships beneath—

Mr. Tydeman warned the Government that when it built these bridges across the Swan River it would have to cater for increasingly large ships. Mr. Tydeman there seems to think that the ships are not going to be smaller, but larger. At paragraph 120, p. 49 of vol. 2, Mr. Tydeman says—

If regular calling ships of greater length than 750-ft. are contemplated, either seawards extension of the port will be essential for providing larger turning circles, or the entrance channel must be widened at great cost, and the Inner Harbour amended to accommodate a larger turning circle, at considerable expense and the loss of three berths.

In paragraph 137, page 57, Mr. Tydeman says—

Although ships of over 600 feet in length constitute a very small percentage of vessels using the port, and contribute but little revenue, nevertheless the port must be equipped to handle them if it is to retain its first-class status. More of this class of ship will use the port in the future, and if to keep to regular schedules will require to berth and leave irrespective of most weather conditions.

Imagine a large ship coming up the river and being able to keep to schedule, and leave irrespective of weather conditions. That would be impossible. I trust the Minister will read that paragraph before he replies. The other night the Minister said, "The engineer has pointed out —" I want to know which engineer pointed this out. Mr. Tydeman could not have done it and, if the Minister has got hold of some other engineer, why does he not tell us who he is? Do you believe, Mr. Speaker, that ships are likely to be smaller? It is ridiculous. The Minister said—

The engineer has pointed out that there is a tendency today for smaller ships. This may be on grounds of economy, but it is being found there will be a tendency for shorter and smaller ships rather than for ships of the size of the Queen Mary and others.

No-one ever contemplated the "Queen Mary" using the port, but ships are definitely going to be bigger. Mr. Tydeman says so, and if we ask the shipping people they will say so, too, but the Minister says that an engineer has told him this. I want to know which engineer. This is not an engineering problem. I say that ships will not get smaller but, if anything, bigger. I am not going to keep the House any longer. I think I have

given sufficient reasons for asking the Government to make these investigations, and to let us know in just what order it will build the Fremantle harbour, and also whether it is going to take any action with respect to the size of ships that will use the port in the future, and whether it can find out from reliable authorities whether the ships will be larger or smaller.

When the Minister quotes an engineer he should tell us who the engineer is. When the Government goes into the matter it will find that in the future ships will be larger instead of smaller, and if we have an upstream extension, as the Government intends, the job of getting up to 4,000,000 tons a year will be a long and a slow one. This would not be the case if the Government carried out what Mr. Tydeman said he would first do, namely, deal with the immediate improvements and then reconstruct the north and south quays. I trust the motion will be carried.

On motion by the Minister for Works, debate adjourned.

MOTION—COMMONWEALTH BUDGET.

As to Effect on Industry, Inflation, etc.

MR. MARSHALL (Murchison) [5.28]:
I move—

That this House condemns the Budget proposals recently introduced into the Commonwealth Parliament as being—

- (a) prejudicial to all industry;
- (b) certain to increase inflation;
- (c) sure to impoverish our people further;
- (d) a failure to face up to the basic financial problems with which Australia is confronted.

I would like to say at the outset that I have not been inspired, in bringing this motion forward, simply because the Government which introduced the Budget is not of the same political colour as I am.

Mr. W. Hegney: What colour are you?

Mr. Styants: Pale pink.

MR. MARSHALL: Members who, like you, Sir, have had a long sojourn in this institution will realise that for more than 20 years I have constantly endeavoured, by virtue of resolutions, to give further consideration to the fiscal policy which has applied to Australia—which is, of course, universal in character—and to get members to understand that while we adhered to it the figures and facts over a period of years would prove conclusively that we could only stagger from one crisis to another until finally we would be involved in tax bondage or economic slavery.

I have had no doubt, all through my studies of this particular question, that taxation could never be permanently reduced. I constantly endeavoured, by way of resolution each year—it became almost an annual event—to get members to give

further consideration and thought to this subject, because of its major importance. While I received material support in the fact that most of the motions were carried by big majorities, I am sure that no member gave any more consideration or study to the subject than he had done before.

I think that members who have been associated with me for a number of years will admit that I have long since given up the idea of mounting a political hack and going for a political joy-ride. What I mean by that is that if I wished to adopt any other attitude I would leave myself open, and rightly so, to severe and logical criticism. I have always held the view, no matter what particular Government was in office for the time being, that in the final analysis, over a period of years, we got debt and taxation. That is the position. If I were to go for a ride on the political hack and say I believed that the party which I support could have avoided inflation, I would leave myself open—and this can be shown by figures I will use in a moment—to being called, and proved conclusively to be a confounded fool or a person who had given no study to the situation.

Mr. Hoar: Which are you?

Mr. MARSHALL: This is a serious subject, and the position that faces us at the moment is so grave that there can be no doubt of the calamity with which we shall be confronted in a very short space of time. I never contemplated for a moment, when many years ago I forecast that a crisis such as the one we are now facing would be upon us, that another world war would intervene and expedite the date upon which that calamity would arrive. I believed at that time that it would take many more years to arrive at the particular situation we are now facing, where a Government has to tax industry, institutions and individuals alike almost into a state of depression. This will have only a temporary effect; and I have had a lot of experience in regard to reduction in taxation.

Never yet—nor can figures be shown or brought forward and submitted for consideration to prove to the contrary—has taxation remained at a given level. Although taxation has been reduced in various economic spheres, such as in the Commonwealth Parliament, and in State Parliaments, our experience has been that this is a temporary arrangement and merely done for political expediency. Finally taxation is increased and up we go again! I can quote an instance. In 1925—that was the date, I think—the late Mr. Collier, as Premier of this State, introduced a Bill to abolish what was known as a surcharge tax on incomes, which had been imposed during the period of the first world war. His declaration from the Government side of the House was accepted with acclamation; everybody was joyful about that 10 per cent. reduction. But in 1930 up she went again!

We introduced the financial emergency tax and it has never been reduced since. This Government, like all other Governments, is guilty in this regard and has increased its taxation both directly and indirectly; in other words, it has increased its charges in every direction for every service that it has rendered.

Hon. J. T. Tonkin: After promising to reduce them.

Mr. MARSHALL: Yes, that is the crime of the present Commonwealth Government. I want members to understand clearly that I view this position far too seriously to be moving this motion from the point of view of political expediency. I have watched too closely and been too closely associated with the dreadful and deplorable situation into which nearly every section of the community was forced by virtue of the particular fiscal policy to which we in Australia adhere. We stagger from one crisis to another. We extricate ourselves from one war by victory only to stagger into another and, internationally speaking, we have finished up in such a state of danger, chaos, suspicion and doubt that there is no-one anywhere in the world, who can fore-shadow exactly what will happen.

So I repeat that this position is too serious for me to have a shot at any particular politician or any particular political party. I want it to be definitely understood by members that I am particularly serious about the situation. The unfortunate part is that those who can see the danger and who strive to avoid what is ahead of us—which is a crisis, without any doubt—have to suffer along with those who take no interest in the matter at all. In other words, the good must be punished and have to suffer as well as the bad. For a Government at present to finance its country, without carrying on with the old policy of debt and taxation is impossible. It should give full flow to the requirements of the nation, those requirements being restricted only by the capacity of the country to produce real wealth and render good service. That should be the limit and the only guiding factor.

In order that members might follow me closely, I want to point out that one must consider, and to some degree understand, that all our activities are governed by the amount of money at our disposal. We must also have some little knowledge of what money is, its purpose, how it is created and who controls it. As all our activities are guided, limited or extended by virtue of the amount of money which a nation or a Government has, it becomes paramount that we should firstly be well informed upon the question of "money." I have read many definitions of "money" and the majority of the writings I have studied have been written by non-socialists and non-communists—

Mr. Grayden: And non-economists.

Mr. MARSHALL:—by people who are bitterly opposed to both socialists and communists. They are what are known and referred to as orthodox financial experts, men who have never departed from the orthodox principles of banking or finance. Most of their definitions in regard to money seemed to bear out the same three principles. A definition given by a Professor Walker is the one most commonly used and referred to by modern writers on economics today. Professor Walker defines "money" as being any medium—he did not limit that—which had reached such a high degree of acceptability that no matter what it was composed of, or why people required it, it was always acceptable in exchange for anyone's products.

I think that covers a pretty wide margin and is a fairly accurate definition of "money." It will be readily seen that these definitions, and that one in particular, have three principles; money can be made of any medium but it must have acceptability and it must be an exchange medium. We can appreciate, therefore, that those three principles do, in the main, appear in the definitions given by almost every writer on economics. The definitions vary very little and the substance of the principles does not vary at all. If we accept that—and we must do because all writers of authority accept it—we must realise that money in itself is valueless; it possesses no intrinsic value and the only value it possesses lies in the functions it performs. It has an exchangeable value; rob money of that value and it is valueless.

Actually these definitions merely indicate that money is buying power, or purchasing power; it is licensed to acquire goods and services. One particular writer in defining it says that money is merely a ticket system. If we agree—and I think we must agree—that money possesses no value apart from its exchangeable value, we must also agree that to use currency or to declare it or make it function as a commodity is wrong in principle. The principles that I have just enunciated cut right across the theory because if money is in itself valueless it cannot be proclaimed—rightly so anyhow—a commodity, because most commodities or the value thereof are gauged mainly by the cost of producing them, and money today is practically of costless creation which I will show later on.

One writer, who is neither a socialist nor a communist, says that it is an economic perversion to treat a medium of exchange also as a commodity; but it suits the international bankers to do so. If we realise that money has no value this particular idea of a money market which appears to be so important to the world of finance is also wrong in principle—very wrong in principle—because to gamble on a nation's currency is at vari-

ance with the functions of money. But it suits the international financier to do so; by this particular system it gives him the right to dictate to any individual nation whether it shall secure the currency of any other nation, and if so what amount it should secure and on what terms and conditions.

In other words, by virtue of the international financiers' authority on this matter—which is not legal but an assumed authority to force nations into the invidious position of having to buy the currency of other nations—we have left ourselves in the position of being completely in their hands. I would like to quote an instance of a nation that broke away from this principle and, in doing so, fell foul of international finance. I refer to Germany and the late Adolf Hitler. He signed agreements and had contracts drawn up, with the Latin States of South America under which there was to be no other media of exchange except bartering. That is to say exports and imports from those countries would be balanced by virtue of goods, and no money was to be involved in the final transactions.

So upset were the American Wall-st. financiers that they did their very best to get the southern States of America to break away from that contract to agreement. They even went so far as to offer gold to these countries as a basis for their currency, giving them further credit whether or not they could pay in cash, rather than that they should carry on this form of bartering. The financiers realised that if that particular system got abroad from those States and spread, their power and authority over the currencies of various nations would be limited indeed.

I have endeavoured to define according to the authorities what money is—it is a medium of exchange; it could be any medium of exchange but so long as it has the acceptability and the confidence of the nation it will do for money. I could give no better illustration of that situation than I gave last night when I referred to the declaration of war on the 4th August, 1914. At that time every bank in England closed its doors; none of them could carry on with the exception of the branch of the Commonwealth Bank. These banks were closed for a period of some days and in the meantime Mr. Asquith, the Prime Minister of England at that time and I think Lloyd George, one of the leading statesmen of England, called a conference of the bankers and they decided to print Government legal tender notes. They printed 280,000,000 of them and the Bank of England distributed the 280,000,000 amongst the banks.

When Lloyd George went around trying to inspire confidence in the people of the Empire during the war period he used to hold the note up and say, "Look at it!

Made of rags and straws; worthless." But he went on to say that what it did represent was the confidence of the nation or Empire. That is all it represented. There was nothing else to it; it was merely guaranteed by the Imperial Government; it had the confidence of the people immediately and it saved the bankers of England.

The Premier: It had the backing of the nation!

Mr. MARSHALL: Of course it did, and so has the Commonwealth Bank of Australia, which is the only solvent bank in Australia. There is no other bank in existence in Australia that could at a given time hand out to its creditors all the money they had placed in its charge. It could not do that; it would close its doors and wait until the Government used the Commonwealth Bank to make good the liabilities and the deposits. As is well known, there is no bank that could stand a demand from all those who had deposited money in it if the depositors wanted at the one time to get it all out. To that extent banking is fraudulent because banks issue credit at a ratio of approximately £10 worth of credit to every £1 they hold in their tills, and quite obviously they could not honor their debts if everybody wanted their money at the same time.

But the bankers know from years of experience that all the people do not go to the bank at the one time and therefore it is safe banking practice—quite safe. I would like to point out in passing that credit issues are limited by the amount of legal tender or the cash holdings of the bank; they cannot go beyond that no matter whether it be in bills of exchange, legal tender, gold or anything else that they may hold as money. They cannot go beyond that ratio, and that is why it is that when we reach saturation point banks call in creditors and refuse further overdrafts. So we have booms and slumps because no consideration is given to the actual wealth produced by the people.

The amount of money in circulation each year is at the whim of a few individual bankers and they can do almost anything they like. I take strong exception to that for the reason that when they do accommodate a Government or an individual the banks do so by imposing a lien on future production, or may I say on the activities of the community over that period in the course of producing the real wealth—the credit which the bank uses? For instance, Sir, have you ever seen a bank constituted in the middle of the Sahara Desert? Oh no! You will never see banks except where there is a community that is well governed and fully active, because then they can monopolise the actual wealth produced by the community.

In making advances on a credit basis, therefore, they make a lien upon that production, and as that production belongs to

the community not to the banks, they have neither the moral nor legal right to do this. It is criminal for us to permit it to continue for very much longer. We now owe £3,000,000,000 as debt and we are paying annually approximately £100,000,000 interest on it. Industry carries that colossal burden for a start; £100,000,000 goes in usury. Those individuals who are patriotic enough to give up the right to a certain sum of money, whether it be by subscribing to loans, war certificates or for public works, are entitled to a reward because they have sacrificed the right to use that money for a given period. Those people are justified in saying under our system, "For doing that I am entitled to some remuneration," and to that I take no exception. Probably 90 per cent. of the financial accommodation that Governments have received on what is known as the money market is money that has been under-written by banks. They have used the nation's credit; they have issued it to the Government as though it belonged to them, whereas the Government representing the people should have denied them that right.

Those institutions have issued financial accommodation on that basis and have taken hold of what belonged to the community, lent it to the representatives of the community, and impudently demanded that the Government should tax the individual so that interest might be paid on something that actually belonged to the individual. To those institutions, I would say, "Nay." They are entitled neither to interest nor to a repayment of the money, for it was never theirs to lend in the first place, and they actually lost nothing but figures in a ledger.

I well remember reading one authority on banking and he was not a socialist, communist or even a Labour man. He stated that he thought the financial institutions were in a remarkable position as they were the only ones known to him that could lend something without parting with anything, and show a profit in the process. Hence I say quite frankly that our actions in the past have been gradually catching up on us, not so much as a result of the profits those institutions have made as by the power they have assumed over all Governments as well as individuals, who have fallen victims to the necessity of obtaining financial accommodation from them.

Nearly all the writers of today, as well as many in the past, have confessed that the banks have usurped the prerogative of the Crown, that they have taken charge of the nation and, by reason of their control over credit issues, have been able to dictate to, dominate and impose their will upon Governments. We need no better proof of that than our experience in 1930. That was capably explained by the Leader of the Opposition in his speech last night, when he gave a very good indication of the power and influence finance has over the

destinies of almost every country, simply because the system of financing nations is universal and the international Jew, through the medium of 33 central reserve banks throughout the world, has control.

