

it will cost a good deal more. The Denmark-Nornalup railway, it will be remembered, cost nearly double the amount of the estimate.

Hon. G. W. Miles: Why not hold up the Yuna-Dartmoor railway and let the committee conduct the inquiry?

Hon. C. H. WITTENOOM: I am in favour of acting on the information supplied by the Railway Advisory Board, who should know the position. The Commissioner of Railways is asked to make the railways pay and he has to meet a huge interest bill. I think his life must be anything but happy. Nevertheless, I congratulate the Commissioner on the results he obtained last year. He has to pay interest on the capitalisation of about £25,000,000 and the interest bill runs into something like £996,000. The last year's working showed a profit of £820,000 but the net loss was £175,000, which is a serious position. If the capitalisation were written down, that huge interest bill would be curtailed and the taxpayers generally could shoulder the burden instead of the farmers being asked to bear such a large proportion of it. The motor transport competition is a problem in every country to-day and South Australia seems to have achieved something like success in coping with it. We shall probably have to follow their example. It is satisfactory to know that Western Australia recognises that something must be done. So far the only step that has been taken has been to impose higher license fees on motor trucks. I do not know of any alternative except that suggested by Mr. Thomson for the appointment of a select committee to investigate the position. Our railways will be necessary for years to come and we do not desire to do away with motor trucks. Attempts have been made to popularise the railways by means of cheaper fares, but that has apparently not been successful. If more attention were given to the comfort of passengers and increased speed, railway travel might be more popular. I support the motion.

On motion by the Honorary Minister, debate adjourned.

House adjourned at 9.43 p.m.

Legislative Assembly,

Wednesday, 6th September, 1933.

	PAGE
Questions: Electricity supply, effect of break-down	734
Relief works, arrangements	735
Bills: Mortgagees' Rights Restriction Act Continuance, 1A.	735
Goldfields Allotments Revestment, 1A.	735
Reduction of Rents Act Continuance, 1A.	735
Dentists Act Amendment, 1A.	735
Motions: Douglas credit proposals	735
Aborigines treatment—To inquire by Royal Commission	749
Health Act, to disallow by-law	758
Legal costs, to inquire by select committee	762

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

QUESTION—ELECTRICITY SUPPLY, EFFECT OF BREAK-DOWN.

Mr. McDONALD asked the Minister for Railways: 1, Would there be any material disturbance of the electrical service if the largest turbine set now in use at East Perth power house broke down and became unserviceable for, say, one or two months? 2, Is he satisfied that there is no danger to be apprehended to the continuous supply of current necessary for the Perth and Fremantle tramways, Fremantle harbour cranes, Midland Junction Workshops, in addition to the public supply required for industries and lighting? 3, Is the present plant capable of supplying the requirements for the next two years? 4, In the event of a serious break-down of the largest turbine, how long would it take to provide adequate additional new plant, estimated from the time authority was given to call for tenders until the plant could be available for service in the power house? 5, What number of units have been produced from the East Perth power house for the year ended 30th June last, and for the previous year ended 30th June, 1932?

The MINISTER FOR RAILWAYS replied: 1, Yes, otherwise the unit would not have been provided. 2, There is always a possibility of a break-down, but the station has been able to satisfy reasonable requirements during recent years. 3, This depends on what the requirements may be. 4, Two-and-a-half years. However, no very serious break-down has occurred during the 20 years' existence of the plant, and it is not anticipated that one will occur. 5, Year ended 30th June, 1933, 85,876,410; year ended 30th June, 1932, 78,878,520.

QUESTION—RELIEF WORKS, ARRANGEMENTS.

Mr. HAWKE asked the Minister for Employment: 1. Is he endeavouring to give men employed on relief works additional full-time work in preference to allowing them to receive ration tickets during their standing-down period? 2. Is it proposed to make the new system apply generally?

The MINISTER FOR EMPLOYMENT replied: 1. Yes. 2. Yes, wherever possible.

BILLS (4)—FIRST READING.

1. Mortgagees' Rights Restriction Act (Continuance).

2. Goldfields Allotments Revestment.

Introduced by the Minister for Lands.

3. Reduction of Rents Act Continuance.

Introduced by the Minister for Justice.

4. Dentists Act Amendment.

Introduced by Mr. Lambert.

MOTION—DOUGLAS CREDIT PROPOSALS.

Debate resumed from the 23rd August on the following amendment moved by Mr. Tonkin—

To strike out all words after the word 'to' in the motion moved by Mr. North—
"That this House urges the Government to explore fully the means of escape from our present trouble, indicated by Major Douglas," with a view to inserting the following: "inquire into the mechanism of the economic system in order to discover whether our present trouble is due, as Major Douglas asserts, to a discrepancy between the price of goods and the purchasing power issued against them, or to the unequal distribution of income."

MR. GRIFFITHS (Avon) [4.37]: During the last Parliament the member for Clarendon (Mr. North) gave us a most interesting address on the Douglas Credit System, and it was a matter of regret to many members that we were not afforded an opportunity to discuss at length the motion he moved. I am glad the opportunity has been given us this session to comment upon what Winston Churchill has described as "the supreme problem of the age." The member for Clarendon, in the course of his speech,

dealt with the various difficulties and problems that confront the nations of the world. He did not enter into that phase quite so fully as he did on the previous occasion, but nevertheless his remarks were enlightening. Those of us who give any thought to such matters realise that monetary reform represents the supreme problem of the age. That has been proved by the number of schemes that have been advanced from time to time. We have had experts, doctrinaires, economists, bankers and newspaper men, all advocating their particular views regarding the solution of the world-wide difficulties. There have been reams of newspaper articles propounding all sorts of remedies and suggested means of escape from the morass into which the nations of the world are sunk to-day. During the last few years, I have made a collection of the various theories that have been propounded, and I can assure the House that it makes astonishing reading, in view of the contradictions by one school of thought of the pet theories of others. In fact, there are scores of such schools of thought. The depression from which we are suffering in these days is no new factor in world affairs. There are plenty of historic references to show that periods of difficulty and trouble are by no means rare. The present depression is perhaps more acute than any experienced in the past, because it is more general and widespread. The policy of laissez-faire is slowly losing ground. The idea that difficulties would right themselves and that a slump this year would be followed by a boom next year, so that conditions mechanically adjusted themselves, has been exploded. There is a generally accepted opinion now throughout the world that the monetary credit system has failed lamentably and that some system must be substituted that will obviate the haphazard methods of the past. We can go back to the days of Rome to find similar periods of adversity. In the days of her expansion she prospered, but in the time of her dire distress, Rome sank largely because of the contraction of her national currency, which was found to be inadequate for the needs of the Empire. The mines of Spain and Greece were exhausted. There was a dearth of treasure throughout the Empire. In the age of Augustus it was calculated that there were, in terms of present-day currency, £380,000,000 worth of treasure throughout the Roman Empire, but some 400 years

later, in the reign of Justinian, the value had sunk to £80,000,000. Such a dire contraction of the currency brought about widespread ruin. The national industry—agriculture—disappeared, and the cornfields reverted to pastures, and the great cities of the Roman Empire were fed from the fields of Egypt and Libya. If we look back over that period and contrast the conditions with those that obtain to-day, we find much that applies with equal force now as in those earlier times. As is well known, Rome plunged into the abyss and carried most of the then-known civilisation with it. The then-known world passed through a dismal period that was referred back to as the Dark Ages. There are some to-day who say that such a thing could not happen in these times, that those days are past, and that we are now too enlightened to permit of such results. There is nothing in history to justify any such complacency. In the opinion of the leaders of thought the world over, it will be only some most intense and immediate far-seeing effort on the part of the nations that will save the world from reverting to chaos and wholesale revolution. Long ago Aristotle said: "Money is made by law, and its value depends upon its quantity." All that I have said regarding the Roman Empire can be applied equally to other periods of later dates. Can anyone doubt that the great influx of treasure in bullion and gold that came to Europe when the New World was discovered, brought about the great efflorescence in industry, arts and science that characterised the 16th century? Coming nearer to our own time, can we doubt that the depression of the Napoleonic period, following upon the years of war, arose from the inadequacy of the currency or the inadequate banking needs of those days? The industrial revolution that really brought about a great improvement in the conditions of the people would have been accelerated had a more intelligent banking system been in operation that would have supplied the lack of gold which appeared to have been the cause of trouble in various succeeding periods. After the great gold discoveries in California, there followed some 30 years of prosperity. At the end of 30 years many of the nations demonetised silver and such a drastic contraction of currency produced another period of depression, bankruptcy and kindred ills. The discovery of the great

goldfields in South Africa relieved the position and brought the nations back to prosperity. Later there followed the discovery of the goldfields in Western Australia. In the House of Commons some 17 months ago Mr. Winston Churchill gave utterance to the following words—

When I was moved by many arguments and forces in 1925 to return to the gold standard I was assured by the highest experts that we were anchoring ourselves to reality and stability. But what has happened? There is no reality, no stability. The price of gold has risen since then by more than 70 per cent.

Are we really going to accept the position that the whole future development of science, our organisation, our increasing co-operation, and the fruitful era of peace and goodwill among men and nations—are all these developments to be arbitrarily barred by the price of gold?

Is the progress of the human race in this age of almost terrifying expansion to be arbitrarily barred and regulated by the fortuitous discoveries of gold mines here and there, or by the extent to which we can persuade the existing hoarders and cornerers of gold to put their hoards again into the common stock?

Are we to be told that human civilisation and society would have been impossible if gold had not happened to be an element in the composition of the globe?

These are absurdities, but they are becoming dangerous and deadly absurdities. They have only to be asserted long enough, they have only to be left ungrappled with long enough, to endanger the system upon which the liberties and enjoyments and prosperity of the vast masses of the people depend.

It appears fantastic to think that questions can have such an enormous effect upon the lives of the people, and that such a device as the medium of exchange can exercise so great an influence upon the fortunes of mankind.

It seems almost as if man had created a Frankenstein and that, because he has lost the key of the mechanism, it will ultimately destroy him. The cornering of gold by France and America has caused world retrogression. The idea of the Douglas social credit scheme, I take it, is that something shall be done to bring about a better equilibrium between production and the money in circulation, so that the products may be disposed of and the money put into the hands of the people generally. Most of the countries of the world have gone off the gold standard. Some are partly on gold and are held there because they have imposed various restrictions in regard to their tariffs, exchange rates, etc. In consequence of all these complex difficulties, conditions have reached a state of chaos, and mankind gen-

erally is looking for a scheme that will show a way out of the present impasse. Mr. Riddle, Manager of the Commonwealth Bank, stated just previous to his departure for the Ottawa conference.

Modern thought in regard to banking and finance is undergoing drastic changes. Many old and well-tried theories which stood as sheet anchors in pre-war days are being torn from their bearings, and new ideas are being forced to the front by post-war conditions.

Regarding the gold standard and the orthodox banking views held concerning the elusive yellow metal, Mr. Reginald McKenna, Chairman of the Midland Bank, was reported in the "Money Maker" to have said—

The question is inevitably asked whether gold is for ever to remain the standard of money values, however well or ill it is made to work. Obviously the most rational answer to this question would seem to be that, if the gold standard cannot work without depressing and even ruining trade, the proper course must be to seek another and better one. I am afraid, however, that the financial authorities of the world, with their deep-rooted traditions and long-established practice, will not be easily moved to consider the question on its merits.

On six or seven occasions schemes have been tried with other than gold to overcome the difficulty. I believe that mention has been made here of what was done in Guernsey. Efforts were made to obtain money in London and Paris to build a market, and the Guernsey authorities were told that the money would cost them 17 per cent. Market notes were issued and when the market was completed and let, once a year, out of the revenue received from the market, market notes of equivalent value were burnt. In the course of a few years all the market notes had been destroyed and the people of Guernsey had an up-to-date market free from debt, instead of one on which they would have had to pay interest in perpetuity. Again, reference has been made to the building of the trans-Australian railway. I need not enter into details of that because the history of it is well known. What has impressed me about the Douglas credit system is that already one of its first principles has been put into operation in Sweden. Professor Cassel, on his return to Stockholm from one of the conferences, got the Government to extend the currency in proportion to the products of the country. This rather astonishing move brought about an era of prosperity and Sweden, some little time ago, was said to be in a position quite

equal to that of France, which country was then prosperous. Reading the New Zealand "Hansard" a little time ago, I found to my astonishment that some 16 members of the Dominion Parliament were followers of the Douglas credit scheme, but there was one thing to which those members took great exception, which is shown by the following extracts:—

Mr. Rushworth: Now take the case of Sweden, and here I would like to direct attention to a strange defect in the Dominion's world news service. Our city newspapers have a very fine and expensive organisation for obtaining world news. Then was it purely accidental that that extraordinary, that revolutionary change made in Sweden's monetary system last October could only get here by means of private correspondence?

Rev. Clyde Carr: We know that Sweden six months ago went on the goods basis for its credit, and Sweden is now progressing by leaps and bounds, and is outstripping its nearest competitor, France. We can if we choose issue the money necessary to set the unemployed at work earning good wages with which to buy the goods produced. I would like to ask the Prime Minister's definition of what money is; that is currency and credit instruments; his ideas as to the functions of money; and his answers to the following questions:—Who is licensed by Parliament to manufacture money? Is such a license granted as a monopoly? How is the money so manufactured put into circulation? Our distributive machinery and the credit and currency credit on which distribution depends are hopelessly out of date and ineffective. The banks find it very profitable to manufacture money from time to time and then destroy it for further profit. Money does not come out of the blue; it does not come by waiting. It comes by creating fresh currency and credit to enable goods to be purchased and consumed.

There are three instances in which countries have hung on to gold. The member for Claremont, I think, spoke of what occurred in Austria. In the Austrian Tyrol there is a small town named Woergl. This particular experiment—if one may so term it—which proved highly successful, bears out what the member for Claremont said was being carried into effect in Austria. The introduction to a sworn declaration published by the Mayor of Woergl contained the following—

Out of the upheaval of the past and present, economic and social, and the endless controversies regarding the present breakdown in industrial conditions stands the cold fact that orthodox science has utterly failed to offer a solution. The last twenty years have seen economic happenings that have compelled science to revise its teachings, without present-

ing to the world, however, any satisfactory theories explanatory of the economic phenomena of our times. The nations are drifting helplessly, and unless a solution is found, recognised, and applied in time, the forces which have destroyed empires and cultures will bring about moral ruin and racial degeneration.

Twenty years ago economic scientists denied there was any social problem. Lloyd George, for instance, in dismal voice, says, "the world is whirling towards catastrophe, and the nations are like corks in a whirlpool. Montagu Norman, Governor of the Bank of England, says, "outside of any control."

Woergl has an industrial community of about 4,300 inhabitants. Up to July of last year there were 1,500 unemployed and the delinquent taxes had reached an amount of 120,000s. Last summer, complete economic collapse seemed imminent and the Mayor began his rescue action. On the 5th July, 1932, he submitted to the relief committee an emergency plan which, because of its singularity, evoked general interest. The account of his scheme continues—

A slow flow of money is the cause of existing economic paralysis. Money, the medium of exchange, fails more and more to reach the hands of the productive needy masses. It seeps into the channels of interest, accumulates in the hands of the idle few, and is no longer available for goods and services. Thus the medium of exchange is turned into a medium of speculation. If this be allowed to continue it will paralyse, disintegrate, and kill the economic organism of the nation. Even if we are unable finally to liberate the world from this parasite, we can at least hoist a signal and give a lead. People depend for their economic existence on the exchange of their products and services. Slow circulation of money has almost completely interrupted the exchange. Millions of people have thus lost all opportunity of satisfying their material needs. It is absolutely imperative to restore and safeguard the exchange.

The Mayors' proposal was accepted. It was—

To substitute the national money within the community for a medium of exchange which, because of its nature, was bound to remain a medium of exchange.

Service scrip in three denominations, 1 shilling, 5 shillings and 10 shillings, was put into circulation. The casual holder had to affix a 1 per cent. stamp of the face value at the beginning of every month. The community and citizens bought this service scrip from the relief committee and made all payments within the community with it, with the exception of the post office and railroad company. Even before the service scrip

was put into circulation, the Austrian National Bank, the guardian of Austrian financial power, protested against the issue of this money substitute, and declared the service scrip to be "money." The Mayor contested this assertion and, without giving further consideration to the protest, proceeded on his clearly recognised way of rescue. The first payment of bills by the city by means of the service scrip, amounting to 1,500 shillings, resulted in all service scrip being paid to grocers, merchants, etc., of the town. They in turn returned the service scrip to the town treasurer in payment of taxes. Only two days after his first payment had been made, the whole amount of 1,500 shillings was back in the treasury of the community. It was issued again in payment of bills and, within a month, accounts amounting to more than 20 times the nominal value of the issued service scrip had been balanced; also, within the community the service scrip circulated without interruption in settlement of mutual obligations. After years of despair, hope and joy illuminated the faces of the people. The little community employed fifty workers for extra public works. All the streets were repaired or newly constructed. Workers were busy at the quarries, and the steam roller was in continuous use. Tens of thousands of feet of sewer and concrete sidewalk stones were produced. A jumping hill for ski sports was established, and business and trade revived. Within six months more than fifty per cent. of the heavy accumulations of tax arrears were paid by the citizens. The value of public works alone amounted to 100,000 shillings, without increasing communal taxes and debts by one cent. What never had been believed possible six months before, had become a reality. The little town, with its almost complete economic stagnation, unemployment and misery, had been transformed into a centre of work and activity. This almost miraculous result, with its irresistible inducement to imitation, called forth again the opposition of the sinister financial powers. The district authorities in January, 1933, forbade the continuation of the "experiment." Once again they were ignored by the courageous mayor who knew that as never before, he had the whole community behind him. Woergl continues on the road to prosperity.

