The next question is that of the reduction of mortgagors' interest. It is dealt with in Part VI. That part of the Bill is in accordance with the resolution of the Premiers' Conference, which caused to be drafted and adopted a measure on certain lines. In that respect the measure adopted was originally included in the Bill practically word for word; but on fuurther consideration, and after consultation by telegram with the Governments of the other States, it was decided to depart from the Plan adopted at the Conference and, in common with the other States, to adopt the Plan which now finds a place in Part VI. The effect of that part is that on the coming into operation of the Act all interest on current mortgages will be rereduced by 22½ per cent., giving liberty to the mortgagee, if he so desires, to appeal to a Commissioner—who will be a judge of the Supreme Court—to demonstrate that in his case the reduction should not apply.

As the Bill now stands it probably would include bank overdrafts. That, however, was never the intention of the Conference; and the other States, or most of them, have expressly excluded bank overdrafts. At the Conference it was realised that to impose a 22½ per cent. reduction by statute on the banks might well place them in an impossible position. It is, however, the Government's view that it is an essential part of the Plan that interest on bank overdrafts should be substantially reduced, and it is anticipated that the banks will announce their definite proposals on the matter in the very near future. The Premier will leave on Saturday for a further meeting of the Loan Council, at which the question of interest on bank overdrafts, and other important matters, will be discussed. In the meantime the House, in the Committee stage, will be asked to consider an amendment making it clear that bank overdrafts are not to be reduced by the Bill.

An endeavour was made in another place to insert an amendment extending the reduction to rents. The proposal was not taken into the Bill because the Government, whilst feeling that rents must be dealt with, do not desire to put into this particular measure any matter which is not found in the corresponding measures of the other States. The principles involved in the Bill are few in number, and do not require, at this stage, detailed explanation, as apart from the general principles involved the measure is largely one for Committee. I move—

That the Bill be now read a second time.

On motion by Hon. J. M. Drew, debate adjourned.

BILL—FIREARMS AND GUNS.

Message from the Assembly received and read notifying that it had agreed to Nos. 2 and 3 of the amendments made by the Council, and had agreed to No. 1 subject to a further amendment, in which it requested the Council's concurrence.

BILL—CONSTITUTION ACTS AMENDMENT.

Received from the Assembly, and read a first time.

House adjourned at 8.36 p.m.

Legislative Assembly,

Thursday, 30th July, 1931.

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

QUESTION—QUEENSLAND FRUIT FLY.

Mr. SAMPSON asked the Minister for Agriculture: Is he aware—1, That statements are being made that the Queensland fruit fly—a different variety from the Medi-

terranean fly, the Western Australian menace—has been discovered in bananas imported from the Eastern States? 2, That the Queensland Government have approved of a regulation offering a reward of £1,000 for an effective scheme of treatment for the control of banana thrips, the Committee of Direction to recoup such expenditure if the reward is paid? 3, In view of the possible danger indicated by the foregoing, will he make inquiries and advise what is being done or can be done to safeguard Western Australian orchardists?

The MINISTER FOR AGRICULTURE replied: 1, Yes. 2, Yes. 3, The danger has been realised and adequate steps have already been taken to prevent the introduction of pests from Queensland.

QUESTION—SECESSION REFERENDUM.

Mr. NORTH (for Mr. Griffiths) asked the Premier: 1, Is he aware of the growing feeling of disappointment and the strongly expressed disapproval throughout the State at the long delay of the discussion on the referendum for secession motion moved by the member for Perth? 2, When will the House have the promised opportunity for a proper discussion of the motion?

The PREMIER replied: 1, Yes. 2, As early as possible.

BILL—CONSTITUTION ACTS AMENDMENT.

Read a third time and transmitted to the Council.

BILL—FINANCE AND DEVELOPMENT BOARD ACT AMENDMENT.

Second Reading.

Debate resumed from the 28th July.

HON. M. F. TROY (Mt. Magnet) [4.36]: By the operation of the Act passed last year the Finance and Development Board wa created to raise money for developmental schemes. The power of the State to borrow money is subject to the authority of the Loan Council, but such a board as this has power to borrow outside the authority of the Loan Council. That occurs in quite a number of institutions throughout Australia; it is quite new to Western Australia, but in the Eastern States there are many bodies with power to borrow. There is nothing objectionable in the Finance and Development Board having power to borrow, provided the money borrowed is wisely expended. But it has happened only too recently that the money borrowed by the State has not been expended on work of development, but has been utilised for the paying of interest on money already borrowed and expended, thus swelling the revenue of the State. Members will remember an ironical poem recently published in which the Australian borrower tells the English investor that we are paying him with the money that we owe. That has actually been the position. We have been paying the interest with the money that we borrowed. Millions of pounds of loan money have been taken into revenue in this country in order to pay the interest on borrowed money. In other words we borrow money to pay for borrowed money, and we borrow under the pretence that the money is being utilised for developmental schemes. Between 1921 and 1930, during the last decade this State has borrowed £37,000,000, of which £19,000,000 was borrowed for agricultural development. Giving evidence before the Farmers' Disabilities Commission, Mr. Mc Larty, the chairman of this Finance and Development Board and the managing trustee of the Agricultural Bank, said the liabilities of the settlers to the 30th April of this year were £13,257,000, or, including interest, a liability of £14,244,000. It is on those liabilities on this questionable asset that the Finance and Development Board propose to borrow money. A great deal of this money which was alleged to have been expended in the development of agriculture was paid into revenue. I know that in the group settlement scheme, a settlement that has cost this country millions of pounds, there was taken from loan funds year after year a considerable amount of money which was paid into revenue as interest on the money expended. To date there has been a loss of £4,000,000 on group settlement, and there is now a demand for a further valuation of group settlements. As a matter of fact the later group settlements which were valued were in a very backward state and in my opinion should not have been valued at the time they were valued. My policy was to value the up-to-date holding in respect of which the Government were justified in putting the