I intend to quote from "Hansard." Although I have quoted these passages before, I consider that they cannot be repeated too often. I shall not quote red-raggers or Labour men; I shall quote orthodox men who have never advocated a departure from the orthodox method of financing nations, but they have been honest and open in their criticisms of the orthodox system. After their experience of the movements of international finance and the criminal effect of some of the tactics adopted they have acknowledged what they would not have conceded in the past. These men do not subscribe to socialism or to communism or to any great change in the monetary system, and they do not subscribe to the vicious principle of the power and profits acquired unjustly by large institutions such as the banks.

Most of the books to which I intend to refer are in the Parliamentary Library and any member is at liberty to check up on the quotations. Some of these quotations are statements that were written without the authors' fully considering what they were writing. The Rt. Hon. Reginald McKenna, in addressing members of the directorate of the Midland Bank of London, when he was Governor, made certain statements that reached the public, though I believe he would have preferred that they should not have become public. Thus he was caught napping. He showed who creates credit, how it is created and what the cost is. Let me now quote from "Hansard," Vol. 1 of 1939 at page 114, a statement by H. D. McLeod, writing in "The Theory and Practice of Banking"—

The essential and distinctive feature of a bank and a banker is to create and issue credit payable on demand, and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for the borrowing and lending of money; but it is a manufactory of credit. In the language of banking, a deposit and an issue are the same thing.

I shall explain that later. Davenport in his "Economics of Enterprise," states—

Banks do not lend their deposits but, by expansion of credits, create deposits.

The Premier: And liabilities.

Mr. MARSHALL: Yes, that is right. Evidently the Premier has not had occasion to apply for a loan, or he would have found that the banks advance about one-third of the value of the security offered. Then we have J. M. Keynes, the economist, who says—

There can be no doubt that all deposits are created by the banks.

Members on the Government side should appreciate his views because he has done much in the way of making recommendations to the Imperial Government, and what he says in that extract is quite true. Finally, Mr. R. G. Hawtrey, assistant secretary of the British Treasury, in his "Trade Depression and the Way Out," says—

When a bank lends, it creates money out of nothing.

In other words, it does so merely by putting figures in the ledger. That is how 99 per cent. of Australia's money comes into existence. Statistics show that the only amount of legal tender in circulation in Australia is roughly one-half to one per cent. of the total volume of money circulating in any accounting period. Thus 99 per cent. of the money is bank-created credit, and the legal tender money is merely the petty cash of the nation.

I remember reading the remarks of one writer. I cannot recall his name at the moment because I have read so many books on this subject, but he described the situation very accurately, to my way of thinking, when he reasoned that there were three kinds of money, firstly, bought money, namely, loan and credit issues; secondly, confiscated money, which was taxation; and, thirdly, counterfeit money, which was bank-created credit. The writer proceeded to say that it was a cynical commentary upon our fiscal policy that Government persisted in using confiscated money—taxation—to pay interest on counterfeit money—bank-created credit. If we consider the situation for a moment, we must concede that that is precisely what we do. It is difficult to imagine that this can continue for any length of time and, as I have stated on scores of occasions, the present era will be written down by future historians as one of the maddest ever known in history.

As was pointed out by the Leader of the Opposition last night, when the depression came in 1929, we had wealth in abundance. The larders of Australia were full to overflowing, but much of our wealth was rotting on the wharves and dairymen were pouring their milk down the sink; bricks, timber and cement could be had in any quantity and the services of tradesmen and labourers galore were available.

Hon. J. B. Sleeman: And at that time the Government was feeding single men on bread and dripping.

Mr. MARSHALL: Yes, notwithstanding that we were in the midst of abundance. That was due to the fiscal policy that the Commonwealth and State Governments hope to continue in the belief that it will prove successful. How in the name of God can they do it when history shows conclusively that it cannot be done! I wish to quote the words of another man whom I consider to be an authority. Once more I assure members that he is not an unorthodox man. I regret that he passed

over the Great Divide before he could fulfil the promise he made to the people of England.

The Premier: Are you again referring to Keynes?

Mr. MARSHALL: No, to Vincent C. Vickers who wrote "Economic Tribulation." He was associated with the big firm of Vickers Ltd. as a director for 22 years, was a Governor of the Bank of England for nine years and was associated with another big financial institution in London for more than 20 years. Therefore I consider he possessed some knowledge of banking practice. As he was an anti-communist, anti-socialist and anti-Labour man, I can quote him with confidence and, in doing so, my object is to show how we are at the mercy of a few individuals operating through 33 central reserve banks.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MARSHALL: Now that we understand from the authorities exactly what it is that creates the greatest proportion of the money in the world, in the way of bank-created credit—legal tender money functioning only to the extent of 1 per cent. in the commercial transactions of the Commonwealth of Australia, at any rate—I think it is advisable to say, in passing, that the Commonwealth Bank, in the issuing and recall of legal tender, plays but an insignificant part in the commercial life of the country and functions only as a petty cash account for the nation, the great volume of money in use being bank-created credit. This credit-issuing power has been used by private institutions, and has thus taken over the power of government, and, in view of this, it might be as well to refer to one or two of the most orthodox writers on finance,

The writers to whom I am about to refer are not socialists or communists and their works, in view of their experience and qualifications in regard to monetary matters and the financial system of the world, can be accepted as authoritative. We will see what some of them have to say about the situation that has arisen through the use of the cheque system. This practice was unnoticed until it became firmly established, but it is through the medium of that system that private institutions have taken to themselves the right to issue credits in accordance with the whims and peculiarities of a few men who are in charge of the banking system. If I counterfeited coin of the realm, I would certainly be gaoled. The law restrains me from interfering with or defacing the currency physically and from creating any substitute for it, yet a cheque takes the place of money, and functions as money.

Cheques are used as money and serve the purpose of money and, in the eyes of almost every individual, they are

money; but they are counterfeit money and the strange thing is that no action has been taken against those who issue that counterfeit currency. That is how the banks have secured the power to dominate Governments. They have established their right over a period of years, and the practice has grown to such an extent that we have now reached the deplorable situation where the country is controlled and dominated by a few financiers. I will quote first from "Economic Tribulation" by Vincent C. Vickers. I am sorry that this author died just after he had set out to expose the banking system as he knew it in England. He held many important positions in financial circles in Great Britain for considerable periods. His ideas in regard to this power of private institutions to create credit should be worth quoting in order that we may realise fully the direction in which we are travelling.

The Attorney General: What is the date of publication of that work?

Mr. MARSHALL: It was published in 1941, and on page 12 the author says—

I seek neither notoriety nor kudos. If someone can change my convictions, I shall be only too ready to alter them. But in 15 years nothing whatever has occurred to make me alter my views. I still believe that the existing system is actively harmful to the State, creates poverty and unemployment, and is the root cause of war.

On page 17 he says—

Slowly but inevitably the old financial system is crumbling under the weight of modern conditions and the better education of the people; the sooner it crumbles the better, and the sooner it gives way to a better and more modern technique the sooner will the world achieve goodwill and peace amongst men. The present order of things must change. The economic structure of civilisation is obviously leaning heavily. To build upon it, to add weight to it as it now stands, crooked and unsafe, can only bring nearer the day of its collapse.

How true, when we look round the political horizon. On the verge of collapse: Another depression; Booms and slumps! That is all we have ever had from the financial system that has been left in the hands of a few individuals throughout the world. The consequence of their judgment becomes apparent now in the international scene. On page 65 we read—

In short, it has begun to be generally realised that the free vote of the people no longer ensures democratic government except in name

and that the widespread influence of money, of finance and of big business and, above all, of international finance with its impartial patriotism, not only dominates governmental policy, both national and international, and affects the lives and livelihood of the people, but has very nearly succeeded in converting our boasted democracy into what is virtually a financial dictatorship.

How true, again, how true! How obvious it is to anyone who examines the present situation! At page 64 we find—

If an economist from Mars or a little child of ordinary intellect were told of the present position, they would rock with laughter at the blind stupidity of mankind.

Those remarks receive my wholehearted support. When I look round me and study the political horizon of Australia, I see transpiring today exactly what was described by this man in 1941. We have what is virtually a financial dictatorship in this country today. I will quote another most orthodox authority on this subject. He disagrees entirely with the private ownership of the nation's credit and with the practice of interest being paid on bank financial accommodation. Only when an owner of money actually lends it should interest be paid on it, because in those circumstances he who lends the money sacrifices his right to use it for the duration of the loan and thus genuinely lends it to the borrower. I quote now from "Wealth, Virtual Wealth and Debt," by Soddy who, at page 296 says—

The banks have usurped the prerogative of the Crown with regard to the issue of money, and corrupted the purpose of money from that of an exchange medium to that of an interest-bearing debt, but the real evil is that we now have a concertina instead of a currency. These powers have fallen to them in consequence of the intervention and development of the cheque system, unforeseen before it became an established fact. It has been connived at by politicians of all parties, who have betrayed the people and without their knowledge or consent have abdicated the most important function of government and ceased to be the de facto rulers of the nation. The issue and withdrawal of money should be restored to the nation for the general good and should entirely cease from providing a source of livelihood to private corporations. Money should not bear interest because of its existence, but only when genuinely lent by an owner who gives it up to the borrower.

The Attorney General: That is largely the principle now, is it not?

Mr. MARSHALL: I think members will all agree with that. If I succeeded in taking £5 from the Attorney General and withheld it from his use for a little while and then, when he approached me with a view to securing repayment, I said, "I am only too ready and willing to lend it back to you, but I would like you to pay me interest on it at 5 per cent., and if you do that I will favourably consider your returning the amount as a repayment of the debt against you," the position would be the same. Nothing more silly could be suggested, but that is exactly what we do in the case of the nation's credit.

We borrow from these financial institutions what belongs to the people, as a debt against the people, and Governments impudently confiscate the purchasing power of the people, in the form of taxation, and pay interest on it because they borrowed from somebody who did not possess the right to issue the credit legally. We could not get anything more ridiculous, no matter how we look at it. I reiterate that we can expect no other result from the proposals contained in the Commonwealth Budget. We can expect nothing better until there is a major change in the fiscal policy that is being pursued and that has been pursued in this country down through the years. I have heard a good deal about inflation and it was my intention to express my personal views on the matter a considerable time ago. However, in the first place I was then none too well and, in the second place, I gave the Premier an undertaking I would not hold the House up on the subject because of some emergency that was worrying him at the time. Therefore I did not express my views, but I can now take the opportunity of doing so because it presents itself in the subject-matter before the House. There are some politicians who, for some special reason best known to themselves, try to imply that inflation is something in the form of a price for goods which provides the individual who fixes the price with an opportunity for exploitation.

I quite agree that there are many individuals in business who would exploit a situation where the demand exceeds the supply and I believe I have heard cases quoted here where such has happened. However, in the main, I do not think that the business people, more particularly in Australia, are that way inclined but I must now associate myself—bad and all as the company may be here, I cannot help it—with the theory advanced by the member for Nedlands, because I wholeheartedly agreed with him when he advanced the argument, a day or two ago, that where there is a spontaneous or sudden increase in the purchasing power of the people and there is not a like increase in the production of consumable goods, we will have a temporary period, at any rate, of inflation. That is to say, as the demand exceeds the supply the inclination is to boost

up the price, and demand what might be considered to be a price over and above the real value.

Inflation, I am told, is a price in excess of the real value or a value which is assumed to be the correct value as fixed by everyday commercial practice. I think that is about the correct interpretation of it, but exploitation takes place over and above that price. I agree with the member for Nedlands that we could not have had a better illustration of the situation than during the war period. When an abnormal situation such as that is created, when the Government of a nation is obliged to extend credit rapidly for the purpose of producing capital goods in order to conduct the war and, with the sudden expansion of credit, to pay the manufacturers for such goods, and where all the production of those goods is absorbed plus those that have to go into the Army and the various departments of our Armed Forces, it all tends to reduce the possibility of producing consumable goods to anywhere near the proportion of the expansion of the amount of credit to produce capital goods.

The position becomes so acute in such circumstances that we are obliged to ration; which was our experience during the war. We had to fix prices; we had to peg wages; we had to peg interest rates; we had to introduce a great deal of regimentation during the war period. However, that was an illustration as to how the expansion of credit is out of all proportion to the production of consumable goods which brings about inflation. To that extent, we had to ration goods and fix prices. Compare that situation with the position existing in 1930 when there was a deliberate move by international bankers to shrink the credit issues; to withdraw and reduce the purchasing power of the people, and so we found that prices fell. They did not rise as they did in wartime, but fell drastically and people were obliged to sell goods below cost. Hence it was that thousands of them went through the bankruptcy court.

If members will peruse the statistics in the Year Book for the years 1931, 1932 and 1933 the terrific increase in the number of people that passed through the bankruptcy court will be noted.

Mr. May: Who withdrew the credit in 1929?

Mr. MARSHALL: In 1929 credit issues were withdrawn in much the same way as is done today; by arrangement with the banks. They refused to issue credit. They dictated to the Governments of that time and said that unless they subscribed to the programme set down by Sir Otto Niemeyer and Professor Gregory they would receive no money at all, and Governments sat idly by and allowed foreign Jews to dictate the terms. We were in the midst of wealth in abundance—there was

any amount of wealth; the larders of Australia were overflowing with it—and yet in spite of that, Governments sat idly by and followed the dictates of the private banks.

The Premier: The private banks are not restricting credit today.

Mr. MARSHALL: Oh, yes, they are.

The Premier: It is the Commonwealth Bank which controls capital issues, for instance.

Mr. MARSHALL: I can quote on good authority that industry is already feeling the effect.

The Attorney General: But that is done under orders from the Commonwealth Bank.

Hon. A. R. G. Hawke: And the Commonwealth Government.

Mr. MARSHALL: I am not concerned as to the avenue from which pressure is brought to bear. I am saying that pressure is brought to bear on purpose.

Hon. A. R. G. Hawke: It is the Prime Minister's policy.

Mr. MARSHALL: Yes, it is his policy.

The Premier: It was the policy of the previous Government, too. It controlled capital issues.

Mr. MARSHALL: We have the contrast there as to exactly what causes inflation and deflation to a degree, but only to a degree. It clearly shows, of course, that credit expansion has a direct relationship to prices. To that extent I might subscribe to the theory that credit issues have some influence upon prices, but I am not altogether satisfied—not by any means—that credit expansion or contraction is the major factor that influences the increase in prices. However, I cannot understand why Governments have failed to follow the technique which was adopted during the abnormal war period, and have failed to continue with the technique of subsidising prices to keep them somewhat stable, having had the experience, during the war period, of knowing full well that it was effective to a degree.

I put it to the House in this language: That the basic rate has been rising very rapidly and although I strongly oppose the orthodox method of financing this nation, I would say that if an increase in the basic rate involved the expenditure of millions to industry in order to pay that rate, it would have been far better to do as follows: Let us say it involved an annual expenditure or an increase in the annual expenditure of £40,000,000. Let us assume that that £40,000,000, instead of being paid out in the basic rate, was paid out in subsidies to reduce prices to the extent of that amount and where to that extent the masses of the people could consume the goods at the reduced prices brought about by the payment in sub-

sides of that £40,000,000, or whatever the amount may have been which increased the basic rate—

The Attorney General: But Mr. Chifley absolutely refused to do that.

Mr. MARSHALL: I am not referring to what Mr. Chifley did. He has been out of office for a long time and there has been any amount of opportunity to introduce subsidies. There is no law to prevent this Government introducing subsidies.

The Attorney General: Except that it has no money.

Mr. MARSHALL: I did not mention money. I said that there was no law.

Mr. Yates: It showed that both Governments had a similar point of view.