Mr. Doney: Are the neighbouring towns copying this wonderful method.

Mr. Latham: It has been in use in France for some time.

Mr. North: Do you suggest it for this State?

Mr. GRIFFITHS: It is being applied in this small town of 4,000 odd inhabitants. It was also applied in a small way in Guernsey. We have been tied to the orthodox idea that a little yellow metal should rule currency. We have given every right the State had of saying what currency should be circulated in the country to those who manufacture currency. It is stated that banks do not create currency, although the idea that they do is generally accepted.

Mr. Doney: Do you know whether that little township paid its debts?

Mr. GRIFFITHS: I am merely quoting the sworn declaration of the mayor, showing how successful the scheme was there.

Mr. Hawke: Do not let them put you off your argument.

Mr. Marshall: And do not lose any of that literature.

Mr. GRIFFITHS: I have shown how the trans-Australian railway was financed. I have also referred to the outstanding Swedish experiment, which bears out the suggestion that there is possibly something in the Douglas credit system. Then I have referred to the miracle that occurred in Austria. During the Napoleonic war, Britain, because of a shortage of bullion, had to adopt other means of paying her way. Whilst the war was carried out successfully, and ended in the defeat of Napoleon, Great Britain went back to gold again with consequent distress throughout the country. I should like to make a further reference to currency that is not tied to gold, namely, the Pennsylvania monetary policy. The reference is as follows—

Early in the 18th century certain of the Middle Colonies of America, finding their supplies of specie insufficient for their rapidly growing money requirements, adopted paper money for their internal use. Let us take the case of Pennsylvania. Starting in 1723, this colony issued its own paper money. It was not redeemable in specie money, but was legal tender.

I shall give a local illustration of this method a little later.

Thus the State made its money to suit its requirements, with the result that it enjoyed prosperity unparalleled at that time. Not only was the community prosperous as a whole, but the prosperity was well diffused. Industry

flourished; wages were good and employment general and adequate. But these conditions were not to the liking of the money interests in England, and these agitated for the suppression of this paper money—for the enforced use of metal money.

In spite of the strenuous opposition of the colonies, and of such men as the great Benjamin Franklin, a law was passed in 1751 to restrain these colonies from issuing paper legal-tender money. Pennsylvania was exempted from this Act, but in 1764 an Act was passed to prevent the issue of such money in any of the colonies, and to cancel the legal-tender qualification of all such money as was already in circulation. Apparently neither Act produced as complete results as were desired, and in 1773 a more stringent Act was passed.

The disastrous measure was strongly opposed by the banks and the commercial classes, and disaster was predicted. And disaster followed.

I have mentioned these instances to bear out the argument that currency should not be tied to the metal that we get out of the earth. No doubt gold is useful, but currency is hampered by reason of its use. Various nations have tied themselves to gold in the past. Gold is manipulated by private concerns, and is not available to the extent required by the monetary needs of the people. The member for Northam (Mr. Hawke) stated that the methods employed for issuing currency had been bad in the past. In our agricultural areas in the earlier days, banks and other financial institutions were most anxious to extend credit to the farmers, but as soon as bad times came, this credit was withheld.

Mr. Sampson: Like the man who lends you an umbrella when it is fine, and takes it back when it is raining.

Mr. GRIFFITHS: In an interesting article, Lord Beaverbrook, referred to his opposition to the present banking system. The outstanding and recognised fact that comes out of all this world-muddle, and failure of the monetary system to keep pace with modern developments in scientific production, was well expressed by him in the "Sunday Express," London, recently. He said—

I am opposed to the present system of banking in Great Britain.

I want to help in the reformation of it.

I want to deprive the Bank of England of its power to regulate money and the price of it, to determine credit and the amount of it.

I want to place that power and responsibility for the use of it in the hands of the State, subject to the scrutiny of Parliament.

The City and the bankers denounce these declarations. Naturally. Their power to regulate the price of money is really power to regulate their own profits. How does that come about? His answer is—

It comes from their right to fix the rate of interest which every borrower must pay for the money he gets from the bank. This involves the right to determine the rate which the Government must pay for its borrowings. For this reason the city bankers are an important factor in fixing the level of taxation in the country. As to the 1925 blunder, Mr. Montagu Norman's policy was quite definite. He wanted the merchants' banking houses of the City of London to lead the world in finance. He wanted them to make plenty of commissions and do lots of business with foreign countries. He wanted to restore European industry to pre-war conditions. To do that he had to bring Britain back to the gold standard in the year 1925. In doing that he added 10 per cent. to the price of British coal in foreign countries. He added 10 per cent. to the price of our other staple exports. He added 150,000,000 American dollars to our yearly budget. He damaged trade for the benefit of finance. To keep Britain on the gold standard, Montagu Norman had to deflate continually. He had to make money constantly more valuable.

Another difficulty we are faced with in the Bank of England is that the board of directors is made up largely of financiers. Business and politics are not fairly represented in it. Many of these financiers are partners in banking houses, dealing largely with foreign countries, viz.:—Mr. Frank C. Tiarks, a member of J. Henry Schroder and Co., a banking firm which has always been interested in Germany; Mr. Edward R. Peacock, a director of Baring Brothers, which has interests in the Argentine; Mr. Edward C. Grenfell, a partner in Morgan, Grenfell, a correspondent of the great New York house of J. P. Morgan & Co.; Sir Robert Kindersley, chairman of Lazard Brothers, with French banking affiliations. These directors have the best of intentions, of course; but they have the worst of experiences from the national standpoint. Their minds are fastened upon the glory of the city. We want to think of the people in the provinces. What should we do? Our course is clear. Restore at once the money power to the nation, and the scrutiny of its operations to the House of Commons, where it properly belongs. Then we shall get men amenable to the whole community dealing with the vital issue of cheap money and plenty of it. Give back to the people the power which has been stripped from them by city financiers. When you have done that, and when you have at the same time launched out on the development of the resources of the Crown colonies, you will find before very long that you have in your pocket, and in your bank account sufficient to satisfy your normal demands.

Mr. Lambert: The hon. member is speaking rather quickly, and we are unable to hear him.

Mr. SPEAKER: The hon. member is reading a quotation.

Mr. Lambert: There is no reason why we should not hear it.

Mr. GRIFFITHS: Everything points to something of a drastic nature being required to deal with currency problems. We read in the papers that there is any amount of cheap money available, that it was never cheaper on the London market than it is to-day. The trouble is that money is not circulating. Of what use are these immense hoards of gold in the vaults of France and the United States? They are in effect, sterilised, and the world is bankrupt. I support the member for Claremont most heartily in his endeavour to secure an inquiry into the Douglas credit and other similar systems. He is to be congratulated on having brought this forward. Money is the supreme problem of the age. All sorts of excuses are given for the position in which the world finds itself. War debts are trotted out as a good excuse to enable statesmen generally to hang back and wait for something to turn up. There is the factor of intense nationalism; there are the tariff barriers which have been erected, countries waiting for empty ships to come to be filled: the countries are prepared to sell, but not to buy. All these things are contributory; but I maintain, with the advocates of the Douglas credit system, that the monetary problem is the biggest factor in the present unfortunate position of the world. Reference was made here recently to an inquiry by the British Labour Party. On this Mr. Waite reports that the British Labour Party, after a searching investigation, came to the conclusion that the system was not only unworkable but founded on an economic fallacy and unworthy of consideration. Whatever may be the merits or demerits of the system, we wish to be fair and reasonable in discussing every aspect of it. Since the scheme was brought forward by Major Douglas, three reasons have been advanced why he and Mr. Orage should not give evidence before a committee of the British Labour Party—

They were well aware that members of it were incompetent to investigate their draft scheme for the mining industry, which was the primary instigation for the inquiry, as proven by the fact that only one member had any direct knowledge of coal mining, and in general that none of them had any experience either of the concrete problems of business management or of the operations of

practical finance. And they knew, also, the biased view members would take since they were already pledged to the support of economic dogmas which were expressly challenged by the theory of the scheme. On these grounds Major Douglas and Mr. Orage declined to give evidence before the committee as constituted, and suggested the following alternative composition. They wrote:—"As we agree most unreservedly that an investigation by a suitable committee of a scheme claiming to offer a solution of the present difficulties is in the highest degree desirable, we would suggest the formation of such a committee on the following lines:—(1) The committee to consist of 12 members, six to be nominated by ourselves, and six by the Labour Party. (2) It shall be an indispensable qualification for membership of such a committee that they shall have been within the last five years actively engaged in some branch of productive industry or the administration of it, and shall not be publicly committed to any specific scheme of social or industrial reform. (3) The officials of such committee shall be elected by the committee."

Major Douglas and Mr. Orage agreed to appear before such a committee if it were appointed. The Labour Party, however, declined the proposal, and consequently Major Douglas and Mr. Orage did not appear as witnesses. The report from which I quote proceeds—

There is unimpeachable authority for the statement of one member that as the rest of the committee know less about the subject of credit than he did himself, which was not much, he proposed to have as little as possible to do with it.

Mr. North: That was 10 years ago.

Mr. GRIFFITHS: Yes. However, I came across this piece of information, and I think it right that hon. members should know of it. Mr. Sidney Webb was a member of the committee in question, and Major Douglas writes in that connection—

Some years ago I had the experience of discussing these proposals with Mr. and Mrs. Sidney Webb, and, after disposing, one after the other, of the objections raised as to the feasibility of the scheme, I was met with an objection with which, I confess, I found myself wholly unable to deal, and I recognise that objection in the Labour Party report on the Douglas proposals. The words in which it was made to me are worth putting on record. They were, "I don't care whether the scheme is sound or not; I don't like it."

Mr. Waite in his report said—

The idea of a Government or any other authority being able to manufacture millions of money out of nothing and give it away

under the Douglas or any other scheme is surely absurd on the face of it.

Mr. Reginald McKenna stated—

It is well recognised that the Bank of England, through the two instruments I have mentioned (the bank rate and "open market operations"), has a high degree of control over the volume of credit and the rates currently charged for its use. Indeed, its control over the quantity of credit, and consequently of money, is as nearly absolute as anything can be in economic life.

I have here also an extract from the MacMillan report, paragraph 74. I shall not read it, as it is too long. I will merely quote from it the following—

It is not unnatural to think of the deposits of a bank as being created by the public through the deposit of cash representing either savings or amounts which are not for the time being required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves, for by granting loans, allowing money to be drawn on an overdraft, or purchasing securities, a bank creates a credit in its books, which is the equivalent of a deposit.

Then follows an illustration of the involved method by which these things are done. The MacMillan committee undoubtedly was a bankers' committee, its personnel including seven bankers, two managers of large insurance companies, a barrister, an ex-Secretary of the Treasury, a representative of the Calico Printers' Union, a Radical lecturer, and a coal magnate.

Mr. North: The committee issued no adverse report, though.

Mr. Latham: Neither did they issue a favourable one.

Mr. North: They ignored the subject.

Mr. GRIFFITHS: Referring to the MacMillan committee, Professor Copland said that the fact of the committee not recommending the Douglas proposals was proof that the financial experts did not consider them worth considering. Upon this the following comment has been made—

Was it any wonder that the committee preserved an eloquent silence upon the proposal put forward by Major C. H. Douglas? Was it any wonder that Mr. C. Barclay Smith said "It was as much to expect the MacMillan committee to disgorge its own traditional ideas as to expect Professor Copland to accept Douglasism when he is economic adviser to the banking interests." And that's that.

Mr. Lambert: On a point of order, certainly must protest against the continu-

ous reading of matter which, with all due respect to the hon. member, we cannot hear if we desire to listen to it. At least we should know what the hon. member is reading about. If he is merely reading—

Mr. SPEAKER: The hon. member has risen to a point of order. He is not entitled to make a speech on a point of order.

Mr. Lambert: I do not mind listening to it if I can hear it.

Mr. SPEAKER: The member for Avon is quite in order in reading quotations, so long as he does not read his speech.

Mr. GRIFFITHS: We are aware that our wool industry lost approximately £10,000,000 last year. A debt of between 30 and 40 million pounds is owing to the Agricultural Bank. The difficulties and troubles weighing upon the agricultural calling, our main industry, are known to everyone. Fortunately industry is at present being greatly helped by gold production and the enhanced price of the metal in paying overseas debts. A great deal of matter has been read out here in connection with this motion, but many of the authoritative opinions I have quoted bear out what I want to drive home. I dare say many hon. members are better informed on the question than I am, but I wish to drive home that a contraction of currency has been brought about by private interests. The real solution of the trouble is the issuing of an adequate amount of currency to be available for the country's needs. That function should not be in the hands of private concerns. Governments have let slip out of their own hands the prerogative of issuing currency. Formerly the capitalist was represented as the villain of the piece. Now the banks play the part of villain. As regards Australia, the banks have not done badly by the country: they have carried on an honourable business and have materially helped the Commonwealth by stepping into the breach. We know it was done to preserve their own assets, but nevertheless they assisted materially. With all due respect to those who are inclined to run all the banks down, I contend that these institutions have carried out an honourable function, which has so far operated pretty well, thanks to the haphazard discovery of goldfields. But to-day conditions are altered. Agricultural and industrial science have increased the production of all things needed by mankind to such an extent that the scientific development of the monetary system has not kept pace with the progress of agri-

culture and industry. Therefore I support the member for Claremont in his endeavour to have the fullest light thrown on the lack of monetary policy in Australia and in the world at large. There is much more one could say on the subject of contraction of currency, the issue of credit, and the manipulation of credit. Some hon. members have objected to my reading so much matter, but I could not memorise the whole of it. We have had professors by the score enunciating all sorts of doctrines. No doubt the administrative side of banking is beyond the range of the ordinary individual, but he can understand the broad general principles of currency and money supplies. In the past the system has been helped by accidental gold discoveries, or the plundering by the old buccaneers of Spanish galleons. An influx of gold has always marked a tide of prosperity, followed by periods of depression consequent on the exhaustion of the gold supply. In my opinion, the tying of a country's money supply to its accidental supplies of metal, yellow or white, is utterly irrational. I hope I have not wearied the House too much, but I felt that the importance of the subject demanded quotations from authoritative sources.

MR. LAMBERT (Yilgarn-Coolgardie) [5.28]: In supporting the motion of the member for Claremont, I may say it is generally acknowledged that the monetary machinery as we know it to-day has long been due for an overhaul. As has been stated, there have been professors and committees and other investigating bodies reporting on the betterment of our monetary policy; but the situation rather reminds me of some words uttered by Professor Henry Drummond when lecturing on "Creative Law"—

This is too great a thing for me to handle, but it must assuredly be handled by greater minds when we, like streaks of morning mist, have faded into the infinite azure of the past.

Ever since the beginning of recorded history the monetary system and various means of providing some measure-stick of value to give effect to the exchange of goods have always been a problem. Since the member for Claremont, supported by the member for Northam, has given an able exposition of the Douglas credit system, I do not intend to weary the House with it, other than to say that unless that system stimulates the

public mind and will create a public conscience to feel that the question of monetary control should always remain subordinate to the happiness of our people, we shall never realise all that science, industry, invention, and the arts have done for progress during the last three or four centuries. It can never be realised under the antiquated system we have to-day, which is responsible for the present crisis. This is not the only economic crisis in history. If we go back to the Middle Ages and trace the growth of our monetary system and the various devices that were used to provide some measure-stick of value in the exchange of goods, tracing it up to the establishment in the 17th century of the Bank of England, it will be seen that many crises have occurred. I remember discussing banking interests with a Scotsman, in the course of which I put up a sound argument on interest and the excessive charge of interest. Having listened, he said, "Well no doubt you have put up a great argument, but thank God for the man who invented interest." At all events the people who have to pay high rates of interest to-day will not thank either the Deity or anyone else. I am not going into the evolution and growth of currency and credit, but it is remarkable that at the latter end of the 17th century there were only 40 banks in England. With the dawn of the machinery era, and the demand for inland credit, the banks of England grew rapidly, until within 40 years their number had expanded to over 400. However, I do not know that the reviewing of currency and credit and the establishment of banks gets us very far in the crisis from which we are suffering to-day. I have before me the Macmillan report on finance and industry, which does not give any indication as to how we may get out of our difficulties. From an academic point of view, the report will live in history, but it does not show us how we can exchange goods between one country and another and preserve our existing monetary system. It is not generally realised that the dislocation of trade following on the war to a very great extent brought about the dislocation of our monetary system. The United States and France have £15,000,000,000 worth of the available gold of the world, which is computed at only £17,000,000,000, leaving Great Britain something like £1,800,000,000 in the vaults of the Bank of England. After

all it was only yesterday, so to speak, when the nations of the world which had emerged successful from the war were demanding their reparations from Germany, the first demand having been, I think, for £10,000,000,000. Then on the other part came the demand by America on the successful combatant nations, a demand for the payment of her war debts. So they are equally guilty in the dislocation of trade that followed the war. Neither demand was possible of realisation, and the one has led the younger generation of Germany to find some way out of the difficulty, and has brought about the growth of Hitlerism and other forms of political autocracy in Germany, France and other countries. Side by side with the dislocation of our monetary system is the fall in commodity prices, which are of course correlated, and that fall has led to a fall in the value of metal, particularly silver. People do not appreciate the wonderful part that silver plays in the Orient as a medium of exchange. In that part of the world 1,000,000,000 people rely solely on silver for their money tokens, and when the metal is seriously depreciated members can understand the difficulties set up in the Orient. In the old days, before the establishment of the Bank of England and the growth of paper money, the only thing that could happen to the metal money was its debasement by clippers, whereupon it was called in and re-coined. It must be remembered that up to the 15th century there was only 1½ million pounds worth of silver in existence in Great Britain. In those days it was comparatively easy to preserve some standard of value. All sorts of coins were tried—copper, silver, and gold. People with a slavish regard for gold as a medium of exchange should realise that until the present depression set in, the standard of gold was fixed by Act of Parliament. Since we have departed from the gold standard, ambitious countries such as America and France have been hoarding all the gold they could secure, which has led to the appreciation in the value of gold in the open market. In the old days, as I have said, there was only the debasement of coins to be feared. In Elizabeth's time the coinage was seriously debased, which led to a sharp rise in prices, which in turn was followed by a riot in the middle counties, in consequence of which the value of farm goods had to be fixed. So our monetary system is to be found in practic-

ally every period of recorded history. One can commend the member for Claremont for having been courageous enough to depart from the orthodox, having regard to his position in the Nationalist Party, and be bold enough to say that we should have an investigation by some competent authority. Perhaps my friend Professor Shann, who attended the Economic Conference, and who has been used lately by the financial institutions, might agree to conduct the investigation.