man on to the bank, but in respect of later, undeveloped holdings to bring them to the stage of the earlier holdings. That was not done. They have all been valued and put on the bank, and there is now a demand for a further writing down. So we have lost four millions, and that is not the end of it. On that £4,000,000, which might just as well have been thrown into the ocean, the Treasurer of this State has been taking money from loans and putting it into revenue as interest on the expenditure of money that did not bring any return to the State. If that policy is to be continued, the Finance and Development Board will be a curse to this country. While the Loan Council operates, the several Governments, being jealous of one another, will keep a check on expenditure. But if this Finance and Development Board have power to borrow to an unlimited extent, they may well become the biggest borrowing authority in Western Australia under the pretence that they are borrowing for agricultural development; and the money borrowed by this board will be taken by the Treasurer into revenue so as to swell the returns. In my opinion that would be a disastrous policy. There is no doubt the borrowing of large sums of money by the Governments of Australia during the last ten years, and the taking of that borrowed money into revenue to pay interest on unprofitable schemes has been, more than anything else, responsible for our present financial position. We have borrowed hundreds of millions, and the Treasurers have taken the borrowed money into revenue and so our real financial position is not at all as represented. I hope we are not going to fall into that error with the Finance and Development Board, for if we do it will be a very bad thing for Western Australia. As a matter of fact I am concerned that the State is unable to borrow money reasonably, but I think it is as well to keep a check on the schemes of Governments. We ought to take heed of the lesson that is being taught us and in future allow no Government to enter upon any scheme of development unless that scheme has been thoroughly investigated. That was done in respect of the 3,500 farms scheme: a most thorough investigation of the scheme was carried out. The Treasurer in this House spoke with contempt of the agricultural experts, their experience, and their recommendations. To-day we recognise how wise we were to make haste slowly. Had we made haste hurriedly, and had we been able to get the money, we would have been in greater difficulties to-day and have had many more thousands of settlers on the land whom it would be difficult to keep there. There is no doubt Governments have pursued unsound policies in the past, and these have brought us to the position we are in. If they had made proper investigation before taking important steps of this nature, we would not be so badly off. If the authority of the Finance and Development Board can be utilised to raise money for an unlimited amount of agricultural development, and to enter upon schemes which have not been thoroughly investigated beforehand, then we should allow the board no longer to remain in existence. I do not think the State can borrow much. I am afraid to give some people the right to borrow, because they have not much sense of responsibility when dealing with other people's money. Millions of pounds have been spent in New South Wales in what is called a progressive policy, causing thousands of people to leave their homes and flock to the city. Sydney is eating up New South Wales. Under the last Redistribution of Seats Bill the city was given another seat in the Federal Parliament, always at the expense of the country. That was largely occasioned by the expenditure of large sums of money on the so-called progressive policy. The Government of that State also took borrowed money into their revenue in order to issue a financial statement that was not correct. The Bill is a simple one and mainly a machinery measure. It proposes to give the board power to raise money by the issue of inscribed stock, on the ground that such stock is more popular with the London investor than are debentures. The Premier said the Agent General recommended this course, and probably it is the best course to adopt in the circumstances. If people are willing to invest money in this stock they should be encouraged to do so. The parent Act provided for the raising of money by the issue of debentures either within or without the State. Apparently the board are now endeavouring to raise money in London, and the Agent General, I understand on advice received, favours this course. Parliament ought to know how the board are spending their money. The board ought not to have authority to raise money and spend it without the cognisance of Parliament upon

schemes which have not been thoroughly investigated. We must have control. Quite recently the board raised £500,000 for agricultural development. How was that money expended? It is important that we should know. I venture to say that portion of that money was taken into Consolidated Revenue. That is a policy upon which this House should pounce very severely. If the facts were known I feel sure it would be found the Treasurer had taken a large proportion of this money to swell the general revenue. That is a policy the unsoundness of which has brought disaster on Australia to-day. If the board are going to insist upon this line of action, the sooner we put it out of existence the better. We can see to it that money borrowed by the board is not taken into general revenue. In view of our experience and the seriousness of our position, and also because most of our troubles are due to money having been borrowed and utilised for the payment of interest rather than the carrying on of work, we ought in this Bill to provide that money raised under it shall not be used for the payment of interest on borrowed money. We should also provide that all moneys raised by this board must be utilised for agricultural development, and that no Treasurer shall have power to utilise any of it for the payment of interest on borrowed money. If we can do this we shall be doing a great service to the people. I hope the Treasurer will not object to that course being followed; it is most essential we should have such a provision inserted. If this is provided it will afford a very necessary safeguard, and one that Parliament is entitled to insist upon. The other clauses of the Bill are mainly of a machinery nature. They provide that the board shall operate as a separate borrowing authority, and shall have the power to make agreements similar to the power provided in the General Loan and Inscribed Stock Act of 1910. There is provision in the parent Act that a register of loan investors shall be kept, and that any person may inspect it on payment of a fee. It has come to pass in these days that people who invest in Government stock are looked upon as enemies of the country. We know that recently a public man in Australia published the names of people who invested in Government stock. Since then these people have been held up to ridicule and contempt, and they will be very chary about investing in public stock in the future. The publication of names is entirely wrong. When the money was borrowed from the investors we were glad enough to get it, and it helped us to develop the country. When we ask them to lend money and we use it, it is wrong that we should hold them up to ridicule. Every person who has savings and invests in inscribed stock issued by the board will have his name put upon the register, and any stickybeak can come along and get a list of those names. Any newspaper bent on a sensation during a crisis such as this, when people are complaining about the interest they are paying, can obtain such a list and publish it, and thus hold up to ridicule and contempt all these investors. When we borrow their money and utilise it, and need their help, we should protect them. When we do business with a bank our business is kept private. If, however, it is done with the Government and a register is kept, any stickybeak bent on a sensation can get the names and publish them to the whole community. In these days the investor in any Government loan is under suspicion. Right throughout the country there is a feeling against the investors. If we desire to encourage investments in this direction, we must hold out a hope that people will not be subjected to public ridicule. When these people are coming to the aid of the country by lending their money, they should not be held up to ridicule. I hope the Government will agree to an amendment providing that none of the money borrowed by the board shall be used for the payment of interest on other borrowed money.

HON. W. D. JOHNSON (Guildford-Midland) [4.55]: When the original measure was brought down I expressed the opinion that as it was drafted the Loan Council would not permit the State Government to function as a borrowing organisation because of conflicts with the Loan Council, and that the Bill could only operate if the Loan Council concurred. Evidently difficulties have been experienced on that score. When the Act was being dealt with it was found to be useless as a borrowing instrument, because it became part and parcel of the ordinary borrowing authority, and everything thus had to be approved by the Loan Council.

The Premier: That is not so.

Hon. W. D. JOHNSON: But the Premier has not been able to raise money under his original authority.

Hon. J. C. Willcock: He did raise some money.

Hon. M. F. Troy: A loan was raised through the Commonwealth Bank.

Hon. W. D. JOHNSON: With the consent and knowledge of the Loan Council, I suppose.

Hon. M. F. Troy: The consent of the Loan Council is not necessary.

Hon. W. D. JOHNSON: I should like the Premier to explain whether the £100,000 raised through the Commonwealth Bank was raised with the knowledge and concurrence of the Loan Council, or whether it was done without being referred to the Loan Council.

The Premier: The Loan Council has nothing to do with any of this loan money.

Hon. W. D. JOHNSON: Suppose we agree that the Loan Council would not have to be consulted in regard to borrowing under this Bill. We know that the London end of the lending authorities looks with disfavour upon lending money, unless the money is raised by the consent or with the knowledge of the Loan Council. There are many activities in Australia that have been in the habit of going to London to raise capital for the carrying on of industry. We find, however, that they have been confronted with great difficulties. As a result of the views held by the lending authorities at the other end, they have been forced to consult with the Loan Council, and there has been a sort of honourable understanding between the Loan Council and semi-Government activities, which have been raising money, that the money shall be raised only with the knowledge and/or the consent of the Loan Council.

The Premier: They would not come into competition, you see.

Hon. W. D. JOHNSON: It is to regulate competition. I understand from the Premier that although he has authority to borrow, and claims he has no obligation to go to the Loan Council, and that he can raise money without the Loan Council's approval, up to date he has found difficulty because he has to amend the Act to give the board authority to issue inscribed stock. By interjection he conveyed to me that he was taking this action because of views expressed by our Agent General in London. What I fail to understand is that the Premier has difficulty in borrowing money under the authority of the original Act, whereas he thinks now that he can get money by way of inscribed stock.

The Premier: No; we cannot do it now. We shall be able to get money under this Bill.