Mr. MARSHALL: Just forget that.

Mr. Yates: They control it.

Mr. MARSHALL: Just forget that. The hon. member's party is no better than any other party. Do not think that the members on the other side of the House are a team of supermen. I well remember Mr. Menzies saying to Mr. Chifley that he had a team of wonder boys. Well, I can refer to him as being in a team of "blunder" boys, but I do not want to revert to party politics in this case; this is far too important. I do not care what Mr. Chifley did or what Mr. Curtin did, or Mr. Joseph Lyons or anyone else did. What I am trying to say is that we should do something, as public men, to avoid a catastrophe which is appearing on the horizon.

Mr. Yates: But Governments have complete control over the fiscal policy of the country, whether you like it or not.

Mr. MARSHALL: I had better make my premises pretty clear. So far as credit issues are concerned, according to the report of the Royal Commissioner who was appointed in 1935, not by a Labour Government but by an anti-Labour Government, any Commonwealth Government that wishes to take advantage of the situation now can do so by using the Commonwealth Bank. I have repeatedly advocated that in this Chamber.

[Resolved: That motions be continued.]

Mr. MARSHALL: You, Mr. Speaker, must be very interested in the subject. Nevertheless I am thankful that the House has agreed to the extension of time. As I was saying, a Royal Commission was appointed of which Mr. Chifley was a member, and it pointed out very clearly the legal right that the Commonwealth Bank had as to the issue of credit or money and yet, notwithstanding that that recommendation has been in existence all these years, for some reason unknown to me no Government has had the courage to follow it. So far as I can gather, the respective Commonwealth Governments have used the nation's credit through the medium of the Commonwealth Bank from

time to time, but I notice that if any member asks a question in the Commonwealth Parliament in regard to the extent to which it has been used, such member generally gets a reply that, in the public interest, it is not advisable to answer the question. Just imagine that! It is not in the public interest! These are the premises of my argument in regard to going one step further and to following the proposal which I have submitted concerning the increase in the basic rate. In this particular situation the Commonwealth Government has a lawful right to do so.

The way is outlined in the report showing that it could finance the subsidising of prices by using the credit issue—without any cost to the country. I remember Mr. Fadden, as he then was, dealing with the subject-matter of a motion I moved on this subject when replying to a question by the late Senator E. B. Johnston to the effect that what I proposed would mean national financial suicide. In the name of God, what is happening now—without any interference through the national bank? If what we see happening is not a matter of financial suicide confronting the nation, I am a very bad judge. Let me quote from the Federal Royal Commission's report on banking within the Commonwealth. The Commission was appointed by the Lyons Government in 1935, and at page 196 of its report it outlined the powers conferred upon the Commonwealth Bank. I will read two of the paragraphs so that members will have a thorough grip of the situation.

The central bank on the Australian system is the Commonwealth Bank of Australia. This bank is a public institution engaged in the discharge of a public trust. As the central bank, its special function is to regulate the volume of credit in the national interest, and its distinctive attribute is its control of the note issue. Within the limits prescribed by law, it has the power to print and issue notes as legal tender money, and every obligation undertaken by the Commonwealth Bank is backed by this power of creating the money with which to discharge it.

Now we come to the more important reference.

Because of this power, the Commonwealth Bank is able to increase the cash of the trading banks in the ways we have pointed out above. Because of this power, too, the Commonwealth Bank can increase the cash reserves of the trading banks; for example, it can buy securities or other property; it can lend to the Government or to others in a variety of ways, and it can even make money available to Governments or to others free of any charge.

Those provisions are not embodied in the report of some socialistic organisation. The Royal Commission was constituted of orthodox individuals. They included men in important positions in the financial world of Australia—dozens of them, including judges. They subscribed to this theory. Nevertheless, here we are borrowing from private financial institutions at rates of interest and under conditions enabling them to dictate to and control the actions of Governments. They dictate the terms and conditions under which they will draft financial assistance. Thus they bring about a ruinous position of debt and frustration that confronts us today. We can expect no solution of this problem.

We have to change our views regarding national finance, and we must change them quickly. I am sure that what is going on now in the presentation of the latest Commonwealth Budget is not for the benefit of Australia as a whole. There has been some sort of endeavour on the part of Commonwealth politicians to create an atmosphere of panic and to stampede people into accepting the proposals embodied in the Budget. They want to create a crisis and then the people, as they did in 1930, will ultimately suffer inwardly the direct form of financial indigestion that can be envisaged. There will be an endeavour on the part of those concerned to bring about great changes. For instance, they will endeavour to effect a change in the working week and in the conditions of labour throughout Australia.

A few evenings ago I asked the Treasurer a question regarding the visit of a committee created under the International Monetary Fund. I do not know whether the Treasurer has studied the conditions set out in the Bretton Woods agreement, but he will probably remember that in this House I moved a motion the object of which was to request the Commonwealth Government not to sign the agreement unless the people by way of a referendum sanctioned that course. One provision in the Bretton Woods agreement is that where a Government borrows through the avenues available in connection with the International Monetary Fund, it must give way to a committee created under that organisation with regard to the expenditure of money so borrowed. In other words, the committee could come to Australia and investigate the expenditure of the 100,000,000 dollar loan and, if in its judgment the money had not been spent wisely, it could call upon the Commonwealth Government to change its attitude and introduce corrections and reforms such as the International Monetary Fund authorities will dictate. I know that committee is coming along.

I know Sir Douglas Copland was continually recommending, through the Press, that the late Mr. Ben Chifley, as Prime Minister and Treasurer of Australia, should get over the dollar difficulty by borrowing 100,000,000 dollars. He regarded that as all that was necessary, and pointed out that by that means Australia could purchase all the machinery and other plant required from America itself. Mr. Chifley, however, must have been aware of what he would let himself in for, because he rejected the recommendations of Professor Copland. He did not succumb to his wiles. On the other hand, the present Prime Minister was not in office for any lengthy time before he fell for them. I am sure, having regard to the constant references to the subject by anti-Labour politicians—particularly with regard to the 40-hour week and the desire for harder work, more efficiency and greater production—that an attack is to be made upon labour conditions, particularly upon the 40-hour week. It is quite obvious. The subject has been mentioned on many occasions. There has been a distinct reply on the subject to many who have put forward arguments in a desire to overcome inflation. The statement is made that the working week is altogether too short. That is most remarkable.

We must remember that the question of the 40-hour week was under consideration by the Commonwealth Arbitration Court for about 18 months, certainly for much longer than 12 months. That tribunal went into the whole of the ramifications involved in the question of granting a 40-hour week as the standard working period throughout Australia. The matter was canvassed from every angle. While it was agreed that probably there would be a slight increase in the cost of production due to the introduction of the 40-hour working week, the court held that industries and the employers of Australia generally could afford the change. No doubt the court, in adjudicating upon this matter, recognised that we live in an age of progress and that machinery was replacing manual labour in practically every industry.

I remember when years ago the firm of W. D. & H. O. Wills installed in its factory in Sydney a machine for the manufacture of cigarettes. Prior to that there were 700 operatives, mainly girls, engaged in that task. After the machine was installed, three girls only were necessary to work the machines and cope with the production formerly carried out by 700 girls. Today cigarettes are smaller and of inferior quality.

Mr. May: And very dear.

Mr. MARSHALL: Today they are twice the price they were in those days. Who gets the rake-off?

Mr. Oldfield: That company still employs 7,000 people.

Mr. MARSHALL: The same conditions apply universally. Take the position of farmers! I see that none are present in the House. I can remember the days when each farmer had a couple of horses, a single-furrow plough, a reaper and a winnower.

Mr. May: And a scythe and sickle.

Mr. MARSHALL: Yes. The price of wheat in those days was very small. Now we have 12-furrow mould board ploughs, harvesters, reapers and binders—everything that is required. The productive energy of this country has increased thousands of fold—yet everything is more costly than in years gone by.

Hon. J. B. Sleeman: And the farmers have been getting good prices.

Mr. MARSHALL: The reason for that is that every factor concerned in the make-up of human requirements is chock full of taxation. A statistician once desired to find out how many taxes were imposed on a loaf of bread from the time the farmer went on his farm until the bread was sold to the public. He followed it right through until he made up a total of 52, at which stage he became non-plussed. In the "Daily News" the other night we saw details of the taxation we have to pay on a glass of ale, on a packet of cigarettes, or on an ounce of tobacco. Take the other phase, that of harder work and increased production.

I can go back many years and think of the time when men were nothing more or less than animals. I have seen them in railway ballast pits working as only men of that age and time could work—never permitted to straighten their bodies from the time of blow-up until the yo-ho was given. They never stopped, and that applied in every industry. It applied universally. No men ever worked harder than did those at that time. Yet that did not stop prices from rising. Prices have increased gradually right through the ages. Efficiency was the order of the day in those times, too, and men who did not work hard and who were not efficient were soon dismissed, because there were 20 or 30 others standing at the gate waiting for their jobs. But still prices rose.

There has never been a period when prices have dropped, apart from the depression period, and then the fall was deliberate. It was connived at and done positively. People were forced to sell goods under cost of production, and that is how they were cheapened. I do not argue that increased production is not urgently necessary in certain economic spheres; I say it is. But for any politician to put forward the argument that increased production will, of itself, cure inflation is for him to say something positively stupid and contrary to facts.

From time to time the larders of Australia have been chocked with goods, but the trend of prices has always been up-

ward and never downward, notwithstanding how much we had in the way of wealth already produced. I want to quote some figures from America, that wonderful land of which Professor Copland would like us to become a part rather than of the British Empire.

Premier: No!

Mr. MARSHALL: Yes; that is the motive behind it. The Premier and I will agree to differ; but I know Professor Copland and I see him through different glasses. I know he has been in collaboration with the international Jews. I want to quote some figures which are 12 months old and which relate to that glorious land of America. Probably the Premier has seen the comments on inflation that were made by Governor Dewey recently. I had the cutting from "The West Australian," but unfortunately I have mislaid it. This man said that while inflation was bad in Australia, it was nothing compared with what was happening in the United Kingdom and America. We will see how much production governs the price of commodities! I have already said that Australia has experienced times when her larders have been chockful of wealth, yet prices have always had an upward trend. Let me quote from this article on stockpiling in America. It reads as follows:—

The U.S. Government is buying up this over-abundance, and, in elevators, underground caves, giant refrigerators, vacated warehouses and empty hangars, now has stored up—

516,242,531 bushels of wheat and corn—enough to fill a freight train stretching 11,679 miles, almost half way around the world at the equator;

3,600,000 bales of cotton—enough to loom 90 million bedsheets;

88,000,000 pounds of dried eggs—enough to supply U.S. bakers for the next eight years;

99,000,000 pounds of butter—enough to make 495 million cakes;

316,000,000 pounds of powdered milk—enough to irrigate the wheaties of all New York children for several years to come.

There are also stored up small mountains of cheese, soybeans, tobacco dried fruit and peas, rosin, cotton seed meal and other products.

Over and above stockpiling, America produces five times more than she consumes internally. Notwithstanding that situation, there are still politicians who say that more production is the solution of the problem of inflation. I agree there is every necessity for increased production in certain economic spheres; but to suggest that production of itself will prevent inflation is to say something that is entirely contrary to facts. We have only to look back over the history of Australia to find proof of that.

In my judgment the greatest factor of all in the creation of inflation is taxation. That is what starts the ball rolling. I think that Western Australia introduced income taxation in 1907, and the Commonwealth followed in 1916. But we had indirect taxes long before that. If we go back to the very early days of Australia, when taxation was unknown and was not imposed in relation to any of our goods, we find that the prices of those goods were insignificant and infinitesimal compared with those prevailing today. From figures I will quote, members will see that prices were comparable, over a period of time, with increased taxation.

I tried to obtain the basic rate; but, unfortunately, the regimen was altered so often and commissions were so frequently appointed to inquire into it that it was difficult to get continuity. But when we look at the imposition of taxation throughout Australia we see that side by side with increased taxation has gone an increase in prices. Here are some taxation figures relating to the Commonwealth—

| Year. | £ |
|-------|-------------|
| 1902 | 11,000,000 |
| 1920 | 56,000,000 |
| 1930 | 88,000,000 |
| 1940 | 144,000,000 |
| 1950 | 560,700,000 |

As we see how taxation has increased and prices have risen, we cannot escape the conclusion that prices do not spontaneously rise, but that as all taxation must ultimately figure in the prices of goods and services over a period of time, all taxation must be embodied in the cost of production and therefore prices must rise. In turn, we find that the labourer justly asks for an increase in wages because of the increased price of goods, with the result that we have that vicious circle, described by the Leader of the Opposition last night, of constant increases in the price of goods followed by increased cost-of-living allowances paid to salaried and wages men and, finally, further increases in taxation.

So this proposal on the part of the Commonwealth Government indicates the rank hypocrisy of any politician who says he is going to increase taxation to prevent inflation. Such a man is either a fool or a knave; he must be. Any schoolchild who was told that the sales tax had been increased by 3d. on any article would be able to inform us that when we went to buy that article we would have to pay that extra 3d.

Hon. A. R. G. Hawke: Plus!

Mr. MARSHALL: Of course we would. And as every tax imposed must ultimately figure in the price of goods and services, the price level must be forced upward. That is inescapable. Now that £400,000,000, £500,000,000 or £600,000,000 is to be collected every year, and the producers and business people are to place increased taxation on the price of goods, this state of

affairs is causing a speedy upward trend in prices. Everybody is yelling "inflation," but no-one thinks of trying to get at the root cause of it. All sorts of side issues are dragged in to try to side-track people and not one person has mentioned the effect of taxation on the price of goods. Yet that is the paramount factor.

Hon. A. R. G. Hawke: It certainly is.

Mr. MARSHALL: I will go this far and say that Sir Arthur Fadden has doubts about the success of the Budget proposals, because he does not expect any results from them for 12 months. That was the very advocacy of Douglas Copland in 1930. He said, in effect, "Just wait and give the scheme a chance. Let us get Budget equilibrium and in 12 months you will see prosperity approaching." Of course it never approached! Now we find the same argument being advanced. It is obvious that Sir Arthur Fadden has no confidence in these proposals himself.

The great mass of the people will suffer in two different ways. First it is proposed to reduce their effective purchasing power by the amount of the increased tax. Secondly, whatever that taxation may be in the aggregate, it must figure in the price of goods. So the people will be hit doubly. Their effective purchasing power will be reduced and the price of goods will be increased. So they will be robbed both ways. There is a third factor. Industry, in its desire to exist and cope with the demands made on it from the point of view of taxation, will be obliged to produce inferior quality muck and sell it. That is the case with cigarettes today.

So the individual is hit in all directions. This Budget has been introduced, in my judgment, for the express purpose of creating another depression. It can have no other result. Let us picture the unfortunate position of thousands of people in Australia today who are contracting to buy homes. The idea some politicians have that the individual wage or salary earner is in a state of affluence and prosperity, is something with which I do not agree. The Minister for Lands the other evening introduced a Bill to continue the operation of the Farmers' Debts Adjustment Act. Why have not the farmers liquidated their liabilities if they are in a state of affluence and prosperity? What of the unfortunate worker who is trying to buy a home?

I think the member for Wembley Beaches could give us some idea of the thousands of people who are furnishing homes on time payment. What will be their lot under this proposal, for the imposition will, without a doubt, bring about in the course of time a state of unemployment? It will force people to sell goods below the cost of producing them, and send individuals, as happened in 1930, through the bankruptcy court. It will cause hundreds of people to commit suicide through their morale being undermined. Individuals and

institutions alike will go to the wall, and all in the interests of the international bankers. If I can show that Mr. Menzies and Sir Arthur Fadden know positively well what they are doing, then I suppose if I accuse them of being rank hypocrites, I am justified in so doing.