Mr. Latham: Could we not get Professor Irvine?

Mr. LAMBERT: Yes, perhaps in association with Professor Shann.

Mr. Latham: He was the manager of the Primary Producers' Bank.

Mr. LAMBERT: If anything would establish Professor Irvine's status and his financial prestige with the people of Australia, it is the fact that he was intimately connected with the famous Primary Producers' Bank. I do not know exactly who would serve on this inquiry, but it is a helpful sign to see, throughout the country, young men devoting their time to a study of this all-important question. I am not going to deal with the merits or demerits of the Douglas credit system, which has been elaborated by previous speakers, but assuredly it will serve, if it be only an incentive to the younger generation to see that the full fruits of all the progress that has been made can never be realised until we can implement a satisfactory monetary system that will furnish a proper measure-stick of value, whether in gold or silver, and so allow us freely to exchange goods on a sound economic basis, which we are not permitted to do to-day.

MR. MOLONEY (Subiaco) [5.45]: I intend to support the amendment moved by the member for North-East Fremantle (Mr. Tonkin) and I do so because I realise that even though the enthusiastic advocates of the Douglas credit system desire to place their theories before the inquiry, the ramifications of the matters involved are so far-reaching that it is desirable that other aspects should also be dealt with. The member for Claremont is to be congratulated upon having had the courage to put forward his proposals, and also for the assiduity he displayed in his study of the problem. I do not agree with the principles propounded

by hon. members in regard to the method upon which they base their deductions. They say that there is not sufficient money or power to purchase commodities. I say in opposition to that principle as enunciated by the party to which I belong, that there is a mal-distribution of the proceeds of production; money to-day is frozen in the banks' vaults and that has reduced the purchasing power of the people who are divorced from means of production. A different phase is thus exemplified from that portrayed by the Douglas followers. I do not say this in the way of caustic criticism. I realise that Major Douglas has placed before us a lot of information in regard to the intricacies of the banking system; he has had the courage to proclaim that the present state of affairs is not inimical to the interests of civilisation, and that those who deal in service are not receiving the fair deal that should be theirs as producers. I agree with the Leader of the Opposition who stated that the theory propounded by the member for Claremont was that Major Douglas was not the only person who had thought of a way out. For many years, certainly for as long as I can remember, Labour has propounded that there should be an amelioration of the people's needs until such time as the socialisation of the means of production, distribution and exchange have been put into operation. The nationalising of the instruments of credit is an essential to the bringing of that about. I, for one, stand for the nationalisation of the credit of the nation for the purpose of giving to the people the facilities that are essential for their needs of production, and to see that those people who comprise a section that are producing receive that to which they are justly entitled. The capitalistic system as it is operating to-day, is the master of its own destiny in the sense that it controls every means of production. It controls it to the extent that it determines the amount of money that shall be left in circulation, and to-day we find that the result of the amassing of gold that comprises three-fourths of the world's product in that regard is that it is held by two countries. Yet respecting the country that holds the greatest amount we find words such as these enunciated by the leaders of thought—

Values have sunk to fantastic levels. Taxes have risen. Our ability to pay has fallen. Government of all kinds is faced by serious curtail-

ments of income and means of exchange. A host of unemployed citizens face the grim problem of existence and an equally great number toil with little return. Yet our failure comes from no failure of substance. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but the generous use of it languishes in the very sight of supply.

This in a country where we find that they postulate the principle that it is the result of stubbornness and the incompetence of the people that handle the biggest private financial institutions in the country! They stand indicted in the court of public opinion. Faced by the failure of credit, they have proposed only the lending of more money, stripped of the lure of profit, by which to induce our people to follow their false leadership. The measure of restoration rests upon the extent to which we apply social values more noble than mere monetary profit. If ever there was a seathing indictment of the capitalistic system in the greatest country of the world to-day, we find it in America, where Professor Dahlberg has supplanted Professor Morey as the head of the Brain trust there. It is not as Douglas said that there is not sufficient purchasing power, not by a class, but by society, but there is sufficient, provided it is distributed amongst those people who comprise the community that are divorced from their communal right, and who should enjoy the fruits which are their right. We find that Professor Dahlberg says—

Force the huge incomes into circulation, and divert them to those willing to spend. I expect little opposition to my plan; it catches economic experts and reactionaries napping.

Note the word "reactionary." He goes on—

I can think of no reasonable argument against it.

In other words, he is forcing them to put into circulation the money that has been frozen, and we find that as a result of those frozen assets that constitute the wealth of the nation, that though we have for long venerated the gold fetish, the bubble was broken when Sir Robert Gibson, Governor of the Commonwealth Bank, appeared before the bar of the Federal Senate at the time when Mr. Scullin was desirous of sending gold Home to liquidate Australia's liabilities. Sir Robert Gibson, at the request of those who thought that gold was not a material factor in regard to the circulation of currency, said that gold had a purely psychological effect; in other words, that as

long as the people thought that there was gold in the banks—possibly this is so to-day—so long as the people could see bags that were bulging, no matter what was in them, the psychological effect would be there. The people would say that there was still a large quantity of gold, and consequently the banks were safe. Now we know that gold is immaterial, even though it is the yardstick to which the world will perhaps eventually revert. It is something that will be used for that purpose; and we find that to-day it is generally agreed that the banking combines are posing as benefactors by virtue of business associations. Time was when people who lent money had to assume a garb of a varied hue and they were not then venerated as public benefactors. From the time of the Charter of the Bank of England in 1884, as the result of the profligacy of the King at that time, a Scotsman named Patterson was given the right to do certain things in regard to currency. From that period to the present time we find gradually forming a system we are fearful of interfering with; and for that reason I welcome the Douglas proposals or those of any person who can throw light on the question. Visualising it from the national point of view, we can cast our minds back to the time of the establishment of the Commonwealth Bank. We know that then certain functions were expected of that institution. We are aware that in 1924 the powers that were possessed by the Bank were emasculated to a great extent, and that those in opposition to it were free to carry on as they liked. To-day we find the manager of the Bank of New South Wales eulogising the credit structure of Australia. We find that even during the depression period, assets to the extent of 20 millions have been added by the Commonwealth Bank, and we find that the panacea put forward by Douglas of centralising the banking system, not necessarily controlled by the nation, is promulgating something that the high banking experts in the world to-day are also advocating—a centralised system of banking, and that the private banks then should be allowed to act as agents and administer solely as the heart of a mobilised system of privately operated trading banks. Douglas offers no relief from it in that the social dividend that he says shall apply, will continue until such time as the achievement of national socialisation will make it impos-

sible. The supporters of Douglas proclaim that they are opposed to socialism or the socialisation of industry and social services. Yet they say that out of the social fund they will derive the dividends they will make available. When all is said and done, those dividends will come out of the social fund that will be vested in the nation and backed up by the assets of the nation. So we find that nationalisation would be the method that, in a sense, would be employed by them. The trading banks would still continue, because it would be competent for them to act as agents and to receive commission for work they undertook. Thus the banks would still operate and would continue to be in a position to manipulate the currency as in the past, except with regard to the issuing of it. Either we will go on as we are doing or there will be a vital change. It will be for the nation generally to determine what course will be followed. It will be only through the compilation of the national resources by virtue of national control, by means of credit, that a satisfactory conclusion will be reached. To-day Treasury bills are being issued and are being discounted by the private trading banks of Australia. As a result, every time a bank discounts one of our Treasury bills, there is a profit gained by those who handle the transaction. So the whole thing resolves itself back to the position Labour has postulated in season and out of season, namely, that there must be a compilation of the credit resources of the country, and that private enterprise exists—I speak more particularly in regard to the banking system—solely for the purpose of operating as a business proposition. It is futile for people to say that during the stressful period, the banks have stood up to their task well. The banks have been buttressed by the fact that the resources of the country have been backed by the national instrumentality, although there has not been that elasticity in relation to our currency that would have been apparent under a proper system. I do not desire to condemn the Douglas proposals. Those who advocate them are desirous of moving along lines somewhat in accord with our idea of what the banking system should be, but as to the conditions that they would lay down with regard to their theory of regulating the amount of money circulating as against the manipulation of it by the private banks, they will not improve

the position one iota. For that reason I welcome their inquiries. I am somewhat like Montagu Norman. While not claiming to have by any means his knowledge, I would point out that whereas he admitted he did not know anything about the financial situation, with all humility I claim that, little and all as I know of the financial position, what I do know is sufficient to convince me that until such time as we invoke our national activities in such a manner as to operate in a way determined to be in our national interests, our difficulties will continue. Until such time as the financial dictatorship of the nation is removed, nothing will be done. The existence of that dictatorship was exemplified recently by the fact that before the Prime Minister could introduce financial legislation, a conference had to be held with the banking interests of the country in order that those concerned might discuss the position as it would be affected by the proposed legislation. That in itself exemplifies the position from my point of view. I claim that an inquiry should be held. The scope of the inquiry and the terms of reference should be as wide as possible. The best brains available to achieve results should be placed in a position to enable that end to be gained, and when the inquiry is authorised, those who desire it should not then fall back on an attitude that is so often taken up, of refraining from giving evidence on the plea that their testimony will be tendered to a biased tribunal. The evidence should be forthcoming and then, as a result of the publication of those details, the public will be able to assess them at their proper worth and deliver their verdict as a people.

THE PREMIER (Hon. P. Collier—Boulder) [6.6]: I confess I have not made a very deep study of the Douglas credit proposals, and therefore I do not propose to enter into a discussion of their merits. I take this opportunity to congratulate the member for Claremont (Mr. North) upon the excellent speech he made in moving his motion, and also to congratulate every member who has taken part in the discussion, which has been, I think, of a very high order. I am quite sure the discussion has been of valuable assistance to those who take an interest in the economic questions that confront the State and the world to-day. The supporters of the Douglas credit pro-

posals are increasing in numbers in many countries. There can be no doubt about that. Although perhaps regarded in the early stages as something that originated from a faddist, in consequence of which little notice was taken of the proposals, the fact remains that, in different countries of the world, the thinking people in particular have made a study of them. To-day the Douglas proposals command many millions of supporters throughout the world. I welcome the introduction of those proposals in the consideration of the world's economic affairs to-day, because they serve to stimulate thought and to make people devote attention to the important problems that confront society to-day. In consequence, many thinking men and women have given consideration to the views of Major Douglas. So far as I have been able to understand the principles of his system, I cannot say I agree with them. Still, I welcome the movement because, even though, after examination, a majority or even a large number of those who subscribe to the Douglas proposals to-day may find that they are not quite what it was thought they were, nevertheless a service will have been rendered to the community by diverting thought into important channels that should prove of value in other directions in the years ahead of us. The fact that a large number of people have come under the banner of the system does not necessarily indicate that the system is absolutely sound. Perhaps the increased number of its supporters may be attributed to the fact that it has come to the front during the recent years of depression. People to-day are apt to embrace various schemes or proposals—the same has applied during the past two or three years—whereas they would not have done so in normal times.

Mr. Hawke: People are also likely to think more seriously in days of depression.

The PREMIER: That is so, and I think that had the Douglas proposals been advanced in prosperous times, those who gave thought to them would have been comparatively few. It is because the times are difficult that people have given thought to them. If the world-wide depression will leave any benefit with us, I believe it will be found in the fact that it has been responsible for many millions of men and women giving serious thought to the important problems of life, which, in former prosperous times, they had refrained from

doing. I hope that when the present depression passes, as I believe it will, and people once more enjoy prosperous times, they will not lapse into the easy-going methods of the past and leave the consideration of the important problems of life to comparatively few. The motion and the amendment are each very comprehensive. In a quite friendly way, the mover of the motion urges the Government to "explore fully the means of escape from our present troubles, indicated by Major Douglas."

Mr. Latham: Do you mean that you will have to go and see him.

The PREMIER: I do not say that.

Mr. Marshall: You can get out of it by saying that you are not an explorer.

The PREMIER: The motion contemplates what would be a very big task. Of course, it could be widened to include the means of escape indicated by many other schools of thought. At the same time, many of those older schools of thought have already been explored and their claims are fairly well understood.

Mr. Moloney: You have not in mind Madame de Staël's means of escape?

The PREMIER: As the Douglas credit proposals are new, they are perhaps more entitled to exploration than the older methods advocated by schools of thought in this and the old world. While the amendment is on somewhat similar lines, it will make it even more difficult for us to arrive at a decision. We are invited to "inquire into the mechanism of the economic system in order to discover whether our present trouble is due, as Major Douglas asserts, to a discrepancy between the price of goods and the purchasing power issued against them, or to the unequal distribution of income."

Sitting suspended from 6.15 to 7.30 p.m.

The PREMIER: I was dealing with the comprehensive nature of the motion and the amendment. If the motion be carried, either as submitted by the member for Claremont or with the amendment of the member for North-East Fremantle, it would impose a tremendous task upon the Government to give effect to it. The question is really one for inquiry, not by a State but by the Commonwealth, because whatever inquiry might be made by a State Government, and whatever conclusions might be reached, there the matter would end. But I really do think it

is of sufficient importance to have an inquiry on a Commonwealth basis. Such an inquiry would create greater interest throughout the Commonwealth and would have greater effect. We know from experience that inquiries made by a State Government in matters that are not peculiar to the particular State carry no weight in other States, so that if it were possible to have an investigation authorised by the Commonwealth Government, I would welcome it.

Mr. Stubbs: No resolution from this House could be submitted.

The PREMIER: I was going to suggest that perhaps, on consideration, the motion might be amended in the direction of requesting the Commonwealth Parliament to have the question investigated. That would give it a broader basis and it would have greater effect and influence. Whatever the State might do to give effect to the request embodied in the motion would, as we know from experience, have very little weight or influence in other parts of Australia.

Mr. Hawke: We might soon be a self-governing community.

The PREMIER: Then the responsibility would be upon us to undertake the investigation.

Mr. Latham: We would then have control of our monetary system.

The PREMIER: We would probably then be able to give some effect to the policy. Whatever the conclusion we might arrive at to-day, however, it would be utterly impossible for us to do anything while we are in the Federation and surrounded by other considerations as well. I suggest that consideration might be given to the question of a further amendment in the direction I have mentioned.

Mr. Sampson: The Federal Parliament is proverbially indifferent to our requests.

The PREMIER: We will not raise that question now. I welcome any investigation of existing and old methods. There is no doubt whatever that the outlook of the people of the world is changing, and while perhaps I may be going outside the scope of the motion to a slight extent, I would venture to say that whether it be the Douglas credit system or any other system that might ultimately be endorsed by the people of the British Empire and of other nations, there can be no doubt that the existing system and that which has obtained for so long is absolutely decayed and out of date.

Members: Hear, hear!

The PREMIER: A change must take place, and those who for the time being happen to be placed in positions of power, in positions that enable them to make laws and govern the people, if they do not realise that complete change is necessary, will wake up some morning to find themselves—if I may use the expression of an Irishman—dead. It cannot be considered for a moment that the people of the world will continue to live under the conditions that have existed during recent years—times of terrible distress and poverty and misery. Morning after morning we read in the newspapers that the nations of the world—I need not name them, though I could—are now engaged in intensive activity for increasing armaments. Read the news from America, from Japan, from France, from Germany—read where we will, we find an impoverished world where scores of millions of people are suffering poverty and hunger, while the activities and energies of the governing authorities are concentrated upon increasing armaments for another war.

Mr. Stubbs: It looks as if they will wipe out one another.