Hon. W. D. JOHNSON: I fail to understand why the Premier cannot get it under the principal Act and yet asks Parliament to provide here for loans by way of inscribed stock. What hope is there of getting money even if this Bill is passed? That is, unless the Premier has an assurance that money will be available for the board.

The Premier: Suppose money becomes available when Parliament is not sitting, this is authority to borrow in case we can secure money.

Hon. W. D. JOHNSON: The object of the Bill, then, is purely to simplify the raising of money. Apart from debentures and ordinary loans, the Treasurer wants the right to issue inscribed stock.

The Premier: There might be bearer bonds as used in America, though people here do not like them at present.

Hon. W. D. JOHNSON: If the Premier has that knowledge now, why did he not include it in the original Act?

The Premier: If the hon. member knows so much about the subject, why did not he suggest it?

Hon. W. D. JOHNSON: I did not know so much about it.

The Premier: I apologise to the hon. member for thinking that exception would be taken to bearer bonds.

Hon. W. D. JOHNSON: Would I be correct in saying that the Premier now considers it advisable to insert that provision because of information received by him from the Agent General?

The Premier: I told you that in moving the second reading of the Bill.

Hon. W. D. JOHNSON: The reason why the provision was not introduced previously is that the Premier had not the knowledge before?

The Premier: What the devil does it matter when you know?

Hon. W. D. JOHNSON: Within 12 months Parliament is asked to authorise a measure which has not yet been utilised to any extent. I do not like Bills being introduced one session and amending Bills the next session. I like Bills to be used, so that we may have some experience of them, and know exactly what we are doing with the money raised by their authority. Moreover I do not like raising money outside the Loan Council. On the second reading of a pro-

vious Bill I said that the only part of the Financial Agreement in which I saw any virtue was that by which the Federal authority created a Loan Council to restrict and control the raising of money for Australia. That I believe to be a distinct virtue, and I also regard it as a virtue that a sinking fund, to which the Commonwealth contributes, should be created. If we borrow money as proposed under this Bill, we lose that contribution from the Commonwealth, and have the full responsibility of providing the sinking fund. I admit that the money is to be raised for specific purposes which should be reproductive. Land development should be loaded with the amount of interest and sinking fund necessary to recoup the lenders within a given period. All the same, this Bill represents a departure from the present position of the State. Previously the State raised its loans so that the sinking funds were contributed to by the Loan Council. To that extent I do not like the present Bill. It would be far better for us to go in the ordinary way and raise our loans through the Loan Council, with that body's concurrence, assistance and endorsement, and expend it under the Loan Council arrangement, by which sinking funds are created and maintained by the respective States. There is the further advantage that if we cannot pay, other States, such as New South Wales, will come to our rescue.

The Minister for Lands: Is all the rest of what you have said equally serious?

Hon. W. D. JOHNSON: We have come to the rescue of New South Wales to-day, and if we strike adversity to-morrow, as New South Wales has struck it, that State will no doubt reciprocate and help us over the stile, as we are helping it.

Mr. H. W. Mann: Your remarks will be misinterpreted.

Hon. W. D. JOHNSON: The position to-day is that under the Financial Agreement the whole of Australia guarantees Australian loans. The Loan Council accept the responsibility, and that is why I believe in having one authority. The one authority is a guarantee to lenders not only that the particular State which borrowed the money will repay it, but that the Commonwealth and the other States will be part of the security. The security is Australian-wide. It is not the 400,000 people of Western Australia who guarantee our loans, but the 6,000,000 people of Australia. Thus the security becomes greater. During recent times we have experienced, and we are now experiencing, that one State which cannot or will not meet its obligations puts the responsibility on the other States, which are parties to the loans transferred to the Loan Council. Loans raised since the creation of the Loan Council are guaranteed not by the particular State which had the advantage of the expenditure of the money, but are actually being guaranteed—and the interest on them paid, though only temporarily I hope—by the other people of the Commonwealth. There is a good deal of virtue in that. I would rather see all loans for activities in Western Australia put through the one channel, the one borrowing authority. I have no objection to the Bill, though I consider that any departure should be in connection with the Agricultural Bank, which is a special and distinct organisation, unique in Australia. I question whether in any other part of the world the Crown lands of the State are developed by the people of the State with the assistance of the money of the State, as is the case here. We are proud of the system, and its results have been most satisfactory. True, mistakes have been made. The member for Mt. Magnet (Hon. M. F. Troy) has emphasised one or two, and I could mention others. By and large, however, the operations of the Agricultural Bank have been most beneficial to the State, and most satisfactory from a financial point of view, taking all things into consideration. Where public policy influences administration, there will always be some lapses, some departures from that which is absolutely sound financially. It has happened in connection with the Agricultural Bank. Taking it as a whole, though, the bank has been a huge success. If there is to be any organisation that shall borrow outside the Loan Council, I would rather have it done by the Agricultural Bank than by any other authority. A special board is being appointed under the Bill, but the board will be so close to the administration of the Agricultural Bank that one cannot take exception to it. Nevertheless, I would prefer that we should confine our borrowing to the channel of the Loan Council.

MR. SAMPSON (Swan) [5.13]: I am glad that it is considered possible to raise money outside the Loan Council. It has

been proved that that method of obtaining loans is not in the best interests of the State. Therefore I feel that the Bill will be of great utility.

Mr. Marshall: What you state has been proved by yourself.

Mr. SAMPSON: Under the Loan Council we have not the control which we ought to have over our borrowing. I regret that, as indicated in Section 16 of the parent Act, Parliament will have no control over the operation of this Bill. The section in question provides that the term of the loan and the rate of interest paid shall be submitted by the board to, and approved by, the Treasurer. I do not imply any lack of confidence in the Treasurer, but the approval of the raising of loans is a heavy responsibility. I consider that responsibility should rest with Parliament.

The Premier: So it does. A limit is set to borrowing under the Bill.

Mr. SAMPSON: It has been stated that the need for borrowing might arise during a period when Parliament is in recess. I easily see that that might happen, but I do not think it would happen if the Bill set forth that the approval of Parliament was necessary. The needs of the State in respect of money and the operation of this Bill would then be anticipated, and members would have an opportunity of discussing the financial position generally. I acknowledge that I do not entirely subscribe to views recently expressed by one of our Ministers, the Chief Secretary, who is definitely opposed to a policy of borrowing. It is clear that money is necessary for the development of the State, but grave and widespread objections are being expressed to prodigality of expenditure in respect of loan moneys. From that standpoint alone there is justification for consideration by Parliament of any loan proposition. Therefore, so far as in courtesy I am able to protest against the power which is conveyed by the measure, I do so. I feel that it is a power which should not be given to any board or Treasurer. The proposal should be considered by Parliament, and on the needs and reasons put forward the decision should depend. The parent Act contains the objectionable feature to which I have made reference, and I hope that when this Bill is in Committee the Treasurer will agree to an amendment in that respect.

The Premier: To amend what?

Mr. SAMPSON: It is wrong.

The Premier: What is wrong?

Mr. SAMPSON: The giving to the Treasurer of the power to approve of the raising of a loan.

The Premier: That power has been possessed by the Treasurer all the time.

The Minister for Lands: The Treasurer merely formally authorises the flotation of the loan.