Hon. A. R. G. Hawke: No-one would suggest that Sir Arthur Fadden knows what he is doing.

Mr. MARSHALL: I shall make some further quotations from different Eastern States newspapers. We all know the attitude this particular Commonwealth Government adopted prior to the elections of 1949. It attacked socialism and communism; and it attacked the Chifley Government because of high taxation. Sir Arthur Fadden, in season and out of season, never let up on the late Mr. Ben Chifley. At every opportunity he slashed him with criticisms of the high standards of taxation which Mr. Chifley was imposing. I quote Mr. Fadden in an instance just prior to the 1949 Federal elections. This is one statement he made.

If the socialists are defeated, rates of taxation, both direct and indirect, can and will be steadily reduced.

That is definite enough, but of course he was miles behind the famous grandfather, so I might quote him—that is the Rt. Hon. R. G. Menzies. On the 20th July, 1947, he put up nine proposals to the late Mr. Chifley in order to avoid a depression—get that into your noddle, Mr. Speaker. These are six of his nine proposals.

A wage policy which gives real extra reward for extra skill and production.

Drastic reduction in the cost of Government.

All-round reduction in taxation.

Removal of unnecessary regulations and controls which retard enterprise.

An increase of productive effort by progressive reductions of the vast armies of temporary Government employees.

Reconsideration of company taxation to encourage expansion of production and the building up of reasonable reserves for the stabilisation of employment.

Then Mr. Menzies said—

If we have a depression, it will be Mr. Chifley's own handiwork, for his policy has run counter to the whole of the nine propositions to which I have referred.

Mr. Menzies suggested all-round reduction in taxation to avoid depression, and the removal of unnecessary regulations and controls. Has the Premier read the Defence Act and its contents? The hon. gentleman's other suggestions were, reconsideration of company tax to encourage expansion of production, and the building up of reasonable reserves for the

stabilisation of employment. Such were Mr. Menzies' ideas in 1947 to avoid a depression.

The Premier: Before the rearmament programme.

Mr. MARSHALL: I do not want the Premier to be too egotistical; there is more to come. Let us hear what Mr. Menzies had to say in 1946, and then in 1949. In 1946 Mr. Menzies, then Leader of the Federal Opposition, said—

The Government's third line of defence is that the high rates of taxation are necessary to avoid inflation They (taxes) not only can be reduced but they must be reduced unless the extraordinary financial burden of war is to be made a permanent feature of peace. And it cannot be made a permanent feature of peace if we are to have any progress, any incentive to produce, any real national civic development. . . . We advocate tax reduction because we believe it will be the greatest stimulant to production, and therefore a powerful protector against currency inflation.

What do Mr. Menzies and Sir Arthur Fadden have to say now? What are the contents of the Budget they introduced only a day or two ago? Is their Budget in conformity with the statements they continually made about socialism? Of course it is, but in conformity with their advocacy only since they got into ministerial office. Then they were right. They have deluded the public into supporting them and putting them into power. Mr. Menzies recently returned from America after having brushed shoulders with acquaintances of Alger Hiss, who is doing 12 years for espionage. This gentleman, together with Morgenthau and some other Jews, was an adviser to the White House at Washington. What a different attitude Mr. Menzies has since returning from these places! The Budget was supposed to impose taxation on luxuries, but no individual has ever defined what a luxury is. The people in Australia are experiencing great difficulty in getting luxuries.

Mr. May: What about razor blades?

Mr. MARSHALL: We cannot get milk or butter. It is difficult to get almost all our every-day requirements. I venture to say that if we go to the lay-by firms and hire-purchase companies we will find scores of people who are unable to pay for the furniture they want. That, in my humble judgment, is what they called reckless spending. The great masses of the country will never own a home or the furniture and other amenities required in a home. The Commonwealth Government is going to see that the majority of the Australian people do not get anything more than they had before the war started. The people are not permitted to buy furniture. That is reckless spending on luxuries. That is the real motive

behind the Budget—to reduce the standards of Australia as was done in 1930 by 50 per cent.

Mr. J. Hegney: It is a luxury now to have a shave with a razor blade.

Mr. MARSHALL: Yes. These people constantly attacked the Labour Governments, and never let up. It may be that they actually caused the shortening of the life of the late Mr. Ben Chifley because of the attacks they made on him. Now they are giving effect to the very policy they denounced *holus bolus* for years. Do my young friends yonder really believe that Mr. Menzies is anti-socialist and does not believe in the regimentation of the masses? If they look at the Defence bill they will quickly be convinced to the contrary. In 1941 the Melbourne "Age" quoted Mr. Menzies as having said—

I always tell my Opposition friends that the only difference between us is that I am theoretically non-socialist, yet an amazingly practical socialist, while they are theoretical socialists. People will take things from us that they wouldn't take from the Labour Party.

What did he say only a few days ago in the House when speaking to the Budget? He said—

You must divert people and capital by indirect means, because when you divert capital you divert the people who use it. Similarly, when you divert vital materials it means that some people will have to work on those materials in one place instead of another.

Mr. Menzies made that statement on the 3rd October. That is definite evidence, of course, that he is a practical socialist. He proposes to regiment the people of Australia and to exploit their situation to the extent that he will impoverish them as was done before. These men have turned completely around on their preachings, and the least they could do is to go to the people on the question to let them, in this democratic country, decide whether they will stand for this imposition. So far as I am concerned, I care not what Government introduces a Budget of this character, I shall be up and fighting it. I can see the motive behind the Budget, and I warn the people of this State and the Commonwealth that in the course of 12 months they will be in a deplorable situation from its effects.

On motion by the Premier, debate adjourned.

BILL—PRICES CONTROL ACT AMENDMENT (No. 2).

Second Reading.

HON. A. R. G. HAWKE (Northam) [8.45] in moving the second reading said: This Bill proposes to amend the Prices

Control Act for the purpose of establishing higher maximum fines. At present, the Act provides for the institution of two classes of prosecutions, one to be taken before a magistrate and the other to be taken before a judge of the Supreme Court. The Act gives the Attorney General discretion to decide whether a prosecution about to be launched shall go before a magistrate or a judge. The maximum fine which a magistrate is empowered to inflict under the Act, as it now stands, is £100, and the maximum which a judge is empowered to inflict is, at the moment, £500.

Some of the debates which have taken place in this House in recent days, and a great many happenings outside Parliament, have emphasised the increasing seriousness of Australia's economic situation. Today there is a much greater awareness of the serious straits into which our economic system has been driven by the pressure of inflation upon the cost of production. In that situation it is much more necessary that prices of all essential commodities, at any rate, should be kept down to the lowest possible figure.

One of the most important influences in causing those engaged in business not to attempt deliberate profiteering is a fear in their minds of the penalties which it would be possible to impose upon them, if their profiteering activities were to be discovered, and the responsible authorities were subsequently to institute prosecutions against them. The maximum fines now included in the Act, even the one which judges are empowered to impose, do not, in my opinion, have any deterrent effect upon business people in Western Australia. Only some four weeks ago Magistrate Wallwork, who had found a businessman guilty of having breached the Prices Control Act, complained that the court should have legal power to impose much greater penalties upon profiteers in this State.

He suggested that magistrates should, in addition to being able to impose fines upon such people, have the right to order them to refund completely all the overcharges of which they had been found guilty. I know the Attorney General puts forward as an answer to that contention the fact that the Prices Commissioner, under the existing Act and regulations, has that power. The Attorney General has told us on previous occasions that the Prices Commissioner has exercised the power to compel refunds of overcharges. Be that as it may, it would be much more satisfactory, in my opinion, if magistrates and judges were to have that power; not that I am bothering about that in the Bill which I am now explaining to the House. I think an even greater deterrent than that suggested by Magistrate Wallwork would be the one contained in this Bill, which is to increase the maximum

fine that a magistrate may impose from £100 to £500, and the maximum fine that a judge may impose from £500 to £1,500.

The Premier: You are certainly bumping them up.

Hon. A. R. G. HAWKE: It is true, as the Premier has suggested, that this Bill proposes very substantial increases in the maximum fines that judges and magistrates will be empowered to impose in future, in the event of this Bill becoming law. As I said at the beginning, the problem with which the Prices Control Act seeks to deal is a problem which has become greatly intensified, even in the last few weeks, and is one that will continue to grow worse under the policy, the economic policy especially, of the Commonwealth Government.

So it becomes the urgent duty of members of Parliament, who are charged with passing the most effective laws possible to deal with major problems, to give careful attention to this matter so that the fines that may be imposed by judges and magistrates shall be high enough to act in a salutary way upon those who do in fact breach the law, and also upon those who otherwise would doubtless breach it. I am sure that every member of the House would prefer that there should be no breaches of the Act rather than that those who breach them should be punished with very high fines and other penalties.

The major duty of Parliament in connection with a problem of this kind is to prevent, to the greatest possible extent, profiteering of every description within the State. That is our duty. Therefore, we should make the legislation which we pass, especially in the sections that provide for punishment of offenders, extremely severe. A few moments ago, the Premier suggested that the amendments contained in this Bill are severe. They are indeed! However, if the Premier will cast his mind back to some two or three weeks ago he will recall that his Government brought down amendments to the Building Operations and Building Materials Control Act for the purpose of including within that statute very greatly increased penalties that judges and magistrates could impose against those who breach that Act. As the Premier recognised and supported the necessity for severe action by Parliament to try to deal more effectively with that problem, he should, to be logical and consistent, support the same kind of action in relation to the legislation in this State for the control of prices.

There is much more justification for making the Prices Control Act severe than there was and is for making the legislation for the control of building materials severe. The purchase of building materials is indulged in by only a small percentage of the people of Western Australia whereas almost all the population is concerned with the purchase of those commodities which come under the Prices Control Act. Every-

one within the State is affected by the problem with which this Bill deals, every man, woman and child within the State.

The Premier: Do you not think the maximum fines already in the Act are deterrent?

Hon. A. R. G. HAWKE: No, I do not think the fines in the existing Act are a deterrent at all. Fancy a magistrate having power to impose a maximum fine of only £100 upon a profiteer!

The Attorney General: That is not quite correct.

Hon. A. R. G. HAWKE: I know the point the Attorney General would make because he has made the same point in this House on several occasions in recent years. He would tell us that magistrates have power, in addition to imposing a fine, to imprison the offender or, as an alternative to imposing a fine, have power to imprison a person who breaches the Act and is found guilty of having breached it. As I said before in reply to that contention, how many magistrates or judges would impose sentence of imprisonment on a businessman? It simply does not happen except in isolated instances, and the Attorney General knows that as well as I do.

I do not know why there is this distinction, as it were, between businessmen who come before a court and the ordinary person of the community who comes before a court. Whether it is a matter of unconscious social and class distinction I have never been able to fathom. I cannot imagine that magistrates or judges consciously establish this differentiation between a businessman found guilty of a serious offence and an ordinary person found guilty of a much less serious offence. Nevertheless it is a fact in actual practice that businessmen found guilty of very serious offences against the community are always let off with a fine, whereas other people who are less fortunately placed financially sometimes have a sentence of imprisonment imposed upon them without the option of a fine because they have been found guilty of an offence which in no way compares in seriousness with that committed against the Prices Control Act.

The Premier: If you fine a man £500 do you think you should gaol him as well?

Hon. A. R. G. HAWKE: I am not called upon to make any decision upon that point because I am neither a judge nor a magistrate. I have sufficient faith in the judges and magistrates to believe that they will, within the discretion which the amended Act would allow, do what they consider to be right.

The Attorney General: Did Mr. Wallwork in the case you refer to impose a maximum fine?

Hon. A. R. G. HAWKE: I cannot say whether he did or not, but what he did do was to say publicly that magistrates were not given sufficient power to impose punishments which fitted the crime.

The Attorney General: And that was in a prices prosecution?

Hon. A. R. G. HAWKE: The case which Mr. Wallwork had dealt with was that of a businessman who had breached the provisions of the Prices Control Act. As I mentioned earlier in my speech, Mr. Wallwork advocated as an additional measure of punishment that the court should have the power to order any person found guilty of overcharging to make a complete refund of each and every overcharge, and to be fined in addition to that. I could understand the attitude of the Premier towards this Bill if the increased penalties in it were to be the minimum as well as the maximum, thus allowing no discretion of any kind to a judge or magistrate in regard to the amount of fine that he should impose.

The Premier: I know it allows discretion to be used.

Hon. A. R. G. HAWKE: Would the Premier agree with me that breaches of the Prices Control Act are more serious to the community as a whole than breaches of the building materials control Act?

The Attorney General: I should think they were about equal.

Hon. A. R. G. HAWKE: For the reasons I gave earlier, I would say that breaches of the Prices Control Act are a thousand times more important and more serious. Who suffers when there is a breach of the building materials control Act—how many people suffer?

The Attorney General: It may only be a farthing or a penny.

Hon. A. R. G. HAWKE: I am talking about the building materials control Act.

The Attorney General: I am talking about the Prices Control Act.

Hon. A. R. G. HAWKE: I say that the number of people who are detrimentally affected when there is a breach of the building materials control Act is very small indeed by comparison with those affected when there is a breach of the Prices Control Act.

The Attorney General: I think you are wrong there, because for every breach and for every individual case there is a maximum penalty of £100. In other words, a man overcharges one penny and he may be fined £100 for each transaction.

Hon. A. R. G. HAWKE: I know what the Act provides at the present time, and I know how the penalties may be imposed if magistrates cared to use to the full extent the punishments provided under the Act. What I am asking Parliament to do is to emphasise to the courts the full measure of seriousness with which Parliament regards the present inflationary situation. I am asking Parliament to say that it today regards the problem as ever so much more serious than it was when the original Act was passed in 1948. I think there is every justification for that attitude. I am sure

magistrates and judges would appreciate a lead from Parliament in the matter. Mr. Wallwork has already publicly indicated that he wants the penalties contained in the Act to be increased.

The Attorney General: The Government has made its view perfectly clear to the magistrates.

Hon. A. R. G. HAWKE: The Government may have made its attitude clear to the magistrates but I am not quite sure myself what that attitude is.

The Attorney General: The Government made it very clear that it regards breaches of the Prices Control Act as of the greatest seriousness. That was particularly stressed recently by the Crown Prosecutor who was sent down to address the Bench in that regard.

Hon. A. R. G. HAWKE: I want the courts to be in a position to act more strongly upon the attitude of the Government towards the problem in this State. I want the courts to have power, where they think circumstances justify it, to impose a high monetary penalty. If the courts were using the imprisonment section of the penalties provisions in the Act I would not bother about this Bill at all. Everyone knows that there is no penalty one small part as effective as imprisonment. That is not only a very effective penalty but it is a very effective deterrent, and would be especially so to men and women engaged in the carrying on of trade and commerce within the State. If the magistrates had imprisoned some of the worst offenders against the Prices Control Act during the last year or so I am sure the policing of the Act would have been a very easy matter, because every businessman who was inclined to breach the Act would today be in fear that if he did so and were discovered he might be imprisoned by a magistrate or judge as the case may be.

It seems to me there is a very strong obligation and duty upon Parliament as a whole to increase the monetary penalties in the Act as an indication to the courts of our State that it desires much more severe punishment to be inflicted in the future upon those who seriously breach the Act. I am not a bit concerned about the person who inadvertently or through lack of knowledge overcharges a halfpenny or a penny on an article. I am not concerned about them at all; they can be fined 10s. or £1 because there is no minimum in the Act.