The PREMIER: They will wipe out civilisation. I wonder whether they have any regard for history, which tells us of the record of nations from the cradle, how they have reached the zenith and then have decayed. I wonder whether they have studied the causes of decay. I fear that civilisation as we know it has turned the corner and is on the downward road to decay. Certainly if the conditions that exist at present in this and every country in the world are to be permitted to continue much longer, there can be no two opinions whatsoever about the result. So the troglodytes, political and economic, will have to change their point of view, just as I am pleased to observe from the newspapers that some of the men of higher standing in other countries, notably in Great Britain, who stood solidly for conservative ideas and in defence of the system that existed 10, 15 or 20 years ago, have now changed their opinions. We find to-day that men who, a few years ago, were regarded as the foundation of conservative thought and as the bulwark of the existing order have completely changed their opinions. They have done so because they are men of intellect, men of capacity, men who see that a change is in-

evitable, and that unless a change takes place, there is going to be a catastrophe. There is no doubt in my mind that the condition of things and the order of society that has served its purpose no doubt, just as other orders and systems have served their time and passed away, has nearly reached the end of its tether and must pass away, giving place to a new order or to new conditions of life which will make things different from what they are. The people of this and other countries are not going to sit quietly by indefinitely. They have put up with the conditions that have existed during the last three or four years believing that they represented merely a passing phase and that normal times would return, but I do not believe normal times will ever return under existing conditions or under the present state of society. In every country of the world, I believe, that thought is moving the minds of men and women, and the younger folk are not going to agree to drop back into the old condition of things that was satisfactory to their fathers and mothers and grandfathers and grandmothers. Changes must take place, and whether they be in the direction indicated in the motion or along other lines matters not for the time being. I welcome the fact that there has been such a full and free discussion of the subject. I think it has been one of the best debates to which I have listened since I have occupied a seat in the House. Contributions of a most thoughtful kind have been made, showing that men are thinking differently from what they thought a few years ago. I congratulate the member for Claremont on his courage, especially as he represents the constituency he does. I am glad he won the election, because he had the courage and independence of thought to put forward the ideas that a change was necessary.

Mr. Marshall: It was at least something new.

The PREMIER: Yes, I also congratulate other members who have taken part in the debate. I repeat that I think it would be wise to make a further amendment so that we might broaden the basis and, if we could persuade the Commonwealth Government to meet our wishes, have an investigation by the Commonwealth instead of one by the State Government, which would not be nearly so effective as one by the Federal Government.

Mr. Marshall: We cannot do it.

The PREMIER: No, but we could recommend it.

On motion by Mr. Marshall, debate adjourned.

Resolved: That motions be continued.

MOTION—ABORIGINES, TREATMENT.

To Inquire by Royal Commission.

Debate resumed from the 30th August on the motion by Mr. Coverley as follows—

That in the opinion of this House a Royal Commission should be appointed to inquire into allegations of maltreatment of aborigines generally (including that recently instanced through the columns of the Press), the Aborigines Act, and the administration of the Aborigines Department generally.

THE PREMIER (Hon. P. Collier—Boulder) [7.45]: I congratulate the member for Kimberley (Mr. Coverley) on the very excellent speech he made in moving this motion, and upon the moderate tone in which his remarks were cast. I also congratulate the member for Gascoyne (Mr. Wise) who supported the motion. The Government are not going to oppose the appointment of a Royal Commission. We feel that, having regard to the case presented by the two hon. members who have addressed the House, it would be well that an inquiry should be made. For many years past, more particularly during the last 12 months, very much prominence has been given in the Press, not only in Australia but overseas, to the treatment meted out to our natives. This has created a great deal of doubt, suspicion, and ill-feeling. For my own part, I think that much that was said a few months ago, not with regard to Western Australia but with regard to other parts of Australia, concerning the treatment meted out to the aborigines was wildly exaggerated, but unfortunately the statements were broadcast, and attracted a good deal of attention in Great Britain and other countries. We cannot afford to have our good name besmirched in this manner. I am not questioning any of the statements made by the member for Kimberley, but I think in the interests of the natives themselves and of the outstanding reputation of this State an independent investigation and inquiry should be held, and the facts ascertained. I am fully convinced that when this is

done, much of that which has been published, not in regard to this State but the other States, concerning the treatment of natives will be found to be without much substantiation.

Mr. Stubbs: And that applies to half-castes.

The PREMIER: I think they are included.

The Minister for Health: They are included under our Act.

The PREMIER: Half-castes are regarded as natives.

Mr. Stubbs: There are about 2,000 of them between Beverley and Albany.

The PREMIER: They are natives within the meaning of our Act. I know there are many in the Great Southern. I desire to correct a statement made by the member for Kimberley, although I am not sure whether he made the mistake or whether there was a misprint of his statement in the Press. The hon. member may have been misinformed. I think he said in his speech that he understood Dr. Cook, who is an expert on leprosy, when visiting the North in 1929, stated, as a result of his visit that an examination of the aborigines would prove that 40 per cent. were leprosy.

Mr. Latham: I do not think he said that.

The PREMIER: That is what the report attributed to him.

Mr. Coverley: I said his report had not been made public, but that it was reported to be so.

The PREMIER: I believe it has appeared in the Press that the number of cases was 40 per cent. I am sure that is a mistake. What Dr. Cook said was that he found only four cases of leprosy, not 40 per cent., and that this was after examining a total number of 2,432 natives. That is quite a different thing from 40 per cent. There has been an error somewhere. I wish to take this early opportunity to correct the statement lest it should cause alarm in the minds of many people. There have been examinations since then, but the percentage of cases is quite small. The number of leper cases notified since the survey made by Dr. Cook totals 56, of which four were not natives, 29 had been transferred to Darwin, three discharged, 12 cases had died, and 12 remained under treatment. Prior to the survey made by Dr. Cook, 33 cases were notified, of which three were not natives. I desire to make his statement in order to correct any misunderstanding that may have been brought

about with the public, not only here but in other parts.

Mr. Griffiths: That is very necessary in view of the disparity in the figures.

The PREMIER: It was reported in the newspaper that there were 40 per cent. of lepers, and this is likely to cause alarm all over Australia. It is not so. Actually only four cases were reported, a very small percentage indeed. The Government offer no opposition to the appointment of a Royal Commission. Indeed, it is highly desirable that there should be an investigation and all these matters cleared up.

MR. MANN (Beverley) [7.53]: I congratulate the mover of this motion, and am pleased that the Government do not object to the appointment of a Royal Commission to make these inquiries. The native population is a growing menace, not so much in the case of full-blooded aborigines, but in the case of half-castes and quadroons. In various parts of the Beverley electorate a large number of natives are assembled. They are more or less diseased, suffering from T.B. and other complaints. To-day they are wandering around like a lost tribe. It is essential that some control should be exercised over them. The half-caste trouble is growing every year. To use a rough term, the women folk are prolific breeders, and within a few more years or generations we shall have an enormous quadroom class of people in the State. These will be outcasts from the whites, and derelicts in themselves. I am pleased the Government are taking up the correct attitude on this question, for I think it is essential that a Royal Commission should be appointed to investigate the whole matter.

MR. RODOREDA (Roebourne) [7.55]: I believe the entire House is in favour of the motion, and understands the urgency of the matter. I would not have spoken but for an interjection made by the Leader of the Opposition while the member for Canning (Mr. Cross) was speaking. The hon. member said that certain statements of the member for Canning were incorrect. The member for Canning said, on hearsay, that a leper was an inmate of one of the Government hospitals along the coast. The Leader of the Opposition said this was not correct. I say emphatically that it is correct, and that a native leper is still in that hospital and has been there for nearly 12

months. The Leader of the Opposition should be more certain of himself when he denies a statement made in this House.

Mr. Latham: What is the name of the hospital?

Mr. RODORED A: Beadon. The Medical Department deny all liability for the upkeep of this patient, and to my knowledge the matron has been in communication with them for the last six months. Another problem is being created in the North-West, one that has not yet been touched upon. This occurs through the services of native servants on the stations being dispensed with. The consequence is that partially-civilised natives are roaming around the North-West in parties numbering 40 or 50. They are denied work by the station people. This practise is spreading up the coast. The station people are beginning to realise that it is uneconomical to employ aborigines. Some of these natives have been born and bred on stations, and have no other occupation to enable them to support themselves. They are prevented from working on the stations, and I dare say that nearly 100 have been put out of work in my electorate in the last three years. They must get their food supplies somewhere. The station owners are alarmed, especially those who are further back from the coast. When 60 or 70 natives are banded together and want food, it is certain they will get it, even if they have to rob the station stores. They are not being looked after by the Aborigines Department. The protector only supplies food and sustenance to indigent natives, and those who are too old to work. The Royal Commission could, therefore, take that phase of the matter into consideration when making its inquiry. Within a few years these aborigines will become a menace in the North-West. I do not need to stress the fact that the inquiry is warranted. We shall not solve the problem of the treatment of natives and half-castes by ignoring it. We must do something, and the sooner we hold an investigation the better will it be for all concerned.

MR. PIESSE (Katanning) [7.58]: I congratulate the member for Kimberley and the member for Gascoyne upon the very able speeches they have made on this motion. I am not sure whether a Royal Commission is the best means of dealing fully with the aborigines question, because it is necessary

to cover a large expanse of country in order to secure authentic information on this important question. I think, however, an inquiry is necessary to clear up many of the charges that have been made of maltreatment and cruelty in the case of our native population. I refer to the statements which have from time to time been made public. I have no knowledge of the question as it applies to the North-West, but if half the accusations that have been made are true, a good case has been presented for a full inquiry and investigation. I have a knowledge of the unfortunate position of the aborigines question as it presents itself in the south-western portion of this State. I have said before, and I say again without fear of contradiction, that past Parliaments have neglected their sacred duty towards the aborigines by not dealing more generously with them in regard to general care and protection. Looking back to the time when we took upon ourselves the responsibility of self-government, we see that the records show that the care of the aborigines was a binding contract between the people of Western Australia and the Home Government. Western Australian Governments of the past have on the whole been sympathetic towards the aborigines, but have not fully realised their responsibility. A great deal of the fault rests upon past Parliaments, and some rests upon the present Parliament. Just after self-government had been granted, a contract which Parliament entered into with the Home Government was that in addition to the grant of £5,000 annually for maintenance of the aborigines Western Australia should set apart one per cent. of the total revenue of the State for their benefit. This compact was subsequently altered, Parliament being given discretion to decide what additional amount should be set aside. If to-day we were setting aside one per cent. of our revenue for the benefit of the aborigines, it would mean a sum of £80,000 or £90,000, in place of the niggardly sum of £23,000 voted for the care of the entire aboriginal section of the community. The Chief Protector of Aborigines reminds us annually of the total inadequacy of the funds at his disposal, and of the manner in which he is hampered in giving aborigines the attention and care he considers necessary. That official's report of last year shows that there had been a considerable increase in the number of aborigines and half-castes during the preceding 12 months. In

view of that fact, one would have thought Parliament would have provided more liberally for the aborigines.

Mr. Marshall: That report has just been made.

Mr. PIESSE: It refers to the year 1932.

Mr. Marshall: That is only 12 months ago.

Mr. PIESSE: I am not excusing previous Governments or previous Parliaments. We should be ashamed of ourselves because Western Australia as a whole has not realised the gravity of the situation and has failed to ensure better care of the natives.

Mr. Marshall: It is not an easy matter to deal with.

Mr. PIESSE: During the unfortunate depression, and especially in 1930, while Parliament was mindful of the unfortunate position of white people who were out of work, and voted about £600,000 for relief works and sustenance for those white people, nothing additional was done for the increasing native population, notwithstanding the great difficulty experienced by aborigines and half-castes in finding employment, as they had done previously, in clearing land, grubbing poison and so forth. Further, except in the case of a few half-castes, they were debarred from taking advantage of the relief works instituted by the Government. Further, the vote for sustenance and rationing of natives was reduced by £3,134 in 1930-31, and has stood at the figure of approximately £22,700 since. Parliament and the Government have been neglectful of their duty to the aborigines.

Mr. Cross: Your Government were responsible for that.

Mr. PIESSE: I have said that I do not excuse the previous Government or the previous Parliament. Each member of this House should feel the responsibility, and should be alive to the necessity for doing something more than has been done in the past. I make no charge whatever against the Chief Protector, as, considering the limited nature of the finances available, he has done remarkably well. Moreover, he has from time to time reminded Parliament of the need for giving him wider statutory powers to deal with many of the difficulties which present themselves, including cases of ill-treatment such as those mentioned by the mover of the motion. Until that legislation is forthcoming, it will remain highly difficult for the Chief Pro-

tector to extend to aborigines and half-castes the protection they need. I understand that the legislation is being prepared, and I hope that when it comes down the House will give it favourable consideration. The local situation, which appeals to me, could easily be improved, and at slight expense. The additional settlement mentioned by the Chief Protector as being needed at some point on the Great Southern railway should be established, and Parliament should not demur in sanctioning the additional funds required. Some policy of care and protection, especially for the growing children and the half-castes, who are increasing in a greater ratio than the full-blooded blacks, is essential, with a view to giving these people some education and a different outlook on life. Until that is done, we shall not achieve much in the way of improving the condition of aborigines and half-castes. The pure-blooded aborigines are not easy to educate, but past efforts have been attended with some success. If the school for aborigines which was established a few years ago had been persevered with, and if the controlling Government department had furnished the necessary funds, there would have been a less troublesome problem than that which faces us to-day. Those of us who have had experience of the natives in the earlier years of the State can bear testimony to their usefulness when they are treated in a humane and proper manner. When they found that the white people were taking some interest in them, they responded freely and well to the opportunities then afforded them to do useful work and improve their conditions of life and outlook. But latterly their natural hunting grounds have been taken from them, and they have had to resort to living near the centres of population. Some of them have lived in idleness—especially the older natives—and that has not been for their good. Unfortunately they have deteriorated somewhat since I was a boy, and to-day not infrequently natives are apprehended and turned into criminals who never ought to be found in that position. The natives of the southern districts are exceedingly good natured one to another, and never fail to help one another. In that they set a good example to us all. In view of their miserable condition we certainly ought to do something to supplement the rations they receive. Our attitude towards unemployed white peo-

ple has been more generous than is displayed in some of the other States, for we pay them 7s. per week per unit, whereas the rations supplied to the natives work out at about 2s. 4d., which is all they have to depend upon. A native has not now the opportunity to work that he once had, and in order that he may get his rations he is forced to hang about the towns. Certainly we have neglected our duty in allowing him to get into his present position. I hope that as the result of the appointment of the Royal Commission the education and direction of the natives—more particularly the half-castes—will be upon improved lines that will be profitable to them and to the country. The half-castes are rapidly increasing, and unless something be done to educate them and give them a better outlook, with opportunity of occupation to become decent citizens, they will prove a menace to the country. The longer we allow the existing state of affairs to continue, the greater the problem the Government will have to tackle. I feel that much good could be accomplished by the establishment of another native settlement somewhere along the Great Southern.

Mr. Marshall: That will never get us over the difficulty.

Mr. PIESSE: We never can tell till we try. The treatment of the aborigines has been hampered by want of funds.

Mr. Marshall: No, by want of knowledge.

Mr. PIESSE: It is true that some people do not understand the natives, but many others are kindly disposed towards them and are doing their part in helping to solve the problem. Recently the Country Women's Association in the district I represent have taken a keen interest in the welfare of the natives, particularly in that of the children, and have worked in co-operation with the police and the Aborigines Department, and in many cases have supplied clothes to the children, some of whom amongst the half-castes are nearly white. Many of the natives have to go short of food and clothing, and they suffer very much as a result. It has been suggested that the settlement at Carrolup should be re-opened. However, I am not going into that question, which is certainly a debateable one. The suggestion has been made to the department that there is a large area of suitable Crown land on the Tone River some 50 miles west of Cranbrook. It might be found expedient to put

on, say, 100 of the sustenance men now clearing land in the South-West to clear land in preparation for a native settlement somewhere in the locality I speak of, where there is to be found plenty of native game.

Mr. Stubbs: There is nothing of that nature around Carrolup.

Mr. PIESSE: I do not wish to enter into the question of re-opening the Carrolup settlement but, having regard to the many advantages of the locality, I really do think that a native settlement on the Tone River could be made self-supporting. I trust that as a result of the Royal Commission there will be manifested a decided improvement in the care of the aborigines of this State.

MR. LATHAM (York) [8.22]: One of the conditions upon which we were granted responsible government was that we should look after the natives.

Mr. Marshall: We have never done it.

Mr. LATHAM: We have never succeeded in doing anything that would satisfy the hon. member, so I do not expect to get any support from him. As I say, when we were granted responsible government, one condition was that we should look after the natives. I am glad the Premier is going to have an investigation made, for it is really necessary, if only to satisfy those people who believe stories published in the Press. Unfortunately, from time to time so-called tourists travel through the northern part of the State in some haste, and afterwards pretend they know all there is to be learnt about the natives. But the condition of the natives in other parts of the State is quite unknown to them, and so they gather the idea that those natives are ill-treated. On an extensive trip I made with the member for Kimberley and others, we found that those amongst the natives who are provided with employment by the State appeared to be well satisfied.

Mr. Raphael: What about the natives along the trans line?

Mr. LATHAM: Probably they get a great deal more money than is earned by many white people in Perth. For the purpose of food hunting, Nature made the native very cunning, and so along the trans line he dolls himself out in order to get more money. I was told that when the ration trains come along, the natives spend a considerable amount of money. Certainly I know that

when I went through, it was surprising to see the money they collected for boomerangs, spears and other weapons.

The Minister for Lands: They are mostly from South Australia.