Mr. SAMPSON: In my opinion, the proposal for the flotation of the loan should be before Parliament and be fully discussed. That would be in the best interests of the Treasurer himself, because the responsibility would be carried by Parliament. The power to raise money by the issue of inscribed stock and bonds will be welcomed by the public and by trustees, who will thus have an additional mode of investment. I recall the time when Sir Hal Colebatch, discussing the position regarding the Loan Council, referred to the difficulty experienced by trustees in Great Britain with reference to the investment of trust funds. Formerly it had been possible for them to invest trust funds in Western Australian inscribed stock and Government bonds without waiting for some particular period. With the creation of the Loan Council, that practice was altered.

Mr. H. W. Mann: Sir Hal Colebatch recommended that this State should be able to borrow for its own purposes.

Mr. SAMPSON: I think that is a good idea.

Mr. Sleeman: Yes, for certain purposes.

Mr. SAMPSON: And careful consideration must be given to such proposals. For instance, the construction of a railway is a matter on which much can be said at times.

Hon. W. D. Johnson: If there is any activity in regard to which we have run financially mad, it is the construction of railways.

Mr. SAMPSON: I doubt the wisdom of some of the railways that have been constructed.

The Minister for Lands: To which railways do you refer?

Mr. SAMPSON: I do not know that I would strengthen my case if I were to specifically mention the railways I have in mind.

The Minister for Lands: We could consider the position regarding them.

Mr. SAMPSON: I notice that the Speaker is glancing at me, and I do not desire to infringe the Standing Orders.

Hon. W. D. Johnson: There is the Kalamunda railway, for instance.

Mr. SAMPSON: The member for Geraldton made recommendations regarding two of the lines I have in mind.

Hon. W. D. Johnson: Perhaps you had better let the subject pass.

Hon. J. C. Willcock: You had your opportunity to discuss any railway proposition advanced.

Mr. SAMPSON: Quite so, but I realise my limitations in that regard. Unless one has personally examined the locality, looked into the question of costs and the possible traffic, one can hardly discuss adequately the construction of a proposed line.

Hon. W. D. Johnson: At any rate, it is just as well not to discuss the matter now.

Mr. SPEAKER: Order! The Agricultural Bank does not deal in railways.

Mr. SAMPSON: I do not support the extreme views advanced by the Chief Secretary at Merredin, during the course of which he indicated that he was opposed to a borrowing policy.

Mr. Sleeman: For certain purposes only.

Mr. SAMPSON: It is true that it has been rather an obsession throughout Australia.

The Minister for Lands: All business houses borrow money.

Mr. SAMPSON: Many would like to be able to.

The Minister for Lands: They have borrowed as much as they can, and have, in consequence, embarrassed Governments.

Mr. SAMPSON: I shall support the Bill, but perhaps the Premier will give consideration to the proposal I have advanced and allow the House to consider any borrowing propositions.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Angelo in the Chair; the Premier in charge of the Bill.

Clauses 1 to 17—agreed to.

New Clause:

Hon. M. F. TROY: I move an amendment—

That a new clause, to stand as Clause 17, be inserted as follows:—

"17. A section is inserted in the principal Act, after section thirty-one, as follows:—

Borrowed money not to be used for payment of interest.

31A. No portion of any moneys borrowed under the powers conferred by this Act shall be used or applied in or for the payment of interest payable on moneys previously borrowed, or payable on such moneys last borrowed as aforesaid."

We ought not to allow money borrowed by the board, to be spent in the payment of interest on money previously obtained by the board or the Government. Many of our difficulties in Western Australia are due to the fact that we have taken millions of borrowed money into revenue and utilised it in the payment of interest on other borrowed money. That is a ruinous policy. If we are to have any regard for the future of the State and to profit by commercial experience, we must agree to the amendment. It is not generally known that the practice that I have indicated has been made use of by Governments in the past.

The PREMIER: I hope the Committee will not accept the amendment. In connection with the Agricultural Bank, interest amounting to about £1,500,000 is due and outstanding, and £1,800,000 is outstanding in connection with the payments of principal. Every bank and financial institution has some part of its interest outstanding at the end of every year. In connection with the Group Settlement Scheme, when a settler fails to meet his interest payments and portion of the debt is written off, the interest still has to be met. The same applies to the Wyndham Meat Works. Interest is lost on that undertaking every year, and it has to be paid by revenue. We have lost about £3,000,000 on State trading, but that interest still has to be met.

Hon. W. D. Johnson: You have made a good lot, too.

The PREMIER: I refer to the net loss.

Hon. W. D. Johnson: You collared all you could get and booked up the rest.

The PREMIER: Nothing of the sort. At present, borrowing has become difficult, and so Parliament agreed to the board being

given power to borrow money for advances to the Agricultural Bank. It is not possible for the Loan Council to raise money. Before I came into office, £3,500,000 had been authorised by the Loan Council to be raised. That money was spent on loan works, but the Loan authorisation itself has not yet been raised. Trust money that has been spent must be restored, and altogether £5,000,000 from that source has been advanced to various Government activities, or has been used to meet the deficit for last year. The bank will have to find the interest when it falls due. If the new clause were passed, it would be impossible for the bank to grant consideration to any farmer who was not in a position to pay his interest. The bank would have to pay the interest.

Hon. M. F. Troy: To whom?

The PREMIER: To the holders of the inscribed stock.

Hon. M. F. Troy: What became of the £500,000 recently borrowed?

The PREMIER: It was used to assist farmers and supply fertilisers.

Hon. M. F. Troy: How much was taken into revenue?

The PREMIER: I do not know that any of it was.

Hon. M. F. Troy: Some of it was, and you know it.

The PREMIER: What does the hon. member mean by "taken into revenue"? The method of finance is no different from what it was during the six years the hon. member was in office. Every penny of the £500,000 has been or will be paid to the farmers, and more will be wanted.

Hon. M. F. Troy: Used to assist the Treasury.

The PREMIER: No. One would think that some new system had been adopted.

Hon. M. F. Troy: Not new, but vicious.

The PREMIER: Then the hon. member might have stopped it during the six years he was in office.

Hon. M. F. Troy: It is time it was stopped.

The PREMIER: If the board are to control their finance, the capital must be used for that purpose. If a man has security worth far more than the advance, and he receives consideration as regards the payment of his interest, it becomes part of the capital.

Hon. J. C. Willcock: That is what is termed frenzied finance—borrowing money to pay interest on borrowed money.

The PREMIER: It is capital to provide for the conduct of the business. The hon. member would not argue that the bank should not give its clients consideration.

Hon. J. C. Willcock: No.

The PREMIER: Then it could not give consideration unless it could pay the interest either to the Treasury or to the bondholders. If the amounts outstanding could be collected, the capital of the board would be assured. Some of the amounts should have been paid long ago. It would be wrong to restrict the bank and prevent its giving consideration to a man who may not be able to pay his interest on the due date. That is what the amendment will do and I hope the hon. member will not press it.

Hon. M. F. TROY: The reply of the Premier is "it has been done before." The Premier charged group settlers 7 per cent. interest and, while money for years has been absolutely thrown away, the interest was being charged and the proceeds taken into revenue.

The Premier: There was not much in my time.

Hon. M. F. TROY: The vote was levied on to the extent of seven per cent. and the Premier took the money into revenue. The ex-Premier corrected that to some extent.

The Premier: He did nothing of the sort.