The Attorney General: They are by far the more ordinary cases of prosecution.

Hon. A. R. G. HAWKE: It stands to reason that most of the breaches of the Act from a numerical point of view would be caused by traders who might for some reason overcharge a halfpenny on this article or a penny on some other, without knowing they were doing so.

The Attorney General: I do not know of any case where the overcharge has been more than threepence.

Hon. A. R. G. HAWKE: I know of some transactions where the overcharges have been much more than threepence on an article. As a matter of fact, sometimes when one buys an article, and there has been a price increase, we find that the price on the bottom of the article is 2s. 6d. and that we are charged 3s. 2d. for it. It is a mystery to me how the ordinary man comes up against these overcharges in a direct way and the officials of the Prices Department do not come up against them. So I hope that in addition to Parliament agreeing to include those higher monetary penalties in the Act, the Attorney General and the Government generally will, wherever possible, intensify the policing of the Act in order that the consuming public in Western Australia might be more adequately protected in the future than has been the case during the time the Act has been in operation. I move—

That the Bill be now read a second time.

On motion by the Attorney General, debate adjourned.

BILL—VERMIN ACT AMENDMENT.

Received from the Council and read a first time.

BILLS (3)—RETURNED.

- 1, Prices Control Act Amendment (Continuance).
- 2, Real Property (Foreign Governments).
- 3, Supply, £11,000,000.
Without amendment.

BILL—FEEDING STUFFS ACT AMENDMENT.

Council's Message.

Message from the Council received and read notifying that it had agreed to the Assembly's amendment.

BILL—CONSTITUTION ACTS AMENDMENT.

Second Reading.

HON. A. R. G. HAWKE (Northam) [9.14] in moving the second reading said: This Bill proposes to amend the Constitution Act Amendment Act of 1899. The important proposal in the Bill is to establish by law the principle of adult suffrage for the Legislative Council. Under the law as it exists at present, and as it has existed ever since responsible government was established in Western Australia, there has in respect of the Legislative Council been a restricted franchise. The restrictions in relation to the franchise have been very severe right from the beginning and have been varied only to a very slight extent over the last

50 or 60 years. Those who were responsible for giving Western Australia the Parliamentary Constitution under which the State has operated during all those years were extremely far-sighted from their own particular point of view. They were anxious, I think, to ensure that legislation in Western Australia would not become law unless it happened to be acceptable to the most conservative and reactionary element within the community.

The Legislative Assembly was given a franchise that was fairly liberal and was completely liberalised as time went on. As a result, every person in Western Australia over 21 years of age has the right to claim enrolment for Assembly elections and is compelled by law to vote at such elections. This means that every person over the age of 21 years within the State, unless he or she comes under some special disqualification, has a right to play an equal part in determining which person shall be elected to the Assembly and, therefore, in determining which political party or parties shall elect from their numbers the people who are to constitute the Cabinet or Government.

So far as I am aware, there are very few people in the State who would quarrel in any way with that set-up. I know that a few people of a very reactionary sort would take away the right of voting from everyone in the community except a special few; in other words, they would establish a very restricted form of dictatorship on a basis that would permit of a very small percentage of the people having all the say. However, their views are not acceptable to the great majority of our people. Even the Premier and his colleagues on the front ministerial bench would not openly and publicly quarrel with the franchise that operates for the Legislative Assembly. Publicly and openly, they would approve of it, although I have some secret mental reservation about a few of them.

The Premier: I do not think so.

Hon. A. R. G. HAWKE: I doubt whether anyone would quarrel with the franchise that operates for both Houses of the Commonwealth Parliament, that franchise being adult suffrage for the Senate as well as for the House of Representatives.

The Attorney General: It could be altered.

Hon. A. R. G. HAWKE: Do I understand that the Attorney General has some quarrel with the Commonwealth franchise?

The Attorney General: Possibly people with high educational attainments might be given special representation in the Senate as is done in some countries.

Hon. J. T. Tonkin: Does the Attorney General want to give some of them two votes?

The Premier: No, leave it as it is.

Hon. A. R. G. HAWKE: I am not prepared to do that. The remark of the Attorney General seems to indicate that, even on the ministerial bench, there is a reactionary element—

Mr. J. Hegney: Have you just found that out?

Hon. A. R. G. HAWKE: —a reactionary element that would give to certain special people in the community an electoral advantage over the rest of the people.

The Attorney General: I said for the Senate.

Hon. A. R. G. HAWKE: I am not concerned whether it was for the Senate or the House of Representatives.

The Attorney General: You were talking about the Senate.

Hon. A. R. G. HAWKE: I was talking about both Houses.

The Premier: The only thing wrong with the Senate is in regard to proportional representation and how it has turned out.

Hon. A. R. G. HAWKE: There is no need this evening to debate the merits or otherwise of proportional representation for the Senate or any other House of Parliament, Commonwealth or State, but it is unfortunate that the Attorney General should advocate that some people should have special privileges in regard to representation in the Senate. I should like to know who, under the Attorney General's proposition, would decide which type of educated person should have this special concessional privilege.

The Premier: That is just his private view. Never mind!

Hon. A. R. G. HAWKE: I know that the Premier feels quite embarrassed by what the Attorney General has said and wants me to get right away from the point, but it is worth pursuing.

The Premier: The Attorney General was not expressing the views of the Government.

Hon. A. R. G. HAWKE: I have some some doubt about that.

The Premier: I am quite sure of it.

Hon. A. R. G. HAWKE: We know that the Attorney General is much more frank and open in regard to these matters than is the Premier.

The Attorney General: Thank you!

The Premier: He is a bit impulsive.

Hon. A. R. G. HAWKE: If there is one person who is not impulsive, I should say it is the Attorney General. The Premier is ever so much more impulsive than is the Attorney General, but the Premier is not as frank and open as is his colleague. That is one of our troubles with the Premier; he keeps his reactionary views to himself.

The Premier: He does not hold any. He is a real democrat—a progressive democrat.

Hon. A. R. G. HAWKE: We shall be able to judge of that on a practical basis when the vote is taken on this Bill.

The Premier: I think you want to make a gradual approach to it.

Hon. A. R. G. HAWKE: The Premier himself tried a gradual approach some three years ago, and his colleagues in the Legislative Council gave him such a wipe over the face about it that he has made no gradual approach since.

Mr. Marshall: Rather a gradual retreat.

Hon. A. R. G. HAWKE: A complete retreat. We know that the Premier blew trumpet and banged the drum about the policy of the Liberal Party and the Deputy Premier about the policy of the Country Party in relation to the franchise for the Legislative Council. We know how they patted the women of the community on the back and pledged their respective parties, if returned to office, to amend the franchise for the Legislative Council, certainly to the extent of giving every married woman over the age of 21 years the unfettered right to vote at Legislative Council elections.

The Premier: One of the very few promises we have been unable to carry out! We did make a genuine attempt.

Hon. A. R. G. HAWKE: One of the very few promises the Government has been unable to carry out! The Premier knows only too well that practically no promise the Government made on the hustings has been carried out as yet. Presumably the Government is proceeding with its gradual process of doing things.

The Attorney General: And doing very well.

Hon. A. R. G. HAWKE: When does the Premier think his promise to the people regarding the liberalising of the franchise for the Legislative Council will be carried out, especially seeing that the Government has made only one attempt in 4½ years?

Hon. J. T. Tonkin: The appointment of the Trade Commissioner to the islands.

Hon. A. R. G. HAWKE: He has forgotten about that.

The Premier: Would the hon. member go?

Hon. A. R. G. HAWKE: That was a very half-hearted promise. It seems that the Government is not one scrap concerned about trying seriously to liberalise the franchise for the Council.

The Premier: Do you think the average elector is very concerned?

Hon. A. R. G. HAWKE: That is not the point.

The Premier: That is one of the points.

Hon. A. R. G. HAWKE: Does the Premier think that the average elector is concerned about the elections for the Legislative Assembly?

The Premier: Yes; under compulsory voting, they are all concerned.

Hon. A. R. G. HAWKE: Now the Premier is indicating why there is a bit more interest in elections for the Assembly than for the Council. Why was the principle of compulsory voting introduced for Legislative Assembly elections? Was it because the people of the State were intensely interested in those elections and were rushing along at 8 a.m. on election day to be the first at the booth to vote? It that why compulsory voting was brought in? Of course not! It was brought in because people generally were apathetic.

The Premier: Not generally.

Hon. A. R. G. HAWKE: Generally they were not interested in taking the trouble to vote at Legislative Assembly elections. That is why compulsory voting was introduced for both Houses of the Commonwealth Parliament; otherwise there would have been no reason for introducing it.

Mr. Bovell: It saved members a lot of expense.

Hon. A. R. G. HAWKE: So it is no answer at all, let alone an adequate answer, to say that the franchise for the Legislative Council should not be liberalised because the people generally are not greatly interested in the Council. That could be an argument rather for the abolition of the Council. It could even be an argument for the abolition of Parliaments entirely. That is the sort of propaganda upon which would-be dictators feed. What we have to face up to on this Bill is the principle of whether the people of the State are to be given the right to be enrolled for the Legislative Council and subsequently the right, if they so desire, to exercise the vote at Legislative Council elections. That is what the Premier has to face up to and decide. It is a very important principle in this year of alleged progress and vaunted civilisation.

I think the Premier will admit that people today are reasonably well educated in regard at least to the three Rs. and other subjects taught within the schools, and therefore they can be trusted with a fuller and more effective voice in the Parliament of the State. What legitimate argument can there be against allowing any person who has the right to vote for the Legislative Assembly having a similar right to vote at the Legislative Council elections? Can the Premier think of one legitimate argument against that proposition? Of course he cannot think of a legitimate argument, but I have no doubt he will be able to think of many excuses.

The Attorney General: Do you not think the family man, who has the responsibility of bringing up a family, should have some

direct representation in Parliament against the other who has not the same responsibility or experience?

Hon. A. R. G. HAWKE: Here is an amazing proposition being put to us by the Attorney General: He says that the youth of the State, over 21 years of age, has no responsibility.

The Attorney General: I did not say that. I said he has not as much as the man with a family to support.

Hon. A. R. G. HAWKE: I think that in these days of almost continuous warfare and training for war young fellows of 21 to 30 years of age have more responsibility than any other section of the community. As a matter of fact, it is a criminal thing that returned soldiers, air-men and sailors from the first and second world wars have no right to become enrolled for the Legislative Council upon the basis of the war service they gave to their State and nation. I have already said that our Constitution gives to every man and woman within the State, with the exception of certain people who are disqualified, the right to vote at Legislative Assembly elections, and I have indicated that the Government of the State is decided completely upon the basis of that vote.

Would the Attorney General say that a person is not entitled to have the right to vote at a Legislative Council election, and yet is entitled to have an equal vote in deciding which Government shall govern the State? Surely there is no comparison in the importance of the two factors to that proposition. The Premier a few moments ago put forward as an excuse why the Bill should not be carried the suggestion that the people within the State are not much interested in the Legislative Council. I would say to the Premier, in reply, that they have become very interested in the Legislative Council in the last three or four weeks. Although it might hurt the pride of the Premier to know this, I believe they are more interested in the Legislative Council at the moment than they are in the Legislative Assembly. The reason is, as you know only too well, Mr. Speaker, that the people of Western Australia have been shocked into realising the tremendous power which the Legislative Council is legally entitled, to wield in relation to legislation within the State.

The action of a majority of the Legislative Council who took part in a division in connection with the rent Bill, which was before the Council a few weeks ago, was such as to create a grave awakening among people generally as to the importance of the Council, and the lengths to which certain of its members would go for the purpose of robbing the mass of people in the State of the protection which they so urgently need in the critical housing situation with which the State is confronted, and is likely to be confronted for

at least another five years. So the Premier need not worry now about the question of the people being interested in the Legislative Council. They are interested in it all right!

The Premier: I said, interested in the franchise for the Legislative Council.

Hon. A. R. G. HAWKE: Because they are actually now interested in the Legislative Council and what it has done recently, they will be increasingly interested from now on in the question of the franchise for the Council. They will realise, more than ever before, the dangerous powers which the Council possesses, from a legislative point of view, and they will know the desperate lengths to which some members of that place are prepared to go to serve the vested and special interests which they have been put into the Council to preserve, irrespective of the result of their actions on the welfare of the community as a whole.

The Attorney General: All tenants would have a vote, would they not?

Hon. A. R. G. HAWKE: All tenants who pay a certain amount of rent have a vote for the Legislative Council.

Hon. J. T. Tonkin: Those being evicted will not have a vote.

Hon. A. R. G. HAWKE: I was interested to hear the Attorney General say a few minutes ago that the person who brings up a family in Western Australia is the one who should have more influence in the Parliament of the State than the person who does not bring up a family.

The Attorney General: No, I did not.

Hon. A. R. G. HAWKE: Does the Attorney General remember exactly what he did say? I would like to ask the Attorney General this question: Who has a more direct interest and responsibility in the bringing up of a family than the mother?

The Attorney General: I agree.

Hon. A. R. G. HAWKE: Of course, the Attorney General has no option but to agree.

The Attorney General: I introduced a Bill for the purpose of giving mothers the vote.

Hon. A. R. G. HAWKE: I know the Attorney General made a half-hearted attempt.

The Attorney General: It was no half-hearted attempt.

Hon. A. R. G. HAWKE: Why has the Attorney General made no effort since? Echo answers "Why" to that question. It is terrible to think that this Government gave certain definite pledges to the people in 1947 on the question of liberalising the franchise for the Legislative Council to the extent of giving all wives in the State a vote, but has made only one attempt in four and a half years to give effect to that pledge. How does the Attorney General explain that? What reason has he

for disagreeing with my charge that the Government has been only half-hearted in its efforts to put that pledge into actual operation? Upon the facts, as I have recited them, it has not been even half-hearted. If we divide the number of years the Government has been in office by the number of times—once only—that it has attempted to put into effect the pledge it made, it has not been even quarter-hearted about the matter. Is the Government afraid again to bring down the Bill that it produced two or three years ago?

Mr. Marshall: It received from members of the Legislative Council instructions not to do so.

Hon. A. R. G. HAWKE: As a matter of fact it is a most politically immoral situation when leaders of two parties, which now comprise a Government, can go to the electors during the currency of a general election campaign, pledging their parties to do something and subsequently, when they make a quarter-hearted attempt to put that pledge into effect it is found that members of their own parties in another section of the Parliament reject the Government's proposal—

The Premier: And we were able to go back to the people and be returned by them. The electors had their chance to decide the matter.

Mr. W. Hegney: The Liberal Party was not returned with a majority.

Hon. A. R. G. HAWKE: What point is there in the Premier's interjection?

The Premier: You said we ignored the wishes of the people and broke our promise.

Hon. A. R. G. HAWKE: I said nothing of the kind. I said it was a politically immoral thing of the worst possible description.

The Premier: The electors did not think so.

Hon. A. R. G. HAWKE: I am not concerned as to whether or not the electors thought so. What has that to do with it?

The Premier: They are our masters. They are the deciding tribunal as to whether a Government is acting morally or immorally.

Hon. A. R. G. HAWKE: I have not said that the Government has acted immorally. I was careful to bracket the word "immorally" with the word "politically." I did not say the Government had acted immorally either, even in the political sense. What I said—and I repeat it—was that it is a politically immoral act of the worst possible kind for the leaders of two parties, in this instance the Liberal and Country Parties, to go to the electors and pledge themselves, as parties, to liberalise the franchise for the Legislative Council and then, when their Bill comes before that House, after having been unanimously approved by this Chamber, to allow it to be defeated there by the votes of the Liberal and Country Party members in the Legislative Council.