Mr. LATHAM: When the terms of reference are given to the Commission, I hope they will be thoroughly comprehensive, although it is difficult to draw a line of demarcation between this State, the Northern Territory and South Australia. When Minister for Health, I had opportunity to peruse the files, and so I know that Dr. Cook made a fairly extensive investigation into the diseases from which the natives were suffering. But he complained that information of his coming always preceded his arrival by two days or more, and in consequence he had great difficulty in securing natives for examination. If it be intended to carry out the recommendations of the proposed Royal Commission, the Government will find it necessary to provide quite a lot of money for the treatment of natives. No doubt the member for Kimberley is right in stating there is a good deal of disease amongst the natives of the North, particularly a venereal disease peculiar to the natives themselves. Dr. Atkinson told me that in only three instances had he heard of white people developing it. It is pretty difficult to treat the natives, because when in a bad season the conditions become harder in the back country, the natives journey in from the bush and so the disease is spread. In my time I could have spent a lot of money upon the treatment of the natives, and I am sure the present Minister would do so now if he could find the funds. To carry out the task effectually, the natives would have to be housed in some sort of compound, and a nursing staff provided, with a doctor in attendance.

The Minister for Health: If you start to house them, you will kill them.

Mr. LATHAM: That is so, for immediately a native is housed he begins to suffer from chest troubles. The figures submitted by the Premier when dealing with the number of leprosy cases, are pretty appalling—56 since Dr. Cook made his examination. The dread the tribal natives have of leprosy is not all that we are told. While it is an infectious disease, it is not highly so, for one must come directly in contact with a patient's nostrils before he can be infected.

Mr. Marshall: You can say what you like about it, but you cannot make leprosy popular with me.

Mr. LATHAM: I do not suggest the hon. member would have anything to do with the nasal organs of a native, nor that he would desire to go amongst them. Leprosy is a disease for which we have a particular abhorrence, but it is not so highly infectious as some would have us believe. I had the opportunity of seeing some of the leper cases on my trip to the North, and I can say that I never saw a native suffering from an open wound. As far as possible the medical men along the coast—despite the fact that the member for Roebourne has taken me to task on this question—do keep the natives apart wherever it is possible to do so. When I made the interjection that the statement was not true, I understood the hon. member to say that a leper was placed with other natives in a tin shed. I am not going to question the statement because I read in "Hansard" that the statement made by the member for Roebourne was correct. Had I read the statement I would never have made the interjection because I know that leprosy cases were not placed in huts occupied by other natives but in separate huts.

The Minister for Health: They must be kept somewhere.

Mr. LATHAM: The same thing applies at Derby: the leprosy cases there are kept apart from the venereal cases. There was at one time a building there but it was burnt down. It is pretty difficult to know what to do with these cases. The public do not like to have the diseased natives roaming about. It is preferable to have them under some sort of control than to allow them to roam around the stations. There have been cases, as the member for Kimberley mentioned, of half-castes becoming infected with the disease. It is a very big problem and it is made all the more difficult because of the vast spaces in the North. When the report is made, if the person who makes it is qualified to express an opinion as to the health of the native population, it will mean that the Government will have to spend a considerable sum of money. But Western Australia is not the only place that has a native population, and where all this supposed trouble exists. I suggest to the Minister for Health that this a matter in which the Commonwealth might assist. It is admitted the Commonwealth are rendering some help in

connection with the provision of a lazarette—though I do not think that is the word that is now used; the member for Kimberley had it off pat the other evening. There is a lazarette at Darwin and it is staffed by people qualified to treat leper patients, and I believe very good work has been done there; but very few of them have been cured.

The Minister for Health: So did we do good work in the lazarette while it was in existence in this State.

Mr. LATHAM: I cannot believe that Dr. Hungerford, who was at Onslow—I do not know whether he is still there—housed a native suffering from leprosy with other natives in the same tin hut.

Mr. Rodoreda: That statement was not made at all.

Mr. LATHAM: I do not wish to raise an argument over the matter; but reference was made to the fact that a native had been accommodated in a hospital where there were white patients. If that native was not suffering from a very serious disease, I do not know that any great exception could be taken to that action. We know that natives are frequently engaged in the capacity of servants in households and that they handle food and do practically all the domestic work. Again, a sick native must be found accommodation somewhere. I believe Dr. Hungerford, if he was there,—

Mr. Rodoreda: Dr. Joyce was there.

Mr. LATHAM: Then Dr. Hungerford subsequently relieved him, and I am quite sure he would not put a native in the hospital without some good reason for it. The provision of money for medical treatment for the natives is a very big problem, and the Minister has my sympathy in respect of anything he may do. The big problem confronting the State is common to any country that originally had a black population. The question is, what to do with the natives. America suffered from the same trouble and every country will experience similar difficulties. While I am not going to pretend I can suggest how we may overcome the trouble, we do not want to magnify the half-caste difficulty and turn all our attention to that. We have sufficient worries among our own people; our sub-normal population must be looked after. They are being exploited at every angle, and so the half-caste problem here is no greater than other countries have experienced. Eventually the same solution will be provided in Australia

—it may not be in our time—as has been the experience in other countries, namely, the breeding out of these people and eventually their becoming white. A very sensible suggestion was put up to me while I was in the North, and though hon. members may be horrified at it, no harm can come of my repeating it. It was suggested that the class of people who could turn the northern part of Australia into a profitable proposition would be the half-caste population. That seems feasible because they are accustomed to the climate and are immune from malaria and dengue fever. There is no reason why they should not assist materially in the development of the North. The suggestion is worthy of every consideration.

Mr. Mann: Where will they come from?

Mr. LATHAM: The hon. member wants to know where the half-caste population will come from. The material will be there, and while we may have our own views on the question of hygienics, the problem should solve itself. The point is whether we can do anything more for these people at the present time. I have my doubts about it. The churches are rendering useful work and people are placing themselves in complete isolation in order to help the natives in their difficulties. The Aborigines Department are doing all they can down here, but after all it is very difficult to put men into a compound and keep them there, if they do not want to remain. The mission at New Norcia is educating half-castes and, generally speaking, this State is in no way behind other parts of the world in looking after its native population.

The Minister for Health: We have more native reserves in proportion to the number of natives than is to be found anywhere else.

Mr. LATHAM: That is so. There are people who go into the interior ostensibly to carry out investigations but who really are after notoriety, and they write articles solely to please the tastes of the people. I was told about two who went across a good deal of country. What did they go there for? Was it for the benefit of their health? We have heard some peculiar remarks about those people who claim that they write with authority about the North, and then the State has to defend itself against that method of attack. The Premier is doing right in looking after the reputation the State has earned in attending to the needs of the half-

caste population. The member for Kataning said that we should use the unemployed to clear reserves for the half-caste population. I say that the half-caste population should be made to earn their own living. We have the land and we should educate them to work. They will be very much better for it, especially if they are to be absorbed by the white population in the years to come. In America this problem was solved and the half-castes in time became quadroons, then octoroons, and eventually white. We could bring the children up from the Wagin district and look after them so that they would not get to the stage of wearing silk stockings—

Miss Holman: If they did come to the city they would not have the same protection as white girls from the law or from anybody else.

Mr. LATHAM: I think the protection in respect of the half-caste girls is very good.

Miss Holman: It is not.

Mr. LATHAM: As a matter of fact a half-caste girl dare not go near the Esplanade after dark. If she did the police would soon take her in charge.

Miss Holman: Is it not a fact that the Chief Protector has complained because the law is not adequate for their protection?

Mr. LATHAM: I dare say he has; but I know that if a black girl dare go to the Esplanade at night the police will have her. White girls may go there without any interference, but black girls may not. Black girls do not go there for any other reason than that which might take a white girl there, although by that I do not suggest that they go there for immoral purposes.

Miss Holman: I do not suggest that, either.

Mr. LATHAM: As a matter of fact there is very little interference with the half-castes around the city, except perhaps occasionally a white person may offer them drink. The member for Forrest from her own knowledge can say that there is no more exploitation of the half-caste than there is of the white population.

Miss Holman: Oh, that is ridiculous!

Mr. LATHAM: I have never yet suggested that a male should ever have the last word; therefore I shall leave it at that.

Miss Holman: You can say what you know, and I will say what I know.

Mr. LATHAM: I have said what I know.

Miss Holman: No, you were saying what I know.

Mr. SPEAKER: Order!

Mr. LATHAM: After all it is interesting to listen to the interjections of the hon. member. There is very little to complain about in regard to the treatment of the half-caste population around the city. I know because I suppose I wander about as much as anyone else. The law prevents me from going on to an aborigines' reserve just as it prevents anyone else, and so I have not had the opportunity of coming closely into contact with them. I know of half-caste girls from the Moore River settlement being employed in domestic work in the city. Occasionally these girls get married, and the employers write to the Moore River settlement and ask that others be sent down. So I do not think there is much to complain of in that respect. I know the Protector's views on the subject of the natives, and I know that he would like to have them kept under his sight all the time.

Miss Holman: He only wants the law to apply to the blacks as it does to anyone else.

Mr. LATHAM: The Criminal Code applies equally to the native population as it does to the white. Even the age of consent is similar in respect of the natives as for the whites. As a matter of fact the law is much stricter when it is applied to an individual who is charged with dealing with a native girl. Whatever the decision of the Commissioner may be, it will involve the expenditure of money and the question arises as to whether we should incur that expenditure for the native population, who have not fared too badly, at the expense of much that we require to do in providing for the white people in the South. I know the views of the Health Department regarding the native population, and that every penny available has been spent on cleaning up the position. It is particularly important that where natives are working on stations and elsewhere at domestic duties, they shall be kept free from disease. The danger of infecting the white population is serious, and I know as much as anyone else of what has happened during recent years. Anything that will tend to remedy the position from that standpoint will have the support of members, but

they should not expect too much from a Royal Commission of inquiry.

The Minister for Health: If the Commission proves that two-thirds of the statements that have appeared in the Press recently are untrue, some good will have been done.

Mr. LATHAM: The Commission will not clear the reputation of the State because its reputation is not in need of that.

The Minister for Lands: The Royal Commission will not prevent the repetition of the statements.

Mr. LATHAM: But it might prove that the people who make them are not imbued with any desire to assist the natives but are out for their own aggrandisement and for notoriety.

The Minister for Health: It is a pity we cannot stop the Press publishing some of the trash that appears.

MR. COVERLEY (Kimberley—in reply) [S.46]: I am grateful to members for the reception that has been given to the motion, and also to the Premier for having pointed out that I was somewhat misreported regarding Dr. Cook's report. As a matter of fact I did say it was alleged that he reported that approximately 40 per cent. of the tribal natives inspected on that occasion were found to be suffering from leprosy. Of course that was not my statement. I was merely referring to rumours that had gained currency in the northern parts of the State. I mentioned the allegation to show there were grounds for the accusation made being inquired into on account of the publicity that had been given to the assertion. One member said that he hoped the half-caste problem would not be neglected by the Royal Commission, if one were appointed. It will be recognised that the half-caste is deemed to be an aborigine under the Act and therefore the problem of the half-caste will be dealt with equally with that relating to the full-blooded aborigine. The member for Katanning (Mr. Piesse) suggested that much good would arise from the inquiry, but said he was not sure whether the appointment of a Royal Commission was the proper way to go about it. After nine years' experience in this House, I have yet to learn that any definite policy has been laid down regarding the future of the aborigines, or the half-castes in particular. On more than one occasion the half-caste has been men-

tioned in the annual report of the Chief Protector of Aborigines, but on no occasion that I know of has any reference been made to a definite policy for the future, either on the part of the Government of the day or of the Aborigines Department. Much useful work can be done by a Royal Commission. A member representing a district affected has two opportunities during the session—the debates on the Address-in-reply and the Estimates—to draw attention to the necessity for a definite policy being adopted. Members listen to him but do not think anything more about his remarks, because the problem does not affect them. No definite policy is laid before them by the Government or by the department, and the whole matter is forgotten. If a Royal Commission were appointed, an opportunity would be afforded for a definite policy being laid down as a guide for the Government. When the Commission's report is laid on the Table of the House, members will take it much more seriously than they do the mere statement of a private member, who may happen to represent a district directly concerned. The member for Katanning also said that Governments were slow to act. I agree with the statement, and I do not attribute blame to any Government in particular. As the Leader of the Opposition mentioned, the health aspect is a most serious feature. It is asserted by medical officers that leprosy is not quite as contagious as some people believe.

Mr. Piesse: That is largely on account of proper nursing.

Mr. COVERLEY: That may be so. From conversations I have had with the medical practitioners in the Kimberley areas, I have been led to believe that the cause of leprosy in each instance I have heard of, can be traced to heredity. Recently in Broome a quarter-caste girl, who was working for a private resident, contracted the disease. The complaint was traced back to an old shanty where her mother lived, contracted the disease and died. The shanty was never destroyed; in fact, additions were made to it.

Mr. Latham: The disease takes seven years to develop.

Mr. COVERLEY: I have pointed out that in the course of time two daughters were born there and they developed the disease. I can quote other instances and particularly one regarding a white man who was referred to in Dr. Cook's report. In

that ease the disease could be traced to the fact that the white man worked with a half-caste boy whose mother had died of leprosy in the Hall's Creek district some years before. The man had a contract for some fencing in the district and had the boy as his offsider. The boy contracted the disease and later on the white man became a victim. From what I have learned, the danger is too great for me to take any risks with the disease. I did not altogether agree with the remarks of the Leader of the Opposition when he said that if the Royal Commission were appointed and it did nothing else than disprove the statements that have appeared in the Press, it would have done some good. There are many other directions in which the Royal Commission could be effective, and it is only by means of a report from an independent Royal Commission that the support we desire will be secured from Parliament and public here and throughout the Empire.

Question put and passed.

MOTION—HEALTH ACT.

To Disallow By-law.

Debate resumed from the 30th August, on the following motion by Mr. Thorn—

That the new By-law No. 16a, made in Part VII. of the Model By-laws under "The Health Act, 1911-1926," published in the "Government Gazette" on 3rd February, 1933, and laid upon the Table of the House on the 2nd and 23rd August, 1933, and adopted by the municipalities of Collie, Geraldton, Northam, Boulder, and North Fremantle; and the road districts of Armadale-Kelmscott, Gosnells, South Perth, Kellerberrin, Bruce Rock, Murray, Westonia, Yilgarn, Harvey, Beverley, Rockingham, Wickepin, Bridgetown, Wyalkatchem, Dowerin, Wiluna; and the Moora Local Board of Health, be and are hereby disallowed.

MR. LATHAM (York) [8.55]: I thought the Minister for Health would take this opportunity to explain to the House the views of the department.

The Minister for Health: I did that on the last occasion.

Mr. LATHAM: It is useless for the department to frame regulations or by-laws to which effect cannot be given. If I read the by-laws, members will determine for them-

selves whether anyone could possibly be expected to comply with them. The first regulation reads—

No person shall apply arsenic or lead, either as a spray or powder, or in any other form whatsoever, to cabbage, cauliflower, or any other plant of the Brassica family, within four weeks of cutting for sale.

Who could prove that it had not been applied within four weeks? It is impossible to give effect to that regulation. The Minister referred the other day to the brassica family whose leaves, he said, turned inwards. As a matter of fact they do not take that form. The next regulation reads—

No person shall sell or attempt to sell or receive for sale, or have in possession for sale, expose, send, forward, or deliver for sale any cabbage, cauliflower, or any other plant of the Brassica family which has adhering to it or upon any part of it any arsenic or lead or any other poisonous or deleterious substance of any kind whatsoever.

What greengrocer would know whether vegetables he had had any poisonous or deleterious substance adhering to them? It is an utterly impossible position. Parliament must be careful in passing laws, but Government departments must also be careful in framing regulations. The next regulation says—

No person shall sell or attempt to sell, or receive for sale or have in possession for sale, expose, send, forward, or deliver for sale any fruit of any kind whatsoever which has adhering to it or upon it any arsenic or lead

It is useless to frame a regulation such as that with which people cannot possibly comply. How could the matter be determined? Who will advise the person selling the fruit or vegetables? Possibly he will have to go to the market and ask for a certificate. That will be the only way. No auctioneer could give the certificate. I was rather struck by the fact that two of the districts that recently adopted this by-law were in a peculiar position. In fact, my experience goes to show that local governing bodies are likely to adopt any by-law that is sent along. A little while ago it was necessary when I was a Minister to ask the department to frame a by-law relating to the distribution of bread, the object being to prevent the bread from being exposed to dirt when delivered. That by-law was adopted in a district where bread was not delivered at all.

The Minister for Health: That is all right. The by-law would be there should any baker deliver the bread at a later stage.

Mr. LATHAM: The Wiluna and Dowerin boards adopted the by-law we are discussing. How will a person at Wiluna know whether arsenic or lead has adhered to vegetables? It will be impossible for him to detect it. I appeal to the Minister to withdraw the by-law, and to frame one to which effect can be given. People should not be laid open to a charge of which they may be perfectly innocent. I wish to have something to say about the preparation of by-laws. Section 16 provides—

The Commissioner and all persons authorised by him may exercise and perform all or any of the powers and duties of a local authority in any place which does not lie within the boundaries of a district including the powers conferred by Part III. of this Act.

That means that where a local authority is not a health authority, the Commissioner can do all the things that a Health Board could do.

Mr. Wansbrough: Who made the model by-law?

Mr. LATHAM: The Commissioner of Public Health.

Mr. Wansbrough: Who approved of it?