Hon. M. F. TROY: Interest has to be paid on the money that has been written off, so he is still charging the vote with interest, because the settlers are not paying it. What will happen under this Bill will be that the board will borrow money for development purposes and two-thirds of it will be levied on to pay interest to the Treasury. What sort of a policy is it that provides for the bank borrowing money merely to enable interest to be paid to the Treasury? If the settler cannot pay the interest, it should stand in arrears and the Treasury should wait for its money. There is no doubt that finance of this kind is causing trouble throughout Australia. We have created a new authority which may borrow to an unlimited extent.

The Premier: You know that under the Agricultural Bank Act there is a limit.

Hon. M. F. TROY: Will the Premier say that the whole of the £500,000 obtained from

the Commonwealth Bank was given to the farmers?

The Premier: It was or will be given to the farmers.

Hon. M. F. TROY: Evidently the same old practice is being followed—money borrowed is being utilised to pay interest to the Treasury. The State is doing it and this new authority will do it. The board was constituted to undertake sound financial schemes and that is what is happening. I intend to press the new clause.

New clause put and negatived.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—TRUSTEES' PROTECTION.

Second Reading.

Debate resumed from the 28th July.

HON. J. C. WILLCOCK (Geraldton) [5.45]: I do not offer any opposition to the Bill. The terms and conditions of the conversion have been agreed to, and this measure will give trustees power to convert. If, as we are told, the conditions of the conversion are fair and reasonable, trustees should be given an opportunity to do what is fair and reasonable in the interests of their clients. It has been said by the Prime Minister, the Premiers and the experts, that the alternative of conversion is default. If default occurred, Government bonds including those held by trustees on behalf of beneficiaries would seriously depreciate. There is a possibility that a comparatively few bondholders will not convert. The 1931 bonds stand at £77 and are due for redemption in about four months' time. If half a dozen holders refused to convert and their bonds were redeemed at par, what is worth only £77 per cent. now would be worth £100 in three or four months. Thus, without this legislation, trustees might be placed in a difficult position, in that beneficiaries might take action against them for having converted and thus caused them loss. Nobody believes that the Commonwealth will be able to redeem the 1931 bonds. If there was any hope of their being redeemed, one would only have to buy at £77 and redemption at par in four or five months' time would give a return of 50 or 60 per cent. It is necessary that trustees should have the right to carry out the obvious duty of everybody who holds Commonwealth bonds. There is only one point on which I should like some explanation. In some instances an executor is exactly the same as a trustee, having to distribute the proceeds of an estate to the individuals entitled to receive them. The estate may consist of Commonwealth bonds.

The Attorney General: The position depends upon the terms of the will.

Hon. J. C. WILLCOCK: The will may provide for immediate distribution. Who would be entitled to take the proceeds immediately they were handed over? If the money had been invested in Commonwealth bonds and there were only three weeks in which to do one thing or the other, the executor might not be able to apportion the money in the time. Would he be entitled, under the Bill, to convert the bonds that were in his hands, or should he hold them off the market, and hand them to the beneficiaries in, say, five or six weeks' time when he would be in possession of them? According to the Bill everything will have to be done within 21 days, and it may be difficult for an executor to carry out that duty in the time. By the end of that period the time for conversion might have passed, and he would not be able to convert. Has the Attorney General considered whether it is necessary to give an executor, in those circumstances, the power to exercise his discretion in the distribution of such assets?

THE ATTORNEY GENERAL (Hon. T. A. L. Davy—West Perth—in reply) [5.49]: The difficulty mentioned by the member for Geraldton would be more likely to occur in the case of an administrator than an executor. An executor appointed under a will would carry out the directions of the will. If the direction is to convert bonds into cash and distribute the proceeds, then under the Bill he would have discretion as to whether he converted the securities into cash or whether he permitted them to be converted into new stock, to be sold subsequently. In a case like that an executor would not take very long to make up his mind. The definition is very wide. It says "or otherwise howsoever a fiduciary relationship by reason whereof the trustee has the right, power or authority to dispose of or to manage and control," etc.

Mr. Kenneally: Did it hurt the Attorney General to put "fiduciary" in there?

The ATTORNEY GENERAL: No; I do not mind using it in its proper sense; it is when it is used in the wrong sense that it hurts.

Mr. Kenneally: And the hon. member would be the judge.

The ATTORNEY GENERAL: I do not think there is anything to fear in the point raised by the member for Geraldton. The object of the measure is merely to assist in the conversion and give a trustee the power to exercise his discretion without any fear of abuse from the man who is always wise after the event.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Attorney General in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Hon. J. C. WILLCOCK: I am not quite sure that the point I raised has been dealt with by the Attorney General: Let me quote a supposititious case. A man has four children all over 21, and leaving an estate of £4,000 in bonds, divides it equally. Each receives £1,000. Someone who is appointed executor gets possession of the stock and hands over the bonds.

The Attorney General: That would be very unusual.

Hon. J. C. WILLCOCK: It would take a month or six weeks to go through the necessary formalities and in that event what would the executor do in the interval? Would he hand over the bonds to the beneficiaries or dispose of them by sale or by conversion?

The ATTORNEY GENERAL: The definition is designed to be as wide as possible, and it is intended to cover every possible case of persons in possession of bonds.

Hon. J. C. Willcock: He has only three weeks to make up his mind.

The ATTORNEY GENERAL: The definnition of "trustee' covers such a person as the hon. member has in mind—an executor or an administrator. If I were in the position of executor in a case such as that quoted by the hon. member, I would certainly cancel the bonds and put the onus on the beneficiaries.

Hon. J. C. Willcock: The executor might not have the time to do so in the three weeks.

The ATTORNEY GENERAL: The Bill will completely protect him.

Clause put and passed.

Clause 3, Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—TRUSTEES' POWERS.

Second Reading.

Debate resumed from the 28th July.

HON. J. C. WILLCOCK (Geraldton) [5.57]: The Bill, as the Attorney General explained, is somewhat similar to that we have just been discussing, except that the other was agreed to at the Premiers' Conference and this goes a little outside. It is proposed to give trustees power to reduce rents and mortgage interest without applying to the court. I agree with the principle, but legislation should hardly be needed except that in these times it is necessary to make a decision. Even in the city at the present time trustees are in charge of premises and lessees have asked for a reduction of the rent. Trustees have refused to consider any reduction in rent, and so the tenants have had to get out. Now, however, trustees are unsuccessfully trying to let at £10 weekly the premises for which they refused £12. And that is by no means an isolated instance; it is happening every week. Naturally, rent will have to be reduced. As I pointed out in the early hours of last Friday morning, according to the statistics of trade through the clearing house, the turnover of business has dropped by about 45 per cent., or from £64,000,000 to £38,000,000. At the same time we know there has been a reduction in profits. Things are being sold at prices very much below what they have been, and we may take it that it spells reduced profits. So, if a firm's turnover is reduced by 30 per cent. or 40 per cent., and the profits are reduced by, say, one-half, the firm must have been making inordinate profits in the first instance.

The Attorney General: Or is not making any now.