Mr. J. Hegney: That is their technique.

The Premier: We told the people that our members have freedom of action.

Hon. J. T. Tonkin: Like the member for Nedlands, for example, with his Bill to prevent monopolies.

The Premier: I can remember a Bill with relation to hire purchase, which did not come down again.

Hon. A. R. G. HAWKE: What a terrible situation the Premier would establish in the politics of our State on the basis of what he said a moment ago—that he makes pledges to the people and in effect says, "Our members have absolute freedom of action. They can vote against this pledge if it pleases them." What a situation, and what a stand for the Premier of the State to take! What a shocking lead for him to give to members of the Liberal and Country Parties in this Chamber and especially in the Legislative Council!

Mr. Marshall: They cannot vote freely in this House.

The Premier: I have not the control over members of this side that you have over members on that side.

Hon. J. T. Tonkin: You certainly controlled the member for Nedlands.

Mr. Marshall: He did not bring his Bill down again.

Hon. A. R. G. HAWKE: Surely the Premier is not serious in saying that he can go to the people as Leader of his party and pledge to do certain things, with a secret mental reservation that every member of his party who might be returned to Parliament to support him can vote against the proposal when it comes before Parliament.

The Premier: I knew what my followers would do on this side of the House.

Hon. A. R. G. HAWKE: Surely the Premier could not expect to know what his followers on this side of the House would do.

The Premier: Yes, I did.

The Attorney General: The Liberal Party platform has not been in any way contravened.

Hon. A. R. G. HAWKE: The Attorney General is in a hole again, and a much deeper one than ever, this time. He tells us that the Liberal Party platform has not been contravened in respect of the pledge that was made by the Premier—

The Attorney General: I did not say that.

Hon. A. R. G. HAWKE: —in relation to the platform. Does the Attorney General put it forward, as a proposition which we as commonsense individuals are expected to swallow, that members of the Liberal Party in the Legislative Council are not expected to pay any respect to their party platform, and are not in any way bound to support it when legislation is brought before Parliament containing portions of

that platform? Is that what the Attorney General expects us to swallow? Of course not! He knows as well as I do, that members of the Liberal Party in another place have dishonoured their party platform completely on this point. Why have they done so? Why have they wiped their own Government over the face in connection with the matter? Surely it is, in the first place, because they fear the result if every man and woman within the State over the age of 21 years is given the right to claim enrolment for and subsequently the right to vote at Legislative Council elections. They are politically afraid of what the result would be under that set-up. They doubtless fear that many of them, as individuals, would lose their positions in that Chamber. They doubtless fear, with some justification, that more Labour members would be elected to the Legislative Council.

Mr. J. Hegney: And they would be helpful to the Government at the present time.

Hon. A. R. G. HAWKE: We know only too well what happens in the Legislative Council from time to time when certain members there—particularly those who claim allegiance to the Liberal Party and who are there to support and protect and advantage powerful vested interests in this State—protect and advance their own interests as individuals because they have affiliations with commercial and trading concerns in this city and in the State generally.

The Premier: Do you think that is fair comment?

Hon. A. R. G. HAWKE: It is absolutely true and therefore absolutely fair.

The Premier: I do not think it is.

Hon. A. R. G. HAWKE: I am positive it is.

Mr. Marshall: Why, damn it, there are directors of insurance companies there.

The Premier: You have had your say.

Mr. Marshall: Surely you can be truthful about it.

Hon. A. R. G. HAWKE: The Premier knows, as well as I do, that there are some men in the community—even some in Parliament and especially in the Legislative Council—who, when it comes to a question of balancing their own personal interests against those of the community, vote their own way.

The Attorney General: I do not think that is right.

Mr. Marshall: You have seen the member for Fremantle challenge the right of some of them to vote on certain Bills that we have sent up there because they were interested in them. Some of them are directors of insurance companies and what right have they to vote on an insurance Bill when it gets up there?

Hon. A. R. G. HAWKE: Does the Attorney General think that some of the members who voted to kill the rent Bill

in the Legislative Council recently did it for valid reasons and because they wished to protect the best interests of the community! Of course, the Attorney General does not think that. He has knocked about the world too much to be taken in by that sort of proposition.

The Attorney General: They gave us a very good reason. They said that the Act had been criticised by judges and magistrates, and that such a horrible mess had been made of it by Parliament the previous year that they wanted something better. That was the reason they gave.

Hon. A. R. G. HAWKE: That was not the reason; that was the excuse they gave.

The Attorney General: You cannot say—

Mr. SPEAKER: Order! The Attorney General can make a speech later on.

Hon. A. R. G. HAWKE: That was the excuse they gave and it was transparent beyond words, as the Attorney General knows only too well.

The Attorney General: I do not.

Hon. A. R. G. HAWKE: As a matter of fact, the Legislative Council was not pronouncing judgment on the Act at all. It was called upon to pronounce judgment upon a Bill to amend the Act.

The Premier: Why should the members of the Legislative Council be any less honest than members of this House?

Hon. A. R. G. HAWKE: I think they follow their own personal interests to a greater extent than do members of the Legislative Assembly, because they have much greater personal interests to follow.

Mr. May: Exactly!

The Attorney General: No.

Hon. A. R. G. HAWKE: How absurd it is for the Attorney General almost to shake his head off and half-smilingly say "No."

The Attorney General: You know that frequently great pressure is put on Labour members by industrial organisations.

Hon. A. R. G. HAWKE: Yes.

The Attorney General: And it influences their opinions.

Hon. A. R. G. HAWKE: Yes.

The Attorney General: Exactly.

Hon. A. R. G. HAWKE: In respect of items and matters coming within the platform and policy of the Labour Party.

The Attorney General: Not necessarily.

Hon. A. R. G. HAWKE: Most necessarily.

Mr. SPEAKER: Order! There is too much conversation.

Hon. A. R. G. HAWKE: Most necessarily, as you, Mr. Speaker, could advise the Attorney General if you were in a position to do so.

Mr. Marshall: Not very effectively though.

Hon. A. R. G. HAWKE: As a matter of fact, the Attorney General knows better than anybody else in the House just how great and extensive are the personal interests of several members in the Legislative Council in connection with the trade and commerce of Western Australia. The rent Bill which the Legislative Council had before it recently was a Bill introduced by the Government to overcome some of the points, which magistrates and judges had criticised, in the amended Act which was passed last year. I have no doubt that the Attorney General had much to do with drafting the rent Bill in question. It was carefully considered in this House and was finally approved without a great deal of alteration; yet when it goes to the Legislative Council it is not even allowed to be considered, discussed and debated. This was a piece of proposed legislation touching very closely the lives of hundreds and thousands of people in Western Australia; one of the most important pieces of legislation which has been brought before Parliament for many years.

Mr. Grayden: They made it quite clear that they were not objecting to the principles of the legislation.

Hon. A. R. G. HAWKE: Everyone knows what they made quite clear, and what they tried to make quite clear, and everyone who understands the situation—and this includes the member for Nedlands—knows why the attempt was made to kill the Bill. Unfortunately the attempt succeeded and the Government is now trying to repair that situation. I have no doubt that the Government is having no end of worry, trouble, doubt and fear about the whole situation.

Mr. Marshall: It will be a Bill to satisfy their demands.

Hon. A. R. G. HAWKE: Time is running out in connection with the matter. The existing Act will continue to operate only until the end of this year unless the Government can get at least a continuance Bill through both Houses of Parliament before that time. I should think the Government would hope to get much more than a continuance Bill passed because it is urgently necessary that that should be done. Yet here we have the elected Government of the State—

Mr. Marshall: Elected on false promises.

Hon. A. R. G. HAWKE: —elected at an election where every person in the State over 21 years of age had the right to vote, and was compelled by law to vote. What a situation for a Government elected by the people to be in in connection with a vital matter of this description! The Premier of the State, and the members of his Government, do not know where they are in this matter and can have no assurance that the Bill which they finally introduce, if they manage

to get one into this House even before the end of the year, will be finally passed when it goes to another place.

Mr. May: They will have a couple of sessions before then.

Hon. A. R. G. HAWKE: No Government should be placed in that position when it is a Government elected by a majority of the adult population of the State and when it has, within the Legislative Assembly, a majority of members supporting and keeping it in office. Most decidedly no Government, irrespective of its political colour, should be in that situation. It is not only humiliating but it is also a complete disgrace, and is a travesty upon all the professions we make about our democracy. We in Western Australia have only half a democracy.

The Premier: And yet I heard a Labour Premier say that we were living in the most democratic country in the world.

Hon. A. R. G. HAWKE: I am not concerned whether the Premier heard that or not.

The Premier: I think he is right, too.

Hon. A. R. G. HAWKE: I say that we have only half a democracy and the half system of democracy that we do have can be defeated at any time, in the legislative sense, by members of the Legislative Council elected upon a franchise which is undemocratic in the extreme. What objection has the Premier to giving every person in Western Australia over the age of 21 years a vote for the Legislative Council? None at all! No legitimate reason that he could put up although he could put forward the same kind of excuse as the Attorney General started to do in regard to the Senate, and continued to put up until the Premier—

Hon. J. T. Tonkin: Had a word in his ear.

Hon. A. R. G. HAWKE: —had a word in each of his ears.

Hon. J. B. Sleeman: Both ears to the ground.

Hon. A. R. G. HAWKE: However, the Premier cannot openly and publicly put forward any valid reason why the people of this State as a whole should not have the same electoral rights in respect of the Council as they have in regard to the Assembly and with both Houses of the Commonwealth Parliament. Is it not an absurd situation to think that our national Parliament, especially in these days, deals with matters much more vital than those dealt with in this State Parliament and yet people in this State who have the right to vote for both Houses of the national Parliament have, in very many instances, no right even to be enrolled for the Legislative Council?

Mr. Hearman: Occasionally the Senate frustrates the Government.

Hon. A. R. G. HAWKE: I am not concerned whether the Senate frustrates the Government or not; that is not the point.

Mr. McCulloch: A double dissolution fixes that.

Hon. A. R. G. HAWKE: If there were adult suffrage for the Legislative Council we could not complain if the Government was frustrated from time to time, unless there happened to be some manipulation of Legislative Council boundaries to enable one section of the community to obtain advantages to which it was not entitled in the election of more people to the Legislative Council than its numerical voting strength would justify. As I said earlier, the central feature of this Bill is one of principle; the principle being as to whether Parliament is prepared to give every person who has the right to vote for the Legislative Assembly the right also to vote for the Legislative Council.

I know one of the excuses against a proposal of this kind is that its implementation would lead only to duplication as between the two Houses. In other words, the same people would vote to elect representatives to the council as now vote to elect representatives to the Assembly. But that is not a reason why the principle of adult suffrage should not be established for the Legislative Council in this State. If the only question involved is one of duplication or no duplication, then it seems to me that the choice for those who would argue that way is a choice between adult suffrage for the Legislative Council on the one hand and the abolition of the Legislative Council on the other.

The effective counter to any suggestion of duplication likely to arise from a proposal such as is contained in this Bill is that, if duplication is the only thing to be worried about, those who are worried about duplication on the new basis should advocate straight out the abolition of the Legislative Council.

The Premier: In your objective for an adult franchise, do you hold the ultimate view of the abolition of the Legislative Council?

Hon. A. R. G. HAWKE: Most certainly! I see no reason in the world why we should have two Houses of Parliament. Does the Premier see any reason why we should have two Houses of Parliament?

The Premier: I think it has been proved effective, in democracies within the British Empire and in democracies generally, to have two Houses of Parliament.

Mr. May: Why not three?

The Premier: Well!

Hon. A. R. G. HAWKE: If we care to look at the position in Britain, we have to admit that the House of Commons is supreme over the House of Lords. As a matter of fact, our Legislative Council is one of the most conservative, if not the

most conservative, second chamber in the world. It is certainly the most conservative second chamber within the British Commonwealth of Nations. If we could, as the years go on, afford the luxury of a second House of Parliament, I would not have so much objection to it if it were denied the legal power continuously to reject legislation sent to it by the Assembly.

I would not have so much objection to a second House of Parliament in this State if we had, within our Constitution, provisions in respect to the final passing of legislation such as they have in Great Britain. If I remember rightly, legislation becomes effective in Great Britain, even if not acceptable to the House of Lords, if it be passed by the House of Commons in two successive sessions, provided a certain period of time elapses between the period in which it is dealt with in the first session and the period with which it is dealt with in the second session in the House of Commons.

Mr. W. Hegney: Twelve months now, I think.

Mr. J. Hegney: Even a Liberal Party Government brought that about in England.

Hon. A. R. G. HAWKE: What we are concerned with on this side of the House is that our Legislative Council, on the basis of its present set-up, has complete legal authority within the Constitution to reject, year after year without end, legislation sent to it by the Assembly, irrespective of how important it is, irrespective of how urgently it is required in Western Australia for the benefit of the community as a whole or for the great majority of the community. That situation should not exist. There is no justification for it, especially in these days. The fact that we have members of the Legislative Council elected on a restricted franchise gives them a legislative power to which they are in no way entitled, and vitiates almost every claim we make to being a democracy in fact as well as in name.

Mr. Hearman: In those circumstances it looks as if Great Britain is not a democracy.

Hon. A. R. G. HAWKE: Great Britain is a practical democracy to a much greater extent than we are in Western Australia because the House of Commons, elected by the whole of the people of Great Britain, can finally, after a period of less than two years, pass into law any legislation which a majority of the members of the House of Commons support. We cannot do that in Western Australia. If a majority of members in our Legislative Council cares to vote year after year against a piece of legislation, it has no hope in the world of becoming law and the people are continuously denied the benefits which that legislation might confer upon them. That is a situation which should not be tolerated any longer.

The Attorney General: Do they reject year after year?

Hon. A. R. G. HAWKE: Yes, of course they reject year after year.

The Attorney General: Only matters which affect their Constitution.

Hon. A. R. G. HAWKE: On matters only affecting their Constitution?

The Attorney General: Yes, nothing else.

Hon. A. R. G. HAWKE: As a matter of fact, this Government has introduced Bills and had them defeated in the Legislative Council, and has not even bothered to re-introduce them.

The Attorney General: Not year after year.

Hon. A. R. G. HAWKE: What fate does the Attorney General think a Bill would meet if it were re-introduced in the following session? Why did not the Attorney General bring Bills up again in the following session? Obviously, he knows, even better than we do, that they would again meet the same fate in the Legislative Council. The Attorney General is not the innocent person he would lead us to believe in these matters.

The Attorney General: I think you are a bit tough, that is all.

Hon. A. R. G. HAWKE: I think I am extremely merciful. There are no words in the English language suitable to describe adequately in critical terms the existence of our Legislative Council on the restricted franchise upon which it rests. As a matter of fact, it is a bulwark of conservatism for the reactionary elements in our community, and that is an extremely severe under-statement. In a way it is a good thing that the Legislative Council—or the majority of its members—did what they did do to the Increase of Rent (War Restrictions) Act Amendment and Continuance Bill three or four weeks ago. They did a great thing because it has sharpened considerably public interest in the Legislative Council; it has shown for the first time to tens of thousands of people within the State just what power the Legislative Council has in Western Australia. More important still it has shown the lengths to which some members of the Legislative Council will go to benefit their own interests or the interests of their friends and to damage the interests and welfare of the community generally. Nothing better than that could have happened in the circumstances from that point of view.