The Minister for Health: The member for York approved of it and sent it to Executive Council.

Mr. LATHAM: I might have issued instructions.

The Minister for Health: You approved the by-law and sent it to the Executive Council.

Mr. Sampson: If he did, he is sorry for it now.

Mr. LATHAM: I am not going to say that I am guilty.

The Minister for Health: I say you did so.

Mr. LATHAM: Then I say definitely that that was not the only mistake I made.

Mr. SPEAKER: That does not enter into the question before the House.

Mr. LATHAM: It is a question as to who made the by-law.

The Minister for Health: You are questioning the present Minister for Health when you did it yourself.

Mr. LATHAM: The Minister should have nothing whatever to do with such by-laws. If the department observed the law, he would not have anything to do with them.

The Minister for Health: You sent the by-law to Executive Council on the 3rd February.

Mr. LATHAM: A lot of things are submitted to a Minister and it is impossible for him to check them all. He would not have time to do so, even if he had the desire. Section 293 of the Act reads—

The Governor may make regulations as hereinbefore provided and generally for carrying into effect the provisions of this Act.

Section 295 begins—

(1) The Governor may cause to be prepared model by-laws for all or any of the purposes for which by-laws may be made by a local authority under any of the provisions of this Act. Such model by-laws shall be published in the "Government Gazette."

If the Commissioner thinks it necessary to have model by-laws framed, he may go to the Minister and ask for Executive Council authority to frame them. In the case of the by-law before the House, the Commissioner acted improperly. The by-law was made by the Commissioner and sent to Executive Council and approved.

The Minister for Health: Approved as a model by-law.

Mr. LATHAM: But Executive Council approval was not required.

The Minister for Health: I say it was.

Mr. LATHAM: That is where we disagree.

The Minister for Health: You made the mistake. You should not have sent the by-law to Executive Council.

Mr. LATHAM: The Minister is now making the mistake that I made.

Miss Holman: That was all right when you were on this side of the House.

Mr. LATHAM: It is when one is on that side of the House that one is able to do things. The Governor may cause to be prepared model by-laws. After being made they are gazetted, and they have no effect until adopted by the local authority. They remain dormant until adopted. Section 293 continues—

(2) A local authority may, of its own motion, by resolution adopt the whole or any portion of such by-laws.

(3) Such resolution shall be published in the "Government Gazette" and thereupon shall operate to extend such by-laws or portion of by-laws so adopted to the district, and with the same legal effect for all purposes as

if the by-laws or portion so adopted had been passed by the local authority and duly brought into effect as hereinafter provided.

Subsection (3) states that the resolution, not the by-laws, shall be published in the "Government Gazette." Is it not likely that I as a Minister of very short experience would make mistakes when the department made mistakes? The by-laws are framed after instructions have been issued by Executive Council. They are then gazetted and they remain a dead letter until a local authority by resolution adopts them. The resolution is published in the "Government Gazette" and immediately the by-laws become operative. What a ridiculous position will arise when the Commissioner himself is the health authority. I want the Minister to question the Commissioner on that point. Where there is no local health authority, the Commissioner may exercise all the powers of the local authority. He will frame the by-law himself; he will get it gazetted and then, in his capacity as the local health authority, he will decide to adopt it. He will meet with himself as chairman and himself as the board and himself as secretary, and adopt the resolution for a by-law he has already framed.

The Minister for Health: He has not to do anything of the kind.

Mr. LATHAM: I say definitely he has to do it. That is why I say that by-laws approved by Executive Council have the force of law. The Commissioner could have put them into force at any time he desired. Let me explain the ridiculous position that might arise. There are three districts side by side, but only one adopts the by-law. The vegetables from that district are sent to market with the vegetables from the other two districts. What will be the position of the person who buys those vegetables? The Commissioner ought to be asked to consider the point and see if it is possible to give effect to the by-law. When vegetables are grown in a district that has not adopted the by-law, it is not illegal to spray them.

The Minister for Health: It is not illegal to spray them in a district that has adopted the by-law.

Mr. LATHAM: Under the by-law a man at Wiluna will be responsible if he sells vegetables that have been sprayed, but he would not know whether they came from a district where the by-law was in force or not.

Mr. Marshall: It is not necessary at Wiluna. There is enough arsenic spread about there to poison everybody.

Mr. LATHAM: Fancy Dowerin and Wiluna adopting the by-law! As I said before, local authorities will adopt anything, particularly if they do not understand it.

The Minister for Health: The chief vegetable-growing district in this State did not adopt it without discussion. After discussion it was adopted. That was at Osborne Park.

Mr. LATHAM: If my memory serves me aright, Osborne Park is within the Perth road district, which is a health authority. I think there is a health authority at Wanneroo where vegetables are also grown, and that Wanneroo has not adopted the by-law.

Mr. Ferguson: Quite right.

Mr. LATHAM: Osborne Park adopts it and a grower at Osborne Park is not permitted to spray; Wanneroo does not adopt it and a grower there is permitted to spray. When the vegetables reach the market, the person who sells them is to be held liable under the by-laws and yet he is incompetent to tell. For that reason I ask the Minister to withdraw the by-law and instruct the Commissioner to frame one that can be reasonably complied with.

The Minister for Health: It is a pity you did not think of that before you adopted this by-law.

Mr. LATHAM: It was a dead letter, because it was never adopted.

Miss Holman: It could not have been adopted if you had not put it up.

Mr. LATHAM: My attitude has nothing to do with it. Until adopted by a local authority, the by-law would have no effect. I do not blame the Minister. He is not responsible; he ought not to know anything about it. The Commissioner, not the Minister, is charged with this duty. I doubt whether the Minister could say "nay" to such a by-law.

The Minister for Health: Yes, I could refuse to sign the Executive Council minute. This by-law could never have had effect unless you had signed it.

Mr. LATHAM: If the department had carried out the law, the by-law should not have been submitted to me.

The Minister for Health: The by-law was submitted to you and published in the "Gazette."

Mr. LATHAM: Why was it sent to Executive Council? The Act does not require

it to be sent to Executive Council. The Commissioner must realise the impossibility of giving effect to the by-law.

The Minister for Health: Right throughout Queensland effect is being given to it.

Mr. LATHAM: The only State that has adopted a similar by-law is Queensland. We were in touch with the rest of the States and were informed that they had not adopted it. It is often a bad principle to follow other States.

Mr. Sampson: Queensland is a tropical State.

The Minister for Health: We have to keep right behind everyone else!

Mr. LATHAM: It would be better to amend the Health Act to prevent people from spraying rather than make it optional for local authorities to adopt the by-law.

The Minister for Health: Do you know of any by-laws made by the Commissioner under conditions other than these?

Mr. LATHAM: I am not in a position to say. I am sure the procedure adopted is wrong. The by-law should not have been tabled.

The Minister for Health: Why?

Mr. LATHAM: Because it has to be adopted by resolution and the resolution has to be gazetted. The Commissioner has acted contrary to the Interpretation Act and the matter should be investigated. The Interpretation Act provides that any by-law made shall be submitted to Executive Council, gazetted and tabled within 14 days of the House sitting. The Commissioner cannot go outside the Interpretation Act.

The Minister for Health: He does not want to.

Mr. LATHAM: If the Minister discusses the matter with the Crown Law authorities, he will find that the Commissioner is wrong. That is opposed to the Interpretation Act. By-laws ought to be sent to Executive Council, gazetted and laid on the Table of the House.

The Minister for Health: So they are.

Mr. LATHAM: Then the provisions of the Act are not being carried out.

The Minister for Health: They have been adopted in toto.

Mr. LATHAM: Before we proceed any farther with this matter, I hope the Minister will take it up with the Crown Law authorities with a view to ascertaining if I am not right.

The Minister for Health: I have already done that in connection with a motion moved

by your colleague last week. I was informed that the motion was out of order. This one is in order.

Mr. LATHAM: I should like to have a chat with the gentleman who gave that advice to the Minister. I think he would say that immediately the Governor gave his consent to the by-laws and the Executive Council minute had been signed, the Commissioner himself would become an authority to put them into operation.

The Minister for Health: He would have to gazette the by-law.

Mr. LATHAM: He would not have to do so. The process is different. The Act says a local authority may of its own motion by resolution do certain things. What would the local authority do if it happened to be the Commissioner himself? Would he meet himself, appoint his secretary as chairman, and carry this resolution?

The Minister for Health: He has not to do that.

Mr. LATHAM: He has to do it. It is worth while taking up the point with the Crown Law Department. Another thing is, this cannot be given effect to. It is unfair to have two districts side by side, one being prohibited from spraying and the other being permitted to do so. The produce is then sent to market and some innocent grower is held responsible for the trouble that ensues.

The Minister for Health: I told you the other night that the by-law was being amended, and it has been amended. What is the good of gazetting it if you disallow the lot? I told you it would be amended.

Mr. LATHAM: I did not know that. I am satisfied if the Minister does that. He will also satisfy me if he will ask the Commissioner of Health to go into the query I have raised in regard to Section 295 of the Act. I want to know whether he has given effect to it in that way, and whether he can give effect to it.

The Minister for Health: I have already done that.

Mr. LATHAM: In Part III. power is given to make by-laws, irrespective of this. This seems to be the only way to deal with the matter. The Commissioner can make all the by-laws he requires in accordance with the powers that are given. The Governor, on the advice of the advisory committee, may from time to time make regulations in respect to foodstuffs, etc. I presume the word "foodstuffs" would include

the brassica family. I refer to division 3 of Part 8 of the Act which deals with food-stuffs. The by-laws would then be in order.

The Minister for Health: Under the Food and Drugs Act they would be in order. If he was making regulations under this Act, he would do it in this way.

Mr. LATHAM: It is an absolute farce to make model by-laws like this. It is so silly. There may be two districts alongside each other, each supplying the city with vegetables, and one is adopting the by-law and the other is not doing so.

Mr. Wansbrough: But each is liable under the spraying provision.

Mr. LATHAM: The only person who is liable is the unfortunate greengrocer, who knows nothing about the matter. When we frame laws we try to make them as simple as possible so that people may understand them. I remember the member for Murchison moving to strike out a certain Latin phrase from a Bill so that the words might be construed into English. I hope the Minister will hold up this matter until it can be thoroughly inquired into.

On motion by Mr. Marshall, debate adjourned.

MOTION—LEGAL COSTS.

To inquire by Select Committee.

Debate resumed from the 9th August on motion by Mr. Raphael as follows—

That a select committee be appointed to inquire into legal costs in this State, and also the Legal Practitioners Act.

MR. McDONALD (West Perth) [9.20]: I am indebted to the member for Claremont (Mr. North) for allowing me to resume the debate on this motion. I do not know whether I am expected to follow the precedent which has been set several times to-night, and congratulate the mover. I am also conscious that I may be open to a charge of having a certain partiality towards the legal fraternity. I propose, as impartially as I can, to set out a few facts on the matters dealt with by the member for Victoria Park, hoping they may be of some assistance to the House in considering this motion. The motion is for a select committee to inquire into legal costs in this State, as well as the Legal Practitioners Act itself. The hon. member divided his speech into three headings. First of all he

dealt with the fidelity or guarantee fund, secondly the question of the admission of students as legal practitioners, and thirdly the cost of litigation in the Supreme Court. I propose to deal with the different headings as shortly as possible. Let me take first the fidelity or guarantee fund, to protect clients who leave trust funds in the hands of solicitors. The first country to adopt legislation of this kind was New Zealand. I think it has since been followed in Queensland, and that an Act of that kind has been contemplated in some of the other Australian States. There is a good deal to be considered in such an Act, because there is an important principle involved as to how far members of one class should be taxed to make good defalcations that are brought about by other members of the same class. I could understand, as the member for Victoria Park said, that in certain circumstances a man may be required to provide a guarantee bond or fidelity bond to his employer. There is, however, another principle involved in this case; that of calling on people who are perhaps entirely reputable, and take special precautions to safeguard their funds by spending £50 or £60 a year in audit fees, to contribute to losses sustained through the delinquencies of some other member or members of the same class. I suggest to the hon. member this particular factor might be put on one side and not be dealt with under this motion. In New Zealand and in Queensland the Fidelity Fund Act is the subject of special legislation. It does not form part of the Legal Practitioners Act, which is confined to dealing with the qualifications for admission to the ranks of legal practitioners, and to matters of discipline, and whether persons are guilty of any professional misconduct. When it comes to a fidelity fund or guarantee fund, if that be desirable in this State, I suggest that in accordance with the practice in New Zealand and Queensland, the matter should be made the subject of a special inquiry and not in the direction of amending the Legal Practitioners Act.

Mr. Stubbs: Do you favour putting such an Act on the statute-book?

Mr. McDONALD: I have not considered the question, but the Law Society of Western Australia has given it a certain amount of attention. The Minister for Justice will find that the late Attorney General gave a

good deal of consideration to it. At his request, the Law Society and the Barristers' Board some two years ago made an inquiry into legislation appertaining to a fidelity fund. If the Minister for Justice made an inquiry, and ascertained what had been done by his predecessor, I think he would find that the Law Society and the Barristers' Board would be very glad to co-operate with him in discussing how far legislation of this kind is required in Western Australia, and, if required, what form it should take. There is an alternative way of dealing with the matter, namely by means of a compulsory audit of trust funds.

Mr. Raphael: You would fill the Ere-mantle gaol if you did that.

Mr. McDONALD: I will talk about that later. The compulsory audit of trust funds has been practised in some States. Many solicitors who have had trust funds of any magnitude put in their safekeeping engage auditors themselves, and may spend £50 or £60 a year in having an audit of their funds. They do this to demonstrate the care that is being taken of the funds deposited with them by their clients. An audit of this kind provides a means of protecting such funds, and imposes upon the solicitor the obligation of looking after the funds placed in his charge. It would also prevent a solicitor from defaulting in respect of such funds, and thus serve the purpose of a fidelity bond. I have no information of any kind of fidelity fund being contemplated in England. So far as I can learn, the first country to adopt the principle was New Zealand. That country has experimented farther than any other in Australia in respect to the qualifications required for members of the legal fraternity. They are the first people I am aware of who have brought in legislation of this kind. In considering such legislation the Minister for Justice would be concerned with the fact that in Western Australia the legal fraternity has a very good record, despite what the member for Victoria Park has said, with respect to the control of trust funds. A certain percentage of defalcations must occur in almost every class which has the control of funds, but in Western Australia the percentage of loss is, if not smaller than in any other State, at all events such as to compare favourably with that in any other State. If we take the matter over a course of years we find that the standard of in-

tegrity in Western Australia compares favourably with that in any other State or in the Old World. When considering these things, we must observe a certain sense of proportion. In this State hundreds of thousands of pounds pass each year through the hands of solicitors.

Mr. Marshall: Did you say pass through or into their hands?

Mr. McDONALD: Pass through their hands. I regret that a little more does not stay in their hands, so that the profession might be a little more profitable than it is to-day. It passes through their hands, and has been faithfully accounted for, and genuine service rendered to the community. It is so easy to say that there is a man who has gone wrong, has been prosecuted and imprisoned. It is also easy to overlook the vast extent of legitimate work that goes on year after year about which nothing is ever said. In this branch of the fidelity bond business, I suggest that instead of dealing with it as part of this motion, it should be left to the Minister for Justice to inquire what was done by his predecessor, and bring up the matter separately at a later stage when he has ascertained what has been done.

Mr. Raphael: That would be done by the select committee.

Mr. McDONALD: This is something which is outside the Legal Practitioners Act, and I think that if anything is done in this State we should follow the same procedure as the other States have followed and keep the matter entirely separate from the Legal Practitioners Act. Whether it is necessary or not is a matter that can well be considered by the Minister for Justice. There was a second phase of the motion, and that was as to the admission of legal practitioners. The hon. member appeared to have two grievances. One was that a bachelor of laws was not able to earn some money by outside pursuits—I think that was the burden of the hon. member's complaint. First of all, the qualifications for legal practitioners are not made by lawyers at all. They are made by Parliament. As a matter of fact, they were made as far back as 1893. The qualifications for the admission of legal practitioners have been and are laid down by Parliament. Lawyers have no say whatever as to what those qualifications shall be. Lawyers have no wish to restrict the number of practitioners. Their only objective is to ensure, in the interests of themselves and the

public, that the standing of practitioners shall be as high as possible with regard to character in the first place and competency in the second place. At a later stage I shall show the particular efforts which have been made by the lawyers of this State to render the path as easy as possible for the admission of students into the law. There are two ways in which students may qualify for the law in this State. The first way has been in force since the Legal Practitioners Act of 1893, and before. Under that system a student serves five years' apprenticeship in the office of any practising solicitor. During those five years he passes an intermediate and a final examination, which are set by the Barristers' Board. He can pass his apprenticeship of five years with a solicitor in any part of the State. He has no need to come to Perth at any time whatever except to sit for his intermediate and final examination. So that he can be far away from the University; he can be at Wyndham or Broome or Albany or Wyalkatchem, and qualify for the law in a solicitor's office in one of those towns. As far as the region is concerned, therefore, the country lad has just the same chance as the town lad has. A few years ago an alternative method was adopted, when the University established a law school. It is rather interesting to see how that law school started. The law school is about seven years of age, and its institution was of course a matter of funds, like everything else always is. Thereupon the legal practitioners of this State, in conjunction with the late Attorney General, agreed to find voluntarily an annual sum of £500 to make the law school of Western Australia possible. With the aid of this House, and at the instigation of the Hon. T. A. L. Davy, a Bill was passed to put that contribution upon a regular footing, and to ensure that all lawyers did their part. It was provided that every lawyer should pay every year £5 as and for a practising certificate, the money raised, after payment of expenses of collection, to be used to support the University law school. From that time up to the present £500 a year has been contributed for that purpose, and a similar sum will be contributed in perpetuity unless it is necessary to alter the purpose. The law school is thus maintained by the lawyers of Western Australia for the express purpose of assisting students in getting a good legal education and to provide an easier means of entering the law than existed under the old appren-

ticeship system. This alternative method makes it much easier for a student to qualify as a lawyer. He serves four years at the University, and at the end of that time, if he is proficient, he gets the degree of bachelor of laws. During those four years he works on the average—I have been a lecturer on law at the University and know—eight to 10 hours per week in lectures, and his work is entirely theoretical. During those four years, so long as he goes to his lectures, which are delivered at night or at other convenient hours, he can follow any occupation he pleases. I have known students who qualified for the degree of bachelor of laws and all the time followed an outside occupation and supported wives and families. I have known civil servants who, with the permission of their superiors, qualified at the University for the degree of bachelor of laws and all the time carried out their civil service duties and received their salaries. So that under that course for four years the student can get his training of a theoretical kind and follow any occupation he pleases—wheat lumping or anything else, as an hon. member suggested. But this is where the catch is said to be. After four years' theoretical training resulting in the degree of bachelor of laws, the Legal Practitioners' Act requires that the student, having acquired that degree, shall serve an apprenticeship of two years in the office of a practising solicitor; and during those two years the Act does not enable him to follow any outside occupation unless he gets the consent of the board. Now, whether that is a good thing or a bad thing I am not going to argue. I do not care at all if all the world becomes lawyers. For four years the student can do theoretical work and carry on wheat lumping or anything else he likes, to earn a living; but the present law says, "Before you can practise as a barrister or a solicitor, you must serve two years in a solicitor's office and get practical training."