Hon. J. C. WILLCOCK: Oh, I think they are making some, but at all events they

are no longer able to pay high rents. If the existing reduced prices continue to be the ruling prices of commodities, the rents of the past cannot possibly be paid in the future. So trustees having leases, when the position is put to them, will have to make the concession and reduce rents. It is a good thing for the community that rents should have to come down, because the innovation will encourage traders to work on a smaller margin of profit. We are told that half a loaf is better than no bread, and no doubt trustees will be ready to realise the truth in that adage. However, I think that in this instance it will be at least three-quarters of the loaf, that rents will fall by about 25 per cent. The next thing of importance in the Bill is the power to consent to reduction of interest on mortgages. Having regard to the way in which we amended the interest provisions in the Financial Emergency Bill, I scarcely think this provision in this Bill is necessary.

The Attorney General: It is necessary but not appropriate. I propose to insert a new clause.

Hon. J. C. WILLCOCK: Yes, the new clause on the Notice Paper. Of course it does not yet follow that the amendment we made in the Financial Emergency Bill will become law; there is a possibility that other interests will get to work and strike out the amendment, thus restoring the earlier position. So it would be just as well to leave the clause in the present Bill in the form in which it is, since the clause will apply if, in the end, it is not obligatory on the mortgagee to reduce interest. The next provision, as the Attorney General has said, involves a very nice point of law. It gives power to a trustee in whom any settled property is vested to determine in case of doubt whether any moneys, arising from the settled property, which may come to his hand are capital or income, or whether any loss which has been suffered in connection with the property is a loss of capital or of income, and every such determination shall be binding upon all benficiaries interested in the settled property, just as if the determination had been made under the authority of a judge. Personally, I do not think we should give the trustee as much power as that. So nicely balanced will the question be in many instances that I think the trustee should seek some direction from a competent authority before he makes a determination involving serious consequences. He could make application to a judge-in-chambers, where the parties could be heard. This would be a perfectly satisfactory method of arriving at an unchallengeable determination, and it would save the cost of expensive proceedings in open court. If somebody were to leave the interest on £1,000 worth of bonds in a 6 per cent. loan to, say, John Smith, and if, under conversion, the interest was reduced by 22½ per cent., then instead of John Smith getting his £60 per annum, as the testator intended he would get approximately only £48. The question then is whether the loss is a loss of capital or of income. It is certainly a very nice point for any trustee to have to determine. While it might be all right to give a trustee power to make such a decision in a small estate, it would be a very dangerous power to vest in a trustee when it came to the administration of a large estate and the possibility of the trustee's determination involving thousands of pounds. As I say, it would be better for the trustee to consult a competent authority such as a judge-in-chambers, and thus remove the responsibility from himself to the judge. I hope the Attorney General will give members a little more information on this point either when replying to the debate or when in Committee.

The Attorney General: When we come to the clause in Committee.

Hon. J. C. WILLCOCK: Very well. Personally, I think it would be better to leave the position as it is, rather than give to a trustee discretionary power that may be used in an unfortunate way. Morally, of course, it is the duty of the trustee to preserve the estate and ultimately pass it on. I have no objection to the Bill.

MR. SLEEMAN (Fremantle) [6.10]: I am glad the Government have brought down the Bill, and especially that part of it empowering trustees to reduce rent. We have in Fremantle very many instances of trustees agreeing that rents ought to be reduced, but they are powerless to reduce them. From a layman's point of view it is remarkable that while a trustee can raise rent, he cannot reduce it. The best available legal opinion has been taken on the point, and the legal interpretation is that the trustee could not reduce

the rent. So I am very glad the Attorney General has included that provision in the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Attorney General in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—Power to consent to reduction of interest on mortgages:

The ATTORNEY GENERAL: Originally this clause was drafted to meet the state of affairs that would have obtained had the mortgage interest clauses in the Financial Emergency Bill remained as printed. Under those clauses the mortgagor applied to the court for a reduction of interest, and the mortgagee then had to go to the court and resist the application. Eventually, we decided that the reduction of interest should be applied by statute, and the mortgagee would then go to the court and give reasons why it should not be reduced. The phraseology in this clause before the Committee would meet that state of affairs, but not the existing state of affairs. We must send this Bill to another place fitting what has been done in the other Bill. Then, if the other Bill is amended in another place, this Bill will have to be amended accordingly. So I move an amendment—

That all words after "when" in line 1 be struck out and the following inserted in lieu:—"by force of any statute, the interest to become payable under any mortgage, being trust property, is reduced in rate, but such statute enables the trustee of such mortgage to make application for permission to charge interest at a rate higher than the reduced rate, then the trustee shall be deemed to have full discretionary power to refrain from applying for such permission as aforesaid.

(2.) The provisions of this section shall have effect notwithstanding any statutory enactment, or any rule of law or equity to the contrary, and no trustee exercising in good faith the discretion hereby given shall be liable as for a breach of trust or otherwise."

Amendment put and passed; the clause, as amended, agreed to.

Sitting suspended from 6.15 to 7.30 p.m.

Clause 5—Power to apportion moneys between capital and income in connection with settled property:

Hon. J. C. WILLCOCK: I do not think we should pass this clause. If a man wanted to leave £60 a year to his wife by investing £1,000 in Commonwealth bonds at 6 per cent. and have the annuity passed on to his child upon her decease, he would, owing to the reduction of 22½ per cent. in the interest, find that he was leaving only £46 10s., and whatever premiums there might be on the bond. On conversion, however, there would be a still further reduction to £40 a year. Will the Attorney General explain the position that will arise?

The ATTORNEY GENERAL: The clause is copied from one which appears in every well-drawn deed of settlement. A typical example of the will of an ordinary man in ordinary circumstances would be that he would leave his whole property in trust, the income to be paid to his widow during her life, and upon her death divided in equal proportions amongst his children. Included in the capital of the testator might be £10,000 worth of Commonwealth bonds bearing interest at 6 per cent. Having agreed to convert the bonds, the trustee would perhaps find that, instead of having £10,000 worth of bonds at 6 per cent., he had £12,000 bonds at 4 per cent. At the moment of conversion the £12,000 bonds would be worth no more than the £10,000, but in due course the date for the repayment of the £12,000 would arrive, and the trustee would have in his hands £2,000 more than was originally left. As a normal proposition, every lawyer who draws a full settlement always gives the trustee this power. The reason for doing so is that it saves the expense of an application to the court. Solutions of these problems by the court are not inexpensive, as the member for Geraldton suggests. One of the most profitable things a lawyer could have is an application to the court for the solution of a difficulty of this kind, even were it only in Chambers. This has to be done by an originating summons, counsel is briefed, and every interest is represented. In many cases the cost to the estate of such proceedings represents a scandal. Very frequently the cost of a simple application may run into big figures. The object of the clause is to prevent that sort of thing. The proposed conversion will be on a huge scale. It is an astonishing proposal that we are undertaking, and one without parallel in the history of civilised countries in the last thousand years.

Mr. Doney: It is the largest sum of money involved in any one transaction.

The ATTORNEY GENERAL: The Goschen conversion of 1888 involved approximately the same amount, but the population of Great Britain was six times as great as that of Australia to-day. What was feared at the legal conference in Melbourne was that if this matter was left in doubt, there might be a horrible harvest for the lawyers. The waste of money in lawyers' fees might be out of all proportion to the importance of the problem to be solved.

Hon. J. C. Willcock: Would not the first case be taken as a precedent for all other cases?

The ATTORNEY GENERAL: Trustees are very careful in their methods. Even when they are given discretion, they are seldom brave enough to exercise it.

Hon. J. C. Willcock: But the facts would be similar in most cases.