That one action has not only created intense interest amongst the people, in respect of the Legislative Council, but it has educated a large number of our people as to what the Legislative Council is; as to the powers which it possesses, and as to the measures which some of its members

will take to advantage themselves and their friends outside to the detriment of the people as a whole.

The Premier: Not a fair comment.

Hon. A. R. G. HAWKE: It is an understatement. I think I know and can read the Premier's real feelings about the problem too. I am sure if physical murder with violence were not a crime in Western Australia, that the Premier—who I understand is a very good shot with a gun—would have shot at least six members of the Legislative Council in recent weeks.

The Premier: Now we are getting into the field of exaggeration.

Hon. A. R. G. HAWKE: Because the Premier was not able to do that, he has been suffering the tortures of the damned mentally and from the point of view of nerves, because he has had to contain within himself all the feelings which he would have liked to have let loose and shot out of his fancy double-barrelled gun that he keeps locked up under his bed at Pinjarra. It is not fair and reasonable that any Premier should have to suffer the indignity that the actions of the Legislative Council have imposed upon our Premier and his Ministers and supporters in this House.

Mr. J. Hegney: Particularly when he has a mandate to carry it out.

Hon. A. R. G. HAWKE: I wish the Premier were half as frank as the Attorney General, because if the Premier were to say openly and publicly what he thinks of the situation he would by that action rouse the people of Western Australia far beyond the level to which they have been aroused recently. As a result of that, the people by the pressure of their influence would scare even the members of the Legislative Council into doing the right thing; they might even scare them into giving this Bill of mine favourable consideration. I know there are some members in the Legislative Council who are arrogant beyond words. They know they are entrenched beyond the possibility of anyone interfering with their position.

From their safely-entrenched positions there they feel that public opinion cannot get at them effectively; they are not a bit concerned about public protests or public criticism because they do not have to face the general public not even once in six years—which is the long term they enjoy in the Legislative Council once the members have been elected to it. So they can treat the public with contempt, as they frequently do when it suits them and the special interests they represent. They are not concerned at all about public opinion even when that opinion is right and just in what it is demanding. They take much more notice of what is given to them by the interests located in St. George's Terrace than they do of the people in the metropolitan area generally. So the existing set-up in respect of our Legislative

Council is one where there is in fact a political dictatorship—it is not necessarily the political dictatorship of any one party either.

It is a political dictatorship of big business interests within this State. These business interests and these special vested interests from time to time exercise an influence and a pressure to which some members of the Legislative Council readily respond because they are part and parcel of the same business and vested interests. These particular members in the Legislative Council to whom I refer do not judge the welfare of this State upon the general advantage of all its people. They read the progress of the State in the profit and loss accounts and the balance sheets of particular business friends within our city.

The Premier: Now let us have a look at that. All the legislation you introduced during the years you were in power got through the Legislative Council—or at least the great bulk of it did.

Hon. A. R. G. HAWKE: I would say we did not get the great bulk of it through the Legislative Council at all.

The Premier: You did.

Hon. A. R. G. HAWKE: I am sure the Premier is looking at the question upon the basis of the number of Bills introduced and not from the angle of the importance of the various Bills. I know that the Legislative Council passes a lot of Bills which are not of very much account, but when it comes to putting up a Bill to them that is of some considerable consequence, that Bill has little or no chance of getting through, except possibly after it has been greatly reduced in its importance and in the benefits it would have conferred upon the people.

The Premier: From the democratic angle, do not you think that the legislation in this State would compare favourably with that in any other part of the British Commonwealth?

Hon. A. R. G. HAWKE: I would say it would not.

The Attorney General: It would compare favourably with Queensland.

Hon. A. R. G. HAWKE: I am sure it would not. From the democratic point of view—if I might use the same phraseology that the Premier did—would the Premier not agree that every person entitled to vote for the Legislative Assembly and for both Houses of the Commonwealth Parliament should also have the right to vote for the Legislative Council?

The Premier: Keep going!

Hon. A. R. G. HAWKE: You see, Mr. Speaker, the Premier is very good at putting up questions of which I take notice and do my best to answer, but when the question is put back to him, on the very same basis as the one he asked me, the Premier scratches his head—not his hair,

as I would do in the same situation—and makes no reply at all. Ever so much more could be advanced in support of the proposal in the Bill, but I think I have said sufficient to justify the measure in every respect.

I trust that every member of this House will take part in the second reading debate because we in this Chamber represent the whole of the people of the State and we owe a duty to them in respect of a vitally important proposal of this sort. That duty is to discuss it freely and do everything within our power, not only to ensure that the measure is passed through this House, but also, what is more important, to secure every possible measure of support for it in the Legislative Council. I move—

That the Bill be now read a second time.

On motion by the Attorney General, debate adjourned.

BILL—GAS UNDERTAKINGS ACT AMENDMENT.

Second Reading.

HON. J. B. SLEEMAN (Fremantle) [10.22] in moving the second reading said: This is one of those simple little Bills that ought to receive unanimous support. It has been brought down at the request of the company. The author of the original measure was the member for Melville. The Bill provides for doing away with the necessity for shares being sold by tender or auction. The company's reason for requesting this legislation is that the present system is cumbersome, slow and troublesome. The priorities have been reserved for various people as provided in the Act.

The Bill proposes that all shares to be issued shall be allotted to the applicants in order of priority, such as the employees of the company and the consumers of gas, and so forth, but the shares that under the Act would have to be disposed of by tender or auction will, if the Bill be passed, be available to applicants not employees or members of the company or consumers. There is no need to say more in support of the Bill beyond repeating that the company has requested it and that I see no harm in introducing it. I move—

That the Bill be now read a second time.

On motion by the Minister for Works, debate adjourned.

BILL—WAR SERVICE LAND SETTLEMENT AGREEMENT.

Second Reading.

Debate resumed from the previous day.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay—in reply) [10.25]: The Deputy Leader of the Opposition, in speaking to the Bill last evening, raised two

points. One matter that caused him concern was the method that would be adopted in arriving at the cost of the development of a dairy farm, and he intimated that the dairyman would not be able to bear the full cost of the improvements. I assure the hon. member that the dairyman will not have to bear the full cost. I consulted the chairman of the board this morning, and he is satisfied that when the time arrives, it will be necessary to write down these farms from anything up to an amount of £2,000 or £2,500.

Mr. Bovell: I am very pleased to hear that.

THE MINISTER FOR LANDS: Thus I can give the hon. member an assurance that the dairyman will not have to bear the full cost of development. The other point raised by the hon. member was that of providing for doing certain things by regulation instead of amending the Land Act. I have considered the provision carefully and, if the hon. member refers to the Soldier Land Settlement Act of 1918-1919, he will see that similar powers are contained in that legislation. I discussed this matter also with the chairman of the board, and he said that the provision was necessary seeing that the measure deals specifically with soldier settlement. If we amended the Land Act, the amended provision would apply generally, and we do not want that. I hope the hon. member will agree that the Minister should be empowered to deal with problems in connection with soldier settlement as they arise and by regulation.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Minister for Lands in charge of the Bill.

Clauses 1 to 5—agreed to.

Clause 6—Granting of tenures:

HON. J. T. TONKIN: I still do not like the practice, despite the fact that it has been done before, of giving power to make regulations under one Act which will enable something to be done in contravention of some existing Act. That is very bad legislation; and if it were adopted to any great extent, it could result in a chaotic state developing with regard to legislation, because it would become necessary for one to consult not only the various Acts of Parliament but all the regulations with regard to all the Acts of Parliament. In order to be sure that we knew the law on a particular subject, it would be necessary for us to consult, not only the specific Act in which we were interested but all the regulations which might have been made under any other Act of Parliament. Imagine the work involved in that sort of thing!

The Minister has not yet convinced me that if he has something in mind which has to be provided for under this Act, he cannot amend the Land Act to permit it to be done. Can the Minister indicate one thing which he believes is required to be done under this Act that the Land Act prevents being done? It does not satisfy me for him to say that if we amend the Land Act it will have general application, and therefore we should not do it that way, but must give the Minister power to make regulations under this Act to have specific application to something to be provided for under this Act.

It does not weigh very much with me to be told it has been done before in connection with some other measure. I have seen a lot of things done before that should not have been done. I do not see that we will put any difficulty in the way of the Minister if we delete paragraph (c). If he finds there is not sufficient power in this Act to enable him to do what he contemplates, he can bring along a specific amendment to give him that power. I would like your guidance, Mr. Chairman. I do not want to defeat the whole clause, but I am opposed to paragraph (c). Would you indicate to me what line of action I can take in the matter?

The CHAIRMAN: I think the hon. member can move to delete paragraph (c) if he desires to do so.

Hon. J. T. TONKIN: That is what I propose to do.

The MINISTER FOR LANDS: This Bill is one which has been drawn up and approved by the Commonwealth Government. That Government is finding the money for this scheme and is entitled, I think, to have some say in calling the tune. It has approved of this Bill as drafted.

Hon. J. T. Tonkin: Did the Commonwealth Government draft it?

The MINISTER FOR LANDS: No; it was drafted here, and the Bill was submitted to the Commonwealth, which approved of it. My information is that it desires the Bill to be passed as drafted. In the Soldier Settlement Act of 1918-19 there is a section regarding regulations to which this clause has some similarity. The hon. member asked me to mention one specific case. I have not got one at present. We are asking for these powers so that we may deal with specific cases as they arise, and I see no danger in them at all.

Mr. Marshall: Oh!

The MINISTER FOR LANDS: The Government of which the hon. member was a part made provision for doing things by regulation over the years that Labour was in office.

Mr. Marshall: That is absolutely untrue.

The MINISTER FOR LANDS: It is not untrue and the hon. member knows it! It is essential that Governments have some power in these cases to enable them to carry on. I have already stated that we are asking for these powers as they specifically deal with soldier settlement, and I would ask the Committee to accord them to us.

Mr. Marshall: They will do it for you! They will do anything for you!

The MINISTER FOR LANDS: The hon. member talks about doing things. I remember when I sat on that side of the House and the hon. member's party had the numbers, it did everything it wanted to. The member for Melville, in his usual good form, has raised an objection to this procedure, but he has done the same thing himself.

Hon. J. T. Tonkin: No, I have not!

The MINISTER FOR LANDS: Yes, the hon. member has!

Mr. MARSHALL: The Minister for Lands cannot bluff his way through in that fashion.

The Minister for Lands: You cannot bluff me, either.

Mr. MARSHALL: The Minister makes statements to the effect—

Hon. J. T. Tonkin: False statements. That is the kind he makes.

Mr. MARSHALL: I will prove that conclusively. The Minister said that we on this side of the Chamber have repeatedly done something similar to what is proposed here. If the Minister had been fair and if he had paid attention to the debates which have taken place here, he would admit that on several occasions I have risen in my place and protested—

The Minister for Lands: Exactly—while you were on that side; not when you were on this side!

Mr. MARSHALL: I have protested from both sides, the same as I have always taken strong exception to the principle of the onus of proof. To place a provision in one measure which has the effect of amending a different Act altogether is a bad principle. I take strong exception to the Minister's making accusations of the sort that he did, and I challenge him to quote one such case as he mentioned. The position here is different. If we amend an Act by placing an amendment in a second Act, it is still possible for a member to take action to amend either of those Acts, but if an Act is amended by a regulation no member has a chance to interfere with it at all, and Parliament is denied the right to touch it. Only a Minister of the Crown can deal with a regulation.

The Minister for Lands: Is that so?

Mr. MARSHALL: Acts of Parliament can always be amended by a private member, but when a regulation is permitted

to become law a private member has no more jurisdiction over it and Parliament has no say. At times we have taken strong exception to giving power to a Minister to make regulations under a specific measure, but here we have a Bill which purports, by regulation, to amend another Act. This is different entirely from putting into a Bill an amendment to amend a second Act. I challenge the Minister to quote one case where we did this. I admit that we have done the stupid thing of amending, say, Act B by putting an amendment into Act A. But here we have the principle of amending Act B by a regulation in Act A. It is silly in the extreme for the Minister to try to bluff his way through by falsely saying that we have agreed to these things on many occasions.

Mr. HOAR: The Minister ought to be glad to get rid of this paragraph (c) because the soldier settler will be suffering from a superabundance of regulations. We will have regulations in respect to all matters that are now proposed outside the scope of the Land Act, but which in some way might conflict with it. Clause 5 empowers the Minister to create another lot of regulations in relation to re-establishment and re-employment. Part VII of the Re-establishment and Re-employment Act provides ample scope, in a certain section, to deal with all the things that the Minister wishes to deal with in this clause. If we approve of this particular paragraph we will have no less than three or four different sets of regulations governing the same thing, and in respect of which a member of Parliament has no say whatever. It is true that regulations are laid on the Table of the House from time to time, but few members see them although they have the opportunity to do so. Even if they do see them, unless they are incorporated in an Act, they tend to slip their memory as the years go by. At a later date the Minister is faced with other problems and has new regulations drafted, and so we get another state of affairs. The Minister himself quoted the Soldier Settlement Act of 1918-19. There is a set of regulations under that Act which might be used for our requirements today.

I disapprove entirely of duplicating the system of Government by regulation. Even if the previous Government did make mistakes in this regard, it is no reason for this or any following Government to do the same thing. Two wrongs do not make a right anywhere. I approve of the Bill in the main, but I think the member for Melville is perfectly justified in attempting to strike out this paragraph, which has no particular meaning. The Minister told the Committee that the Commonwealth Government had quite a bit to do with the forming of the Bill, but when he was questioned we found that this Government had been responsible for drafting the Bill and that all the Commonwealth Government did was to glance through it to see

that it was O.K. It is quite possible that the Commonwealth would have O.K'd the Bill without this paragraph. There was no demand from the Commonwealth Government that it should be put in, so I do not pay much attention to the Minister when he brings in the Commonwealth Government with respect to this argument. I support the member for Melville in his endeavour to have this paragraph struck out.

The MINISTER FOR EDUCATION: I am not without some sympathy for the view which the member for Melville has expressed in regard to the principle that he considers underlies this paragraph, but I do not think his fears are warranted in this instance. This is a peculiar piece of legislation because of the circumstances surrounding it. I refer members to paragraph (a) of this subclause. Obviously, therefore, there are certain terms and conditions which may be possible in regard to these tenures that are contemplated by the legislation and, I suggest, particularly in regard to the grant of freehold upon delayed terms which, I think, is included in the proposal, that that obviously cannot be settled now and, in consequence, their settlement or negotiation may take place at a time when an amendment to the Land Act could not be effected within reasonable time because Parliament might not be sitting. So, although the proposals to be negotiated between the Commonwealth and State might necessitate some slight variation from the provisions of the Land Act which should be laid down by the regulations, so that they could be published and made known to everybody, they would, however, be delayed while Parliament was summoned to amend the Land Act or alternatively, the matter could not be attended to at all.

I am convinced not only from what I see in the measure, but from earlier discussions that I recollect on it, that this provision in paragraph (c) has been included specifically to deal with circumstances of that nature, because there is nothing in the Land Act about perpetual leasehold, for example. That has been the creation of the War Service Land Settlement Agreement between the Commonwealth and this State, and these proposals in the measure are to deal entirely with the settlement of ex-Servicemen under the Commonwealth complementary State legislation. They might not affect any other type of land tenure than that which will be covered by the agreement between the Commonwealth and the State in relation to ex-service land settlement.