Mr. Sleeman: That is if the man is qualifying in Western Australia.

Mr. McDONALD: Yes.

Mr. Sleeman: If he goes to the Old Country, his position is different.

Mr. McDONALD: I will come to that part in a minute. It is well that some practical training should be obtained. If the House thinks otherwise, of course it does not matter very much. In all sorts of callings the Arbitration Court now requires an ap-

prenticeship of five years, and the court is most particular that an apprentice does his full period of practical training. If the master is not giving the apprentice the opportunity of learning his job, the master is liable to heavy penalties. That is the view taken in the case of a man learning to be a pattern maker, or an electrician, or whatever the trade may happen to be. The Arbitration Court thinks it most material to have that practical training. It is also important in the case of a lawyer, or a medical man, or any other man following a responsible calling, to have some practical training. The mover referred to the case of New Zealand, where he said no practical training was required. That is perfectly true. I got the Law Society here to write to New Zealand and find out the position. The reply is that so far as practical training is concerned, that is not a necessary feature of admission. Students in New Zealand are not articulated or apprenticed, but in the great majority of cases applicants for admission obtain at least some experience and training in the offices of established practitioners. The secretary of the New Zealand Law Society goes on to say—

Under the New Zealand University Amendment Act of 1930 the Council of Legal Education was established, and its personnel includes two judges of the Supreme Court and two members of the Council of the New Zealand Law Society. This council has power to provide conditions of admission, which may include a course of practical training. Nothing has yet been done in this direction, but I understand it is under consideration.

The Act referred to is, of course, quite recent. So that whereas it may be suggested here that practical training should be done away with, in New Zealand, where it has in fact been done away with, they are actually moving back towards the re-establishment of some degree of practical training.

Mr. Marshall: Would you suggest that the legal fraternity of New Zealand have failed as compared with the lawyers of this country, where that training is in vogue?

Mr. McDONALD: In New Zealand they have experimented in abolishing practical training. The result of that has been, I can safely say, that New Zealand solicitors have been debarred from admission in many countries of the world, because it is held in those countries that the New Zealand standard of education is not up to the standard of education of the countries in which New Zealand solicitors seek admission. So that

first of all New Zealand solicitors have lost their professional standard as compared with a number of countries of the world. However, New Zealand solicitors can now be admitted in New South Wales if they are of three years' standing, if they have had three years' practice after completing their qualifications in New Zealand. The member for Murchison (Mr. Marshall) referred to the case of medical practitioners. A medical practitioner, I am informed—my information is contrary to that of the hon. member—is not able to follow any outside occupation, except perhaps during the first year or two of his qualification.

Mr. Marshall: Yes, he can.

Mr. McDONALD: I am told the exact opposite. I may be wrong, but that is what I am told by qualified persons. What happens is this. The average medical degree is a six-year degree, and a medical practitioner is even more dependent on practical training than a lawyer is. The medical student, apart from the first year or two when he does science, physics, chemistry and things like that, has not only to have theoretical instruction but must go to lectures, visit hospitals and laboratories, and obtain quite a lot of practical instruction side by side with the theoretical lectures. I am told that apart from exceptional cases no medical student during the last three or four years of his course, or except for the first year or two of his course, has any hope of satisfactorily following his professional training and at the same time earning his living at any outside occupation.

Mr. Raphael: But he can do it if he wishes to.

Mr. McDONALD: He might do it by studying in the day and working at night, but he would need to be a most exceptional person. The average medical student would be in the position I have stated. I do say to the hon. member that I do not think any profession at the present time can be more easily entered than the profession of the law in Western Australia under the present system of putting in four years at the University and two years in apprenticeship. The hon. member said that after undergoing a course at the University bachelors of law were qualified to act as barristers. That is entirely wrong. The course at the University gives the degree of bachelor of law, and

one has to spend a further two years' apprenticeship under the Legal Practitioners' Act before being entitled to practise either as a barrister or solicitor. I do not know of any country in which the degree of bachelor of law entitles a man to practise either as a barrister or as a solicitor. It is quite wrong to suggest that because a man is a bachelor of law he is entitled to practise as a barrister, and that he is suffering a grievance because compelled to put in practical training in the office of a solicitor. So in regard to that aspect, I do not think the students to-day are suffering any hardship. I have heard of only one case where a student is in any way aggrieved with the conditions existing at present for the admission of practitioners. I am informed that as regards cases where students are not in good circumstances and want to earn outside money during their period of apprenticeship, there has been no case where the Barristers' Board has failed to grant some measure of remission to a student in order that he might follow an outside occupation as a means of earning something.

Mr. Sleeman: Do you know of any recent case in which it has been granted?

Mr. McDONALD: No, but I do not know of any case where it has been refused. I know of one case where there is some grievance about this two years' apprenticeship period. But, after all, it is a maxim of law that hard cases make bad laws, and I do not think this Parliament can legislate for individual cases. We have to take the general profession and the maintenance of a certain standard of qualification for the profession.

Mr. Raphael: Would the Barristers' Board admit this man, even if he served his two years?

Mr. McDONALD: He must give evidence of good character.

Mr. Raphael: It would be a hard job for some of our solicitors to show good character.

Mr. McDONALD: The hon. member is now getting on to his old point: I want to keep off that, for I am trying to deal with the matter impartially. The position is that, so far from the lawyers being hostile to the admission of practitioners, they have made efforts, unequalled in any other profession I have heard of, to provide an easy means for efficient candidates to gain admission, donating £500 per annum for the maintenance of a law school.

Mr. Lambert: Some have to subscribe to keep up a library.

Mr. McDONALD: Every practitioner using it subscribes to the law library. So there is no real demand for any amendment of the Act. As I say, I have heard of only one case where somebody was dissatisfied. We should be reluctant to interfere with the standard of any avocation where responsibility has to be taken. Now I pass to the third aspect of the hon. member's remarks, regarding the question of Supreme Court costs.

Mr. Raphael: A burning question.

Mr. McDONALD: Regarding litigation, the law is, I think, the only profession which does not fix its own charges.

Mr. Marshall: Oh, pardon me!

Mr. McDONALD: The only profession which does not fix its own charges. The charges for litigation in the Supreme Court are according to scale laid down under the authority of the Supreme Court Act of 1880, and the rules that have been made under that Act.

Mr. Raphael: Fifty-three years ago!

Mr. McDONALD: Yes. It is rather an important factor, that 53 years ago. Those charges were the charges in force at the time the Act was passed, and were, with some differences, the charges in force in England. The charges for litigation are all set out in tables, so much for each item of work, so much for each folio of 72 words in a certain type of document, so much for filing documents, fees for attending at court according to the case, large or small.

Mr. Marshall: How much is allowed for telephone calls?

Mr. McDONALD: That is entirely in the hands of the taxing master; if the calls are of any importance at all, he will allow 3s. 4d. So the scale is laid down by the judges under the authority of this Act, and not by the lawyers at all. If I employ a plumber or a doctor and do not like his bill, there is only one way by which it can be decided whether I have to pay it; I go to court in the ordinary way and the judge or magistrate decides what is a reasonable charge to be made. I have to go to the expense of a full dress trial to find out what should be the charge. In the case of a lawyer, there is a summary or quick procedure under the Legal Practitioners' Act in regard to the bill of any lawyer. If the client is dissatisfied he can bring it before the taxing

officer, whose duty it is to scrutinise the bill and see that it conforms with the scale laid down by law, and so far as it does not conform to that scale he strikes out or modifies the charges. The client does not need to have a lawyer to represent him when that is being done, for the taxing officer is a judicial officer of the court, and if a client takes his bill down there he does not need to say a word to that officer, who will go through the bill, compare it with the scale and reduce or strike out any charges which are not in accordance with the law.

Mr. Sleeman: But would it not be wise to have a legal representative there?

Mr. McDONALD: It would be very wise, I think, for the client would have a much better chance of having his case properly put forward; but it is not essential, and if any litigant goes down there he will receive the utmost courtesy and help from the taxing master, who will see to it that he gets complete justice.

Mr. Raphael: What about amending a bill of costs: do you believe in that?

Mr. McDONALD: Yes, I do. What happens to it? As the hon. member said, if one is building a house or having alterations made to the house, the builder presents him with a bill for £70, but on protest says, "Very well, I will see what I can do." The builder, going off, comes back with a bill for £10 less. The hon. member might say, "Very well, I will pay that." It is the most sensible thing he could do, much better than going to law over £70, to accept the reduction. Under the Legal Practitioners' Act a lawyer cannot sue for a bill until he first renders an account showing every item and the respective charges. There is no other avocation in which the person practising it is under the same obligation to set out and justify the charges for his services, as has been already imposed by law upon the lawyer. He cannot sue for a penny until he first delivers that bill with every detail of his work and every item charged.

Mr. Lambert: Do you ever submit a bill without setting out details?

Mr. McDONALD: Occasionally one does.

Mr. Lambert: Do you think that honest?

Mr. McDONALD: Perfectly.

Mr. Lambert: And to issue a letter stating that you will sue, without giving any details?

Mr. McDONALD: It is perfectly honest.

Mr. Lambert: It is damnably dishonest.

Mr. SPEAKER: Order!

Mr. McDONALD: It is perfectly right to say that my bill is £10 and if you do not pay me I am going to sue you.

Mr. Lambert: Although giving no particulars.

Mr. McDONALD: That does not matter. Before suing, the practitioner has to submit a detailed bill. It is perfectly honest for the practitioner to say, "If you do not pay, I will sue you."

Mr. Raphael: But you have the right to withdraw that bill and reduce it.

Mr. McDONALD: I was coming to that. I drew the analogy of a builder. In the case of a lawyer, I explained that before he can sue he has to render a detailed account, and the client has the right to have that bill considered by the taxing master; and if the client objects to the bill as being too much the solicitor has the right, the same as any other person in the world to say, "Well, I will reconsider such and such an item." And he reduces the bill, or perhaps he may even increase it. The legal practitioner can, as a gesture towards peace, reduce his bill, or he can, in fairness to himself if the bill was too small, increase that bill.

Mr. Raphael: Can a lawyer make a mistake in that regard?

Mr. McDONALD: It may not be a mistake. I could show bills that have been rendered and taxed on far more than the original amount.

Mr. Lambert: They must be very rare.

Mr. McDONALD: Not so. All that the Act says is that, like any other member of the community, if a client expresses dissatisfaction with the bill of costs, the lawyer may render an amended bill and, in accordance with his duties under the Legal Practitioners' Act, he has to render a detailed bill with every item and charge upon it. He does that, and perhaps the client says, "Very well, I will pay that." What is wrong when a person reduces a bill objected to.

Mr. Raphael: What other professional men are allowed to do that?

Mr. Lambert: Suppose your tailor rendered you an account for a suit of clothes for nine guineas, do you suggest you have a right to ask him to reduce it?

Mr. McDONALD: If I am tendered a bill for nine guineas and I say it is too much, I consider he has the right to ask for the bill to be returned, and to give me another one for £8 18s. 6d.

Mr. Lambert: But you would not be dealing with a lawyer.

Mr. McDONALD: A lawyer cannot always tell, any more than can a doctor when a man is ill, what will be the amount of the bill.

Mr. Patrick: Or a dentist.

Mr. Lambert: A man, when he goes to law, is always ill.

Mr. McDONALD: It depends on which side the client happens to be.

Mr. Sleeman: One thing certain is that a client always loses some of his feathers.

Mr. McDONALD: Sometimes. If clients could not go to law, there would be greater grievances than exist to-day.

Mr. Lambert: Perhaps they would go to the racecourse.

Mr. McDONALD: Perhaps so. Lawyers' charges are fixed by legislation. Lawyers' bills are subject to a particular scrutiny that does not apply in any other occupation, and they have to take the utmost pains to post the client with details of every item. Now I pass on to the costs of litigation. They are fixed by a scale laid down under the Supreme Court rules. The Western Australian costs of litigation in the Supreme Court were fixed, as the hon. member said, something like 50 years ago.

Mr. Raphael: Fifty-three years ago.

Mr. Lambert: You have had an increase since then.

Mr. McDONALD: I am coming to that. Let members pause for a moment and consider the general scale of living, salaries and earnings that obtained 53 years ago.

Mr. Latham: And the value of money then.

Mr. McDONALD: Yes. I venture to say that the salaries, wages and emoluments right through the community are 100 per cent. higher now than they were 53 years ago. I have looked up the salaries of two professional men, both civil servants, one of them a lawyer. The lawyer in 1927 received £750 a year and now he gets £1,130 or an increase of 50 per cent. The other professional man received £650 in 1927 and now he receives £1,000 a year.

Mr. Lambert: Are they magistrates?

Mr. McDONALD: I do not intend to say who they are, except that they are professional men. Those figures are taken from the Estimates for 1927 and from the latest Public Service List. Now I come to increases mentioned by the hon. member. In England the scale of costs was increased by

33 per cent. in 1919. In the Supreme Court in England there are two scales of costs, one called the higher scale and the other the lower scale. The higher scale has never obtained in this State. Costs here are based on the English lower scale.

Mr. Lambert: What is the idea of having two scales in England?

Mr. McDONALD: In England the ordinary Supreme Court work is on the lower scale, but if a case is lengthy or specially difficult, costs are allowed on the higher scale. An appeal to the House of Lords carries costs on the higher scale. We have never adopted the English higher scale. After the English costs were increased by 33 per cent. ours were increased, a year later, by 25 per cent. The increase of 33 per cent. in England still obtains, but in 1931 our increase of 25 per cent. was reduced to 6¼ per cent. Thus our scale in 1931 was only 6¼ per cent. above the scale in force 53 years before.

The Minister for Railways: It has been increased since then.

Mr. McDONALD: That is so. At the end of 1932 it went back to a 25 per cent. increase as against the English 33 per cent.

The Minister for Railways: Trouble arises from the two different systems. Some are abiding by the agreement of last year and some are not.

Mr. McDONALD: I agree that the variations referred to are undesirable, but I believe that most lawyers are honourably observing the agreement.

Mr. Raphael: Give us a couple of names.

Mr. McDONALD: We have the lower scale as compared with the higher and lower scales in England, and we have a 25 per cent. increase as against a 33 per cent. increase in England. Our increase is based on the figures of 53 years ago since which time the cost of living has greatly advanced.

Mr. Raphael: Have a select committee to determine whether your costs should be increased.

Mr. McDONALD: I am unconcerned what the hon. member has. A select committee might recommend an increase of certain charges and a decrease of others. The hon. member went to some pains to bring up a bill of costs and inferred that an arbitrary method was adopted in fixing charges. He said, "Here is an attendance charged for at 3s. 6d. and later on I find one charged at 4s. 4d." Those charges were not fixed arbitrarily. The difference showed the deter-

mination of the lawyers concerned to adhere strictly to the scale they were entitled to charge. The usual fee under the old scale was 3s. 4d. for a small attendance and $6\frac{1}{4}$ per cent. on that would be 2d., or a total of 3s. 6d. The bill of costs, quoted by the hon. member, started in the period when there was $6\frac{1}{4}$ per cent. increase and continued into the period of the 25 per cent. increase.

Mr. Raphael: You did not see that bill of costs.

Mr. McDONALD: I have seen a copy of it.

Mr. Raphael: You do not know anything about it. You may have thought it was a copy you saw.

Mr. McDONALD: In any event I heard what the hon. member said.

Mr. Lambert: I think it was rather a fatal admission on your part to say that you had seen a copy.