The ATTORNEY GENERAL: Unless trustees are given this power, they may be afraid to follow the first decision given. The point is that careful testators almost invariably give to their trustees the very power which I propose they shall enjoy under Clause 5. Without such a clause every trustee will think it necessary to apply to the court on every occasion. With the clause, probably the first application will be taken to the court and other trustees will follow the decision given.

Hon. J. C. WILLCOCK: In introducing the Bill the Attorney General said he would like to get the opinions of outside people. I thought he was giving an invitation for a select committee to take evidence; however, that evidently was not so. Has the Attorney General consulted the two trustee companies?

The Attorney General: Yes. I inserted the clause at the request of leading officials of those companies. In fact, it is their suggestion.

Clause put and passed.

Clause 6, Title—agreed to.

Bill reported with an amendment.

BILL—FEDERAL AID ROADS AGREEMENT.

Second Reading.

Debate resumed from the previous day.

HON. A. McCALLUM (South Fremantle) [7.47]: The object of this Bill is to scrap the old agreement relating to roads and to provide a new agreement, notwithstanding that the old one still has five years to run. It must be recognised, however, that the old agreement could not continue to operate, because the State was unable to find its quota of the expenditure. An amendment is necessary; otherwise no work can be done. The Commonwealth Government have been very good in finding their share of the money, which they do not obtain by loan, without insisting upon the State putting in its 15s. That condition of affairs could not be expected to continue indefinitely, as it would mean the heaping-up of obligations on the State. Under the old agreement much good work has been done, from one end of the country to the other. One need only move about the back portions of the State to learn what assistance the road scheme has been to settlers, who now have facilities for getting about that in the absence of the agreement would have been out of the question for many years to come. From the Kimberleys to the South-West, every part of the State except the metropolitan area has benefited materially from the agreement. The works stands, and our obligation is to maintain it. This will mean considerable expenditure. The Bill, however, effects a saving to the State Government apart from the 15s. quota, which would have to be found from loan moneys. There is a saving to revenue of £36,000, a substantial help to the Treasurer. Our annual expenditure on road construction will be reduced from just under £700,000 to less than £300,000. Thus work will be retarded. However, we could not continue under the old agreement. The Commonwealth Government might have agreed that all the money obtained from petrol taxation should be spent on roads. They are now taking about half of that taxation into revenue.

The Minister for Works: Considerably more. The tax has been increased to 7d. Twopence extra was put on for the purposes of this work. The Commonwealth Govern-

ment have increased our share of the tax from 2d. to 2½d.

Hon. A. McCALLUM: But the State is not getting as much revenue from the increased tax as from the original one. In other countries the whole of this taxation goes in road construction. I am still doubtful on the constitutional point whether it is not a State function to construct roads. The Constitution of the United States of America empowers the States to impose the petrol tax, and the whole of the proceeds go towards road construction. We must be content with what we are getting. Apart from the shortage of money, the Government are given a free hand. There is a removal of the former restrictions which involved that everything must go to Melbourne for approval, and that Commonwealth conditions of expenditure must be complied with here. The money will now go to the State, and so long as the State spends the money on roads it will have an absolutely free hand. That is what we tried to get from the commencement, but the Commonwealth Government would not listen to the proposal. We had to submit not only the roads we proposed to build, but the plans and specifications. An engineer was even sent over here to supervise. Those restrictions cost the State a good deal of money. Henceforth road construction will be done more economically here than was possible under Commonwealth restrictions. The Federal Government seemed to think they could lay down conditions which would be suitable everywhere; that what was fitting in the wet districts of Victoria would be applicable in the Kimberleys. They tied us down to all their little pettifogging ideas. Now we are free from such restrictions. I regret that we are compelled to submit to reduced expenditure on roads, which are essential to the development of the country. A great deal has been done in that direction during the last 4½ years. The Minister says he will not be able to maintain the promise I gave the local authorities of an allowance of £2,000 per annum. He says he will have to reduce the amount to £200—a tremendous drop. Further, the local governing authorities have lost the whole of the Government subsidy; so they are being heavily hit. I understand that no money has been made available to the Kimberley road boards for two years.

The Minister for Works: That is wrong.

Hon. A. McCALLUM: I am told it is right. The money spent in the Kimberleys has been put to good use, and the consequent cutting down of distances has meant more to the people there than to the residents of any other part of the State. Motor traffic was impossible formerly in large areas of the Kimberleys. Prior to the road construction scheme it took weeks to do a journey that is now completed in a day or two. Motor tracks now exist where previously it was impossible to get through. The crossing over the Ord River has opened the whole of the back country, away to the Northern Territory, to motor traction. The Ord used to be impassable for weeks at a stretch. Now they can cross the rivers and the whole of the northern areas are provided with adequate transportation facilities. There is a splendid service between Wyndham and Hall's Creek. It has been materially improved because the time for the trip has been shortened, freights have been cut down, and the convenience of the people has been taken into consideration, all at a very small expenditure of public funds. The local authorities there have carried out wonderfully effective work with the funds at their disposal. I hope the Minister will see to it that the people in those parts receive their quota from the money available for road-making. They certainly make the best use of the funds provided. The departmental engineers gave great credit to the engineers employed by the local authorities for the results achieved. The northern boards should receive something more than those operating nearer the city, but certainly should not receive less than those elsewhere. I could understand the local authorities in the Gascoyne and other areas in the lower parts of the North-West receiving no money because of the large expenditure undertaken in those parts in providing bridges across the rivers. Many thousands of pounds were spent for that purpose, and at the present time practically the whole of the rivers there have been provided with bridges. In those circumstances, I can understand the local authorities concerned not receiving their quota until the money spent on bridge construction there has been cut out. They were given to understand that that would be the position.

The Minister for Works: They have received a little money in addition, but not much.

Hon. A. McCALLUM: They had a large share of the expenditure in earlier times.

The Minister for Works: That was the agreement you made with them.

Hon. A. McCALLUM: Yes. On the other hand, the Kimberleys and the districts in the far North, where no bridge work has been undertaken, should certainly receive their quota each year. If they have been overlooked in the past, I hope the Minister will rectify the mistake and make it up to them. The Bill merely replaces the old agreement with the new one, and we cannot raise any objection to that. All must regret that the alteration is necessary but none can say, in view of the fact that the State cannot provide the funds necessary to keep pace with the work outlined in the five-year plan, that that alteration is avoidable. The money is not procurable, and therefore the agreement must be altered. There is one advantage embodied in the new agreement in that in the expending of money that may be borrowed, the State is to have a free hand. I know the State engineers will make the money go further and it will be spent to more advantage than under the old scheme.

MR. MARSHALL (Murchison) [8.3]: When the Minister replies, I hope he will tell us how the more isolated road boards are to fare. I had no idea there was any differentiation as between road boards until the member for South Fremantle (Hon. A. McCallum) mentioned the fact. The roads through from Meekatharra northwards and eastwards to Wiluna are really the main arteries leading to the North-West. The Meekatharra Road Board covers one of the largest areas in the State, and unless the members of that body secure some assistance from the Government, they will not be able to continue the road-making programme laid down some years ago. All the North-West areas dovetail in with the railways to Meekatharra. That involves heavy maintenance costs. The ratepayers in that part of the State cannot afford to make roads every year without assistance. I hope the Minister will indicate whether he has had to depart from the policy laid down in years gone by. If there were a pro rata reduction all round because the funds were not available, there could be no objection, and the outer areas would have to bear their share of the loss. There should be no differential treatment merely because some road boards operate in isolated parts of the State and are not close at hand so that pressure can be brought to bear on the Government. Unless the Minister is able to inform us that there has been no differentiation, we can deal with the matter further during the Committee stage.