The regulations that might be made pursuant to paragraph (c) would not amend the Land Act so far as any other applicant but an ex-Serviceman was concerned. They would not have the slightest effect on any application for or tenure of land which did not come within the terms

of the agreement between the Commonwealth and the State in relation to ex-service land settlement, and therefore can have no effect upon anybody other than an ex-service settler coming within this agreement. It therefore seems to me that, while I agree in general with the principle enunciated by the hon. member and supported by his colleague, the member for Murchison, I must submit to him, in this case, that the circumstances are such and the effects will be so restricted that there is no sound reason why Parliament should not accept paragraph (c) in order to prevent the possibility of unnecessary delay in the future, in the implementation of this proposal.

I suggest that were we to seek to amend the Land Act today along the lines that we think might be necessary to fill in these arrangements, we should probably find, before the ink was dry on the statute book, and as soon as Parliament had adjourned, that something would arise necessitating that some further alteration be made in order to be completely certain that the transactions were validated.

Hon. J. T. Tonkin: Can you give a single instance of where this method has been followed?

The MINISTER FOR EDUCATION: The phraseology was closely followed in the War Service Land Settlement Agreement (Land Act Application) Act of 1945, which provided the application and modification of the provisions of the Land Act for the implementation of an agreement between the Commonwealth and the State relating to war service. There, in Section 4, (b), it is provided—

Notwithstanding anything to the contrary contained in the Land Act it shall be lawful for the Governor to grant leases of land for the term of 999 years upon such terms and conditions as the Governor may approve in order to give effect to the scheme as contained in the agreement as aforesaid as if the granting of such leases for the said term and the imposition of the said conditions were expressly authorised by the Land Act, provided the conditions imposed by the Governor under the authority of this paragraph shall not be in any way inconsistent with or repugnant to any of the provisions of the agreement.

Hon. J. T. Tonkin: That has nothing to do with the making of regulations.

The MINISTER FOR EDUCATION: I must give the introduction to the matter in order fairly to cover the ground.

Mr. Marshall: Up to date it has not over-ridden the Land Act.

The MINISTER FOR EDUCATION: It states—

Where any Act, matter or thing required by any provision of the agreement to be done by or on behalf of the State in relation to the granting of leases in pursuance of the scheme as contained in the agreement cannot conveniently be done under the provisions of the Land Act the Governor may under the Land Act make regulations to authorise the doing of such act, matter or thing and such regulations shall be valid and have effect notwithstanding that they are inconsistent with or repugnant to a provision of the Land Act provided that no regulation shall be made under the authority of this paragraph so as to be inconsistent with or repugnant to any provision of the agreement.

So there is a distinct resemblance between those two things.

Mr. Marshall: That is the most you can say in its favour.

The MINISTER FOR EDUCATION: That supports strongly my earlier expression of opinion that there can arise circumstances where the provisions of the agreement are likely to conflict with the provisions of the Land Act and as it is vital to carry out the agreement with the Commonwealth, so it is vital to ensure that the Land Act, for the purposes of that agreement, is valid.

I admit the principle to which the member for Melville has referred and I do not think that in general it is wise to amend one Act by another, though of course it is not an amendment of the first named, or to amend one Act by regulation but, in the circumstances of this case and in view of the fact that the agreement is between two parties and deals expressly with ex-service land settlement and can affect nobody other than those coming within the scope of that agreement, I think the Committee can safely agree to it. I do not suggest to the member for Murchison, who still looks worried, that he has not, on both sides of this House, protested against too much legislation by regulation, because I know that he has, but I do not think he would have protested very strongly if this had been the only case that came before him in his long parliamentary career. Had that been so, he would probably have been prepared to agree that this was a reasonable proposition such as should be allowed to go through.

Hon. J. T. TONKIN: The Minister for Education has supplied all the necessary argument, and I think he convinced the Committee that what we on this side of the House advanced was quite correct. He quoted from Act No. 43 of 1945 which shows clearly the distinction we are endeavouring to draw. We on this side advanced the argument that it was bad legislation to take power under one Act to make a regulation which would enable

the Government to over-ride the provisions of some other Act. The Minister quoted from the War Service Land Settlement Agreement (Land Act Application) Act, Section 4, paragraph (c) which states—

Where any act, matter or thing required by any provision of the agreement to be done by or on behalf of the State in relation to the granting of leases in pursuance of the scheme as contained in the agreement cannot conveniently be done under the provisions of the Land Act . . .

Not under this Act.

The Minister for Education: Why do you not move to insert those words in line 16? I suggest that the Minister would agree to it.

Hon. J. T. TONKIN: We might come to that, but that will not do what the Minister is now endeavouring to get the Committee to agree to. That is why I am objecting to the principle in the Bill which enables the Minister to have power to make regulations under one Act which, having been made, will permit him to over-ride the provisions of some other Act. This War Service Land Settlement Agreement (Land Act Application) Act instead of being similar to what the Minister wants to do, is quite different. It is different because it provides power for regulations to be made under the Land Act. If one wishes to do certain things under the Land Act then one can have regulations made under that Act to permit one to do it. That is a different proposition to enabling one to make regulations under some other Act in order that one can do things under the Land Act. That is what I have been arguing from the outset. The Minister first advanced a quotation from the Discharged Soldiers' Settlement Act of 1919 and I think the Minister for Education advanced that too, but upon reflection that was abandoned because it was not analogous at all. The Minister for Lands went so far as to say that I did this when I was over there. Will the Minister now admit that that was a false statement?

The Minister for Lands: I did not say "you."

Hon. J. T. TONKIN: Yes, the Minister did.

The Minister for Lands: Yes, in reference to other Bills.

Hon. J. T. TONKIN: Yes.

The Minister for Lands: Yes, I said that.

Hon. J. T. TONKIN: Well, did I?

The Minister for Lands: I will have to look it up.

Hon. J. T. TONKIN: Now the Minister says he will have to look it up, while before he said that I had done so.

The Minister for Lands: I said that you had done these things by regulation.

Hon. J. T. TONKIN: The Minister said that I had done what he is attempting to do in this Bill. I tell the Minister that I did nothing of the kind.

The Minister for Lands: All right, I will accept your word.

Hon. J. T. TONKIN: So we wipe the slate clean in regard to that point?

The Minister for Lands: Yes.

Hon. J. T. TONKIN: Well, we are making progress. Will the Minister admit that the argument he advanced with regard to the discharged soldiers' settlement provision, and the making of regulations, does not apply in this instance?

The Minister for Lands: It gives very wide powers.

Hon. J. T. TONKIN: But it does not give power to make regulations to over-ride another Act.

The Attorney General: Of course it does.

Hon. J. T. TONKIN: No, it does not. It says that one can remit fees.

The Attorney General: Provided for by another Act.

Hon. J. T. TONKIN: But to remit fees.

The Attorney General: By regulation.

Hon. J. T. TONKIN: But that is not allowing the Attorney General to over-ride another Act.

The Attorney General: Of course it does.

Hon. J. T. TONKIN: Cannot fees be remitted under the Land Act?

The Attorney General: By regulations under this Act.

Hon. J. T. TONKIN: But can you or can you not?

The Attorney General: No.

Hon. J. T. TONKIN: I say that you can.

The Attorney General: Then you do not know. No one can remit parliamentary fees other than Parliament.

Hon. J. T. TONKIN: That is interesting, because the Minister for Fisheries has remitted licenses without parliamentary approval when the money went into Consolidated Revenue.

The Attorney General: And it can still be recovered.

Hon. J. T. TONKIN: What can be recovered?

The Attorney General: Any fees.

Hon. J. T. TONKIN: But you have paid the money back.

The Attorney General: I may have but it can still be recovered.

Hon. J. T. TONKIN: From whom?

The Attorney General: From the people to whom I refunded it. You should know that, and as a matter of fact you do.

Hon. J. T. TONKIN: But the Attorney General has no intention of trying to recover it.

The Attorney General: That is so.

Hon. J. T. TONKIN: Then what is the use of trying to put that over?

The Minister for Lands: There are no fish in this Bill. Let us get on with the argument.

Hon. J. T. TONKIN: It is clear that none of the precedents advanced are the same as the Minister wants to establish under this Bill. Not one of them is exactly similar, and the one mentioned by the Minister for Lands as coming from the Discharged Soldiers' Settlement Act is an entirely different thing. The one mentioned by the Minister for Education is to some extent similar, but with the very big difference that it provides for the making of regulations under the Land Act.

The Attorney General: You are dealing with a lot of technicalities.

Hon. J. T. TONKIN: No, I am not. I am dealing with the two arguments advanced by two Ministers on that side of the House.

The CHAIRMAN: I think the Attorney General should reply after the member for Melville has finished.

Hon. J. T. TONKIN: I think so too, if he knows enough about it. Neither of the two examples given by the two Ministers concerned is a precedent for what the Minister wants to do. In the first instance it is a provision for remitting fees under another Act, not over-riding the provisions of the Act; and in the second instance it is provision for making regulations, not under the Act where that provision is made, but making regulations under the Land Act. If the Minister is prepared to take into this Bill power to make regulations under the Land Act, to do what he wants to do, I will agree.

The Minister for Education: Will you express your opinion of Section 10 of the 1919 Act?

Hon. J. T. TONKIN: Section 10 of the 1919 Act?

The Minister for Education: You have dealt with Section 29 up to date.

Mr. Marshall: Why not go back to the time of old Pharaoh, and see if you can find it there?

The Premier: It is a pity you did not live in the days of Pharaoh.

Mr. Marshall: Do not forget we have straightened things up since 1919. I have served a major part of the period between 1919 and now.

The CHAIRMAN: I hope this has relation to the clause.

Hon. J. T. TONKIN: We have been given a precedent in other Acts as to why we should do this, and if this is a precedent then the one mentioned by the Minister for Education would be, too. Is the Minister referring to Section 10 (3)?

The Minister for Education: Yes.

Hon. J. T. TONKIN: After reading that section, it does appear to be a precedent.

The Minister for Education: That was the one I was referring to last night.

Hon. J. T. TONKIN: That certainly appears to be a precedent for it.

Mr. Marshall: We are not defending that, because none of us was here at the time.

The Attorney General: The whole point is: Does it matter?

Hon. J. T. TONKIN: I think it does matter, because it is definitely bad legislation to provide power under one Act to make regulations, which very few members see, to over-ride provisions in an Act of Parliament passed in proper fashion.

The Attorney General: We are dealing with a specialised subject.

Hon. J. T. TONKIN: Never mind a specialised subject! We are dealing with the method, and I say it is a bad principle to follow. Even if this appears to be a precedent, then it is a bad one to follow. By far the better method is the one adopted in the War Service Land Settlement Agreement (Land Act Application) Act, where it sets out that if it is necessary to do certain things which the Land Act does not permit, power can be taken to make regulations under that Act to enable them to be done. I would meet the Minister that far so that he could take power under that Act, and in order to make the necessary regulations to give him the necessary power to do what he wants to do. However, he does not yet know what he wants to do, so when the time comes he can make regulations under the Land Act if he wishes to do something which that Act permits, but I do not think he should have power to make regulations under this Act to over-ride the Land Act. Now, will the Minister be more amenable to reason?

The MINISTER FOR LANDS: What concerns me is that there has been a great deal of litigation as to the powers of the Commonwealth, and this Bill has received very earnest consideration by the Land Settlement Board and the Crown Law officers. It has been sent backwards and forwards on several occasions to make certain that the drafting is correct and to give the board the powers necessary to carry on the scheme. In a discussion with the chairman of the board, he informed me that since the final drafting of the measure, which has been submitted to the representatives of the Commonwealth, they have agreed that this is the Bill. The member for Melville argues that it may be bad in practice, but the real question is: Should we interfere with the drafting of the Bill?

Hon. J. T. Tonkin: Yes, I think we should.

The MINISTER FOR LANDS: As far as I know, after we amend it and discover that we have taken some powers away

that are essential for the carrying out of the scheme, and if it is something which has not been done to any extent on previous occasions—

The Minister for Works: One.

The MINISTER FOR LANDS: Yes, one. Is there any grave danger that anything in the nature of something which should not be done will be done? That is how I feel about it when I know of the legal consideration that has been given to the Bill. I do not know that the hon. member is an authority on these questions.

Hon. J. T. Tonkin: I am not claiming to be an authority.

The MINISTER FOR LANDS: The hon. member hammers these matters. I have presented the Bill to the House and assure members that it has received every consideration. Now I am being asked to accept an amendment that may upset the legislation. I do not think it is fair, and will leave the clause to be tested by the Committee.

Hon. J. T. TONKIN: The Minister expresses some concern that if he accepts the amendment it might upset the legislation. I will tell the Minister—and I do not claim to be an authority—that my considered belief now is that if he proceeds with the Bill the provision he is inserting will be ultra vires. I have had time to examine further the section of the Act which the Minister for Education brought to my notice and which I first thought was a precedent. I now say that it is not a precedent at all, because it does not give power to make regulations under one Act to over-ride another.

Under the section referred to, land may be disposed of under that Act, with such modifications as are prescribed by regulations under this Act. In my view, that does not give the Minister power under this Act to make regulations contravening the Land Act. That section refers only to the fact that the land so set apart may be subdivided into such blocks as the Minister determines under the terms of the Land Act, but that such modification may be prescribed by regulation. On my reading of the section, those regulations would not be in contravention of the provisions of the Land Act. It seems to me that it would be ultra vires to attempt to over-ride a statutory authority contained in an Act by making regulations under some other Act. We would then get into this situation: We could consider all the argument with regard to certain of the proposals before us in a certain Bill and we could believe that it was the law on the subject.

If this is watertight it is conceivable that we could take power in some other Act conferring power to make regulations to over-ride Acts which are the result of the considered opinion of the members in Committee when such Bills were under consideration. Only last year or the year

before an attempt was made with regard to the alunite works at Chandler to take power by regulation. The Crown Law Department advised that the power was there; an attempt was made to use it and, subsequently, the Minister had to bring down a validating Bill to put the matter right.

The Minister need not worry about the Commonwealth view in this matter because it did not submit this Bill as it is now before us. All the Commonwealth would require would be power to make regulations to permit of all this being done, and the Minister had better make those regulations under the Land Act, not under this Act to enable him to over-ride the Land Act, as in my view it would not stand up in law. I think the Minister should report progress and get the regulations drafted under the Land Act. I move—

That paragraph (c) of Subclause (1) be struck out.

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

| | | |
|------|-------|----|
| Ayes | | 14 |
| Noes | | 18 |

Majority against 4

Ayes.

| | |
|---------------|---------------|
| Mr. Ackland | Mr. McCulloch |
| Mr. Cornell | Mr. Moir |
| Mr. Hawke | Mr. Read |
| Mr. J. Hegney | Mr. Rodoreda |
| Mr. W. Hegney | Mr. Styants |
| Mr. Hoar | Mr. Tonkin |
| Mr. Marshall | Mr. Kelly |

(Teller.)

Noes.

| | |
|----------------|--------------|
| Mr. Brand | Mr. Nalder |
| Mr. Butcher | Mr. Nimmo |
| Mr. Doney | Mr. Oldfield |
| Mr. Grayden | Mr. Owen |
| Mr. Griffith | Mr. Thorn |
| Mr. Hearman | Mr. Watts |
| Mr. Hutchinson | Mr. Wild |
| Mr. Manning | Mr. Yates |
| Mr. McLarty | Mr. Bovell |

(Teller.)

Pairs.

| Noes. | Ayes. |
|------------------------|--------------|
| Mr. Hill | Mr. Pantor |
| Mr. Totterdell | Mr. Needham |
| Mr. Mann | Mr. Coverley |
| Mr. Abbott | Mr. Nulsen |
| Dame F. Cardell-Oliver | Mr. Steeman |

Amendment thus negatived.

Clause put and passed.

Clauses 7 and 8, Schedule, Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 11.28 p.m.