Mr. McDONALD: I shall also mention much more than I have seen. The variation between 3s. 6d. and 4s. 4d. mentioned by the hon. member was due to absolute adherence to the scale. The hon. member said a solicitor could withdraw his bill and, if the client intimated his intention to have the bill taxed, charge 25 per cent. more. That is wrong.

Mr. Raphael: It should be 100 per cent. more.

Mr. McDONALD: That also is wrong. When a lawyer renders a bill, and if he charges fully, which he seldom does, he charges according to the original scale, plus $6\frac{1}{4}$ per cent. or 25 per cent., depending on the dates when the work was done. That is the bill which would be taxed. It would be ridiculous for any person to believe that when it came to a question of taxing a bill the lawyer could, by way of a penalty on the client or out of vindictiveness, add 25 or 100 per cent. or any percentage to the original amount.

Mr. Raphael: He has the right to do so if he desires.

Mr. McDONALD: No. He has the right to put on 25 per cent. or $6\frac{1}{4}$ per cent. when he first renders his bill, but he may not have exercised that right. Very often bills are less than the actual legal charge that can be made. Indeed, that is nearly always the case. When bills are rendered, say, on some contentious matter, the lawyer makes it out according to the actual scale set out by law.

The taxing master then goes through it, and decides whether it is according to the scale. To say that a lawyer can increase his bill by any percentage is to say something that no Act of Parliament could ever have contemplated. The hon. member is under a misapprehension in that regard.

Mr. Raphael: Then there must be many liars amongst the profession, because three lawyers distinctly said that a solicitor had the right to recall his bill, and increase it by 25 per cent. or 100 per cent if he so desired.

Mr. McDONALD: The hon. member can find nothing in the Act to justify such a statement. He must be under a misapprehension as to what the solicitors told him. He also said that three lawyers had declined to tax his dear friend's bill.

Mr. Hawke: Did you say dear, or expensive?

Mr. McDONALD: I am glad the hon. member has a friend. He said that lawyers as a class did not want to tax the bills of other lawyers. That statement also is due to a misapprehension. Nine out of 10 bills that are taxed by the taxing master at the Supreme Court are what are known as contested bills. A lawyer appears to tax the bill that is due to him, and another lawyer appears on the other side, representing the person who has to pay that bill. The latter lawyer will fight to have that bill reduced by every item that is wrong or excessive or not according to the scale. Nine out of 10 bills that are taxed in any court are bills concerning which a lawyer appears on the other side to fight for the client who has to pay the bill. I am astonished to hear that two lawyers have refused to appear in a taxing matter against another lawyer.

Mr. Raphael: Have you ever done so?

Mr. McDONALD: Certainly, and I would do it again if the hon. member would come along. That is one thing about the legal profession, which is spoken of so often as a close corporation. This may not be an endearing faculty but it has some merits. Lawyers are always prepared to fight each other on behalf of their clients.

Mr. Raphael: With their client's money.

Mr. McDONALD: It is a long period of warfare all the time. Lawyers are just already to fight another's bills of costs, or sue one another for negligence, as they are to take up a case against anyone else. That is one feature of the profession which

think honourably redounds to its credit, along with other special features. Lawyers are fearless in their endeavour to protect the interests of their clients.

Mr. Hawke: That applies to the political profession too.

Mr. McDONALD: Yes.

Mr. Lambert: We are very friendly in a way. You are putting up a great case.

Mr. McDONALD: As to that, I am somewhat indifferent. In fact, I do not like speaking to this motion at all, because it may be suggested I am personally interested. I feel, however, I do know a little more about it than the hon. member does, and I hope I am giving the House information which may assist it to deal with the motion. Let me take the case of the dear friend of the hon. member. I knew what the case was before he referred to it.

Mr. Latham: A very close relation.

Mr. McDONALD: Just as any other member of the public can do, I went to the Supreme Court and paid 2s. 6d. to search the papers dealing with the case of the hon. member's dear friend. That was a case for damages in the Supreme Court before a jury.

Mr. Raphael: More than one case is quoted.

Mr. McDONALD: Possibly so, and I may be dealing with the wrong one. The case I refer to was one for damages. It was the sort of case that had to be heard by a jury, and involved a good deal of preparation on the part of the lawyers concerned. It was settled out of court the very day before that fixed for the hearing. When a Minister delivers a speech in introducing a Bill, although the speech may last only for an hour, he may have spent many hours or days in assembling his facts and preparing himself for the delivery of the speech, and for answering questions that may be asked of him. The same thing applies to counsel. The case may only last a day, but he may have spent, and often does spend, days and days upon it going through the evidence, analysing it, going through the law, and making certain that he is ready to deal with every point that may arise in the course of the hearing. Although this case was put down for hearing the day after it was settled, counsel concerned would have done the greater part of his work.

Mr. Raphael: Or talked it over with his partners and charged for each conversation.

Mr. McDONALD: The hon. member also referred to the engagement of second counsel. I understand his friend went to a K.C., and he would therefore expect to pay more than if he confined his attention to a member of the junior Bar.

Mr. Raphael: He was not let down in his expectations.

Mr. McDONALD: When a person goes to an eminent surgeon or doctor, he knows he will have to pay more than if he went to a junior member of the profession. So it is with the legal profession. The hon. member's friend went to a K.C. about his case. It is a ruling that has come from England that a K.C. in a case of this kind, one for damages, and heard in the Supreme Court before a jury, must be accompanied by a junior. I agree that the rules and practices regarding juniors could be stated with greater clearness. At present the courts are very careful about junior counsel and in many types of cases they will not allow junior counsel at all. The taxing master will not in many instances allow a junior counsel any fees against the client. I think that possibly a more definite statement regarding the employment of two counsel would be of advantage, both to the legal fraternity and the general public. In this particular instance the hon. member's friend went to a K.C., knowing that he would be the more expensive man. The K.C. not unreasonably, followed the usual rule, and brought a junior into consultation with him. In many respects a junior is of great advantage to the senior counsel, especially in a case of this kind. What I want to say about this bill of costs, which I have not scrutinised with care, is that the lawyers obviously drew it to make it according to scale, and that they went out of their way in writing to their client and telling him exactly how he could approach the court and have every item of the bill tested. They went out of their way to do that. Very possibly, for a lawsuit in the Supreme Court which ran right up to the very day before trial, with all the work done except the last appearance in the court, a charge of £102 for disbursements might well be reasonable. I am not going to deal with that aspect, but I do want to say that the hon. member was not quite candid with the House, because whereas the Bill was £102 5s. 3d., the hon. member's dear friend actually paid £63 to those solicitors.

Mr. Raphael: That is not correct.

Mr. McDONALD: I am so informed.

Mr. Raphael: That is incorrect.

Mr. McDONALD: After the hon. member's speech, the lawyers in question naturally concerned after the use of the terms "thieves" and "robbers"—

Mr. Raphael: Terms which were not strong enough.

Mr. McDONALD: Possibly. Naturally concerned, the lawyers came to me and told me some of the facts. I have the correspondence here, and the hon. member has a copy of it. But the hon. member did not read the whole of the correspondence. It shows that the lawyers charged £63 and £1 7s. disbursements, and not £102. The hon. member's dear friend was charged for this Supreme Court case not £102, which the lawyers apparently thought was the proper and fair scale charge, but £63 and £1 7s. out-of-pocket expenses.

Mr. Raphael: That does not alter the fact that the lawyers tried to get away with the £102.

Mr. McDONALD: I thought the hon. member said his friend did not pay £63.

Mr. Raphael: I said it was not £63, and neither it was.

Mr. McDONALD: I have the correspondence here, and am prepared to show it to the mover and to members of this House. The hon. member was not candid, for his dear friend told him about the facts, because in his statement to this House he said that the unsophisticated client had to pay £2 15s. 7d. to a counsel of whom he knew nothing, that he had to pay 8s. 4d. for attending on that counsel, that he also had to pay 4s. 2d. for attending to deliver, whereas the unsophisticated client had not paid that money at all.

Mr. Raphael: That is untrue. There was £25 before the case was taken on. Don't tell untruths about it!

Mr. SPEAKER: Order!

Mr. Raphael: Don't try to mislead the House!

Mr. SPEAKER: Order!

Mr. McDONALD: The hon. member's dear friend did not pay £102. In the circumstances it was not candid on the part of the hon. member, if his dear friend told him about the £63 and the £1 7s., not to mention that fact when addressing the House. That is all I wish to say on that point. There is one farther matter, so small that I hesitate

to mention it but while I am dealing with the question I had better do so. The hon. member read out a letter that a lawyer wrote applying for payment of 7s. for rent of a room and 5s. money lent, the letter finishing up by claiming 6s. 8d. costs. I can easily reconstruct what happened there. Some client, probably a woman in poor circumstances, would come to a lawyer and say, "I have had a lodger in my house, who has cleared out leaving 7s. rent owing and having borrowed 5s. from me. He has not paid me back. I am sure he can pay if you press him. Will you write him a letter?"

Mr. Raphael: That particular solicitor has a great reputation for robbing widows.

Mr. McDONALD: I am dealing with the general principle; I have not time or information to go into details. That is a typical case, if not the actual case. The lawyer writes the letter. Suppose he collects the money with the absolute minimum of trouble. The debtor comes into the office and pays 12s., probably refusing to pay the 6s. 8d. costs, for which he is not liable. The lawyer gives him a receipt for 12s., the 12s. goes into the cash book, there are various book entries, and then the lawyer draws a cheque for the 12s. and writes to the client to come in and collect the money he has obtained. In the circumstances who is to pay that lawyer for all the work he has done? It is as much trouble to collect 10s. as to collect £10, or perhaps £100. The lawyer has spent upwards of a shilling on postage and out-of-pocket for stationery. He has had to do quite a lot of work, written two or three letters and had two or three interviews and a certain amount of book-keeping. For this a payment of 6s. 8d. would really represent a loss to him. Now, who is to pay the bill? I think the person who should pay is the debtor, who could pay, and who did pay when pressed to do so.

Mr. Raphael: Don't you think the lawyer should take the good with the bad?

Mr. McDONALD: In this case one cannot take the good with the bad. It is just an isolated case that comes along. If one is collecting a large number of debts, one can sometimes have a percentage; but if one collects an isolated debt, one cannot work it on a percentage basis. In those circumstances I consider the debtor ought to pay. If the debtor does not pay, who is to pay? If no one is to pay, then lawyers, instead of writing a letter beforehand, knowing that their client will not pay—since

clients nearly always say "Collect your costs from the other side"—would simply issue a writ or a summons. Then they are entitled to their costs, and very much more in the way of costs. Thus, if the mover had his way, it would be very simple; all the lawyers would do in future would be, not to write a letter out of courtesy beforehand, but simply issue a writ or a summons, serve it, and collect the costs. The debtor would then have the embarrassment and the serious loss to his business or financial position of having a writ or a summons issued against him when he was able to pay. The present system, although not perfect, is in fact far cheaper, and far more honourable to the solicitor than if he took the exact legal position, writing no letter of demand, for which he cannot get payment, but issuing a summons or a writ straightaway. I leave it to the hon. member to say which practice he prefers. That is all I wish to say on that point. On the point of costs generally, and in conclusion, I wish to say that that subject has already been dealt with by a very high authority. In 1930 the London Chamber of Commerce appointed a special committee to investigate legal charges, and the committee's report can be read elsewhere. I am about to quote from the Sydney "*Morning Herald*" of the 2nd August, 1933. It gives a brief resumé of the effect of the findings, and says—

In this connection (legal procedure) some valuable conclusions were reached in 1930 by a committee appointed by the London Chamber of Commerce. It declared that the popular belief that the remuneration of legal practitioners was excessive was quite baseless. "When regard is paid to the length of their training and to the rewards obtainable from other professions, the emoluments of lawyers are by no means unreasonable."

That is the report of the committee of the London Chamber of Commerce which investigated a scale of charges very considerably higher than that which is in force in Western Australia. But the committee of the London Chamber of Commerce went on to say that there were certain matters in legal procedure that could well be considered with a view to cheapening litigation. The member for Victoria Park (Mr. Raphael) also referred slightly to that phase, and I think he was on firm ground. I believe there are certain things that could be done to cheapen the cost of litigation. Last year Parliament took an appreciable step in that direction by extending the juris-

diction of the Local Court to £250. By that means, litigation involving amounts up to £250 can be carried on at a cost as cheaply as can possibly be expected. Even more might be done, and if this House desires to take any action, I suggest it should be on the lines of that referred to by the late Attorney General last year when he remarked that a judge might be asked to consider the best methods by which the cost of litigation could be reduced. Of course, members may do as they think best in that regard. As to the emoluments of lawyers, I do not think the remedy lies in the direction of cutting down the scale of costs of litigation to any great extent. While there is no demand for an inquiry into that phase, I do not want to be misunderstood. I took the opportunity to speak to the council of the Law Society with reference to the motion before the House, and it would not be fair to them if I conveyed to this House the idea that lawyers were in any sense endeavouring to obstruct an inquiry into their charges. They have not the slightest wish to charge any more than a reasonable remuneration for their services. If the House thinks that an inquiry should be undertaken into that phase, the lawyers will do what they can to assist the judge, the committee or whoever is appointed to consider that aspect of the question. On the other hand, I do say there has been no demand for any such inquiry, or for the moderation of legal charges. If the Chamber of Commerce, the Associated Banks or persons having dealings with lawyers had asked for the inquiry, it would be a matter for some concern, but there has been no such demand, and the latest inquiry by the London Chamber of Commerce seems to indicate very clearly that the remuneration of lawyers is by no means excessive. I will leave the matter on this basis: That the House can, of course, take any action members may think fit; the lawyers, as the council of the Law Society impressed upon me, are in no sense desirous of obstructing any inquiry into their charges; but I am bound to point out that the findings of the committee of the London Chamber of Commerce, who gave up their time to consider that phase, arrived at the conclusion I have already placed before members. If anything is done, I suggest that the House would be on firm ground if they adopted the suggestion of the late Attorney General and asked a judge to consider matters of procedure

that would lead to a reduction of the cost of litigation to be faced by those who approach the courts of this State.

On motion by Mr. Sleeman, debate adjourned.

House adjourned at 10.35 p.m.

Legislative Council,

Thursday, 7th September, 1933.

	PAGE.
Questions : Unemployment - 1. Part-time work and sustenance ; 2. Relief work, prospecting ...	773
Papers : Engine-drivers' certificate ...	773
Bills : Government Tramways Act Amendment, 3R.	
Health Act Amendment, 3R., passed ...	774
Financial Emergency Tax Assessment Act Amendment, report ...	774
Mine Workers' Relief Act Amendment, 2R. ...	774
Mining Act Amendment, 2R. ...	776
Financial Emergency Tax, 2R. ...	777
Municipal Corporations Act Amendment, 2R. ...	778
Road Districts Act Amendment (No. 1), Assembly's Message ...	785

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

QUESTIONS (2)—UNEMPLOYMENT.

Part-time Work and Sustenance.

Hon. C. F. BAXTER asked the Chief Secretary : 1, How many married men were employed on part-time work on 8th April, 1933? 2, How many single men were employed on part-time work on 8th April, 1933. 3, What was the amount received weekly, at the same date, by (a) a married man without children; (b) a married man with one child; (c) a married man with two children; (d) a married man with three children; (e) a married man with four children; (f) a single man? 4, How many married men were receiving sustenance on 8th April, 1933? 5, How many single men were receiving sustenance on 8th April, 1933?

The CHIEF SECRETARY replied: 1. 6,754. 2, 2,419. 3, (a), (b), (c), (d), and (e), £1 per week above sustenance; (f) 25s. 3d. 4, 3,262. 5, 1,227.

Sustenance, Relief Work, Prospecting.

Hon. C. F. BAXTER asked the Chief Secretary: 1, How many married men were receiving sustenance on 2nd September, 1933? 2, How many single men were receiving sustenance on 2nd September, 1933? 3, How many married men were employed on relief work on 2nd September, 1933? 4, How many single men were employed on relief work on 2nd September, 1933? 5, How many single men have been sent out under the prospecting scheme?

The CHIEF SECRETARY replied: 1, 2, and 3, The Government have instituted a system of employment of married men for a period at full time, in accordance with domestic responsibilities. This is followed by an adjusting period on sustenance. The altered system makes it difficult to give definite figures on the lines requested, inasmuch as an ever-changing number of men are now adjusting on sustenance, whereas previously they were compelled to adjust their earnings without any sustenance being provided. 4, 2,719. 5, 1,067.

PAPERS—ENGINE-DRIVER'S CERTIFICATE.

HON. E. H. HARRIS (North-East) [4.35]: I move—

That all papers, documents, and records of the Inspection of Machinery Department relating to the restriction endorsed on the first-class engine-driver's certificate of service, No. 834, issued to John Henry Fox, be laid on the Table of the House.

I move the motion with a view to satisfying myself that the Inspection of Machinery Department has acted in accordance with the regulations under the Act. May I explain to members that under the Inspection of Machinery Act, inspectors are appointed and they look into the operations of the Act, issuing certificates for all machinery and boilers, and holding examinations for engine-drivers and those qualified to have control of the various engines. Provision is also made that any act of insubordination shall be reported to the board, whereupon it shall be considered by the board. A dispute has arisen between the holder of certificate No. 834 as to whether the board were justified in dealing with his certificate as they have done. The case has been brought under my notice and, not knowing