MR. ANGELO (Gascoyne) [8.6]: I thank the Deputy Leader of the Opposition for having put in a word to the Minister in favour of special treatment being meted out to the road boards operating in the outer areas of the State. When he introduced the Bill the Minister pointed out that Western Australia had been accorded rather liberal treatment because the allocation of the funds was to be on an area basis as well as on a population basis. The same principle should be applied in respect to the State allocation of the money available, particularly as the State as a whole is to receive some advantage as the result of its huge area. Surely the outback areas should reap a corresponding advantage.

The Minister for Agriculture: You must be careful: the population is small in the outer areas.

Mr. ANGELO: I realise that, but I urge the Minister not to forget the area basis when the allocation is being made. I agree with the Deputy Leader of the Opposition that much money has been spent upon the construction of bridges in some of the North-West electorates, but I remind the Minister and also the Deputy Leader of the Opposition that those bridges represent national works. They do not benefit the people of the particular districts where the bridges are located because they have been constructed so as to improve the highway from the south to the Kimberleys.

Mr. Coverley: The work was necessary.

Mr. ANGELO: That is so. The Commissioner of Main Roads is to be complimented on the work carried out. I will content myself with reminding the House that those bridges represent national works and cannot be regarded as of particular benefit to the people of the districts where they are located.

HON. W. D. JOHNSON (Guildford-Midland) [8.8]: I welcome the Bill in one way, although we must all regret the large reduction in the money available for road construction. The part of the new agreement that I like is the abolition of the portions of the former arrangement which de-

clared how the money was to be expended in the State, and that which required the consent of the Commonwealth engineers to be forthcoming before work could be undertaken in the State. I never liked the old agreement because I objected, as I always have, to outside interference with the administration of our own affairs, merely because some outside authority happened to provide us with some funds. That applies also to the Migration Agreement, but particularly has it applied to the attitude of the Commonwealth regarding the Federal Aid Roads grant. As a result of the restrictions embodied in the old agreement, the State has had to construct roads that, in my opinion, should never have been built, and we have been denied the right to provide roads where they should have been constructed. We have 400,000 people scattered over a large area, and I have always maintained that natural roads are sufficient for early developmental purposes. As population increases and traffic becomes augmented, then, in proportion to the increases, we must strengthen and form our roads. In the early stages of the administration of the scheme, there were areas within comparatively short distances of the metropolitan area, where the larger proportion of our population is concentrated, where the traffic was heavy as the people had to convey their products to a market from distances ranging up to 50 miles from the city. Those people were denied, at one stage, any assistance from the expenditure of this money. The Deputy Leader of the Opposition, when Minister for Works, carried out a considerable amount of development work in and around the metropolitan area, but his activities were decidedly restricted later on. The result was that money was spent in parts of the State where people were few and where they already had adequate transport facilities. I agree with those who have already spoken that we should spend the maximum amount available in those parts where the people are limited to road transport. I am convinced that we must spend more money in development and less in competition. The part of the old agreement to which I took the strongest exception was that respecting expenditure on works that came into direct competition with transport facilities already provided. Those facilities were ample for all requirements, and involved the State in heavy expenditure on maintenance and operating costs. I refer to the fact that in Western Australia we have a mile of railways for every 100 people. That involves a heavy burden on the shoulders of the people to find the necessary interest, sinking fund, working expenses and maintenance charges. Under the Federal Aid Roads Agreement, we had to spend additional money on the construction of roads parallel to railway lines that enabled motor transport to enter into competition with our railways. That, to my mind, has represented a great factor in placing Western Australia in its present financial position. I would like more money to be spent in the North-West and other outer portions of the State, and less in the more thickly populated parts where railway facilities have been provided. No doubt the money that will be made available to the Minister for expenditure this year will be greatly reduced. We were told by the Minister that £282,000 was what might be received on the basis of last year's figures. At the same time, we cannot anticipate receiving as much money this year as last year, because the figure will be determined in proportion to trading operations in petrol, and that business is a reducing item at present. Therefore the Minister will be limited in the funds at his disposal. He cannot expect to get even the £282,000. But I hope he will give first consideration to the maintenance of roads that have been constructed. It would be quite wrong to increase construction, and neglect the maintenance of that which has already been constructed. In the event of funds being insufficient to maintain the whole of the roads constructed, the Minister should decide which roads shall be saved, and he should exclude those roads which are definite competitors with the railways. I have no objection to those roads being maintained if funds are available, but if the funds are insufficient, the roads alongside railways should be left, while others more essential are maintained. I trust that now the Minister has a free hand as to where he will spend the money, in the event of times improving and funds becoming available for construction, he will remember that the metropolitan area deserves some consideration. People are engaged in making a living at market gardening, pig and poultry-raising and dairying. Such holdings flourish in proximity to the populous centres. There are some very fine gardens within easy reach of the metropolitan market that have no

roads at all. One of the best poultry farms in the State is beautifully situated, well managed, producing fine eggs for export, and filling an important part in the industry of the State. This place has been in existence for 15 or 20 years and to-day there is only a bush track leading to it. On the same bush track there is a fine dairy from which milk is carted into the city daily. That spot has been chosen because of the good swamp country, which is so suitable for growing fodder for the stock. Both places are within 10 or 12 miles of the metropolitan market, and yet those people have no road to their properties. For a number of years they have been carting shavings from the city sawmills and adopting other means to build up a road to enable them to get through. The ex-Minister for Works expressed sympathy with them, but pointed out that roads could not be provided for them under the agreement because of the limitation to which I have referred. Those are not isolated cases, but I have instanced them because they are known to me personally. Those people have a claim to the sympathy of Parliament and should receive consideration from the Minister. Now that the Minister has a free hand, I hope he will remember the people who have so long been denied road facilities. If the Commonwealth had maintained its contributions, we would have been in a very happy position. The economic situation, however, has rendered that impossible, and the Minister has had to accept what was allotted to him.

MR. HEGNEY (Middle-Swan) [8.21]: I regret that the Minister will not have sufficient money during the next year or two to continue the road policy of the past five or six years, especially since the operation of the Federal Aid Roads Agreement. Many fine roads have been built and have in a large degree contributed to the development of the State. The day may come when we shall be able to manufacture material to last like that in some of the old Roman roads in England. I have few complaints regarding my district; the Main Roads Board have shown considerable activity there. One culvert is under construction on the main Ascot-road and is almost completed. I regret that the Minister was not able to complete the other portion of the Ascot-road by putting down Hume pipes, as he has done at the Redcliffe end. At Greenmount, which is also in my district, the Minister has been most liberal, but that road has not yet been completed. The small primary producers mentioned by the member for Guildford-Midland are deserving of consideration. Although funds are limited, I hope the Minister will not confine his attention to work in the outback areas. People engaged in primary industries which are necessary to the welfare of the city and contribute to the export trade of the State should be given reasonable consideration. Local authorities in whose districts those roads are required have not the funds to build them, and the settlers are clamouring for road facilities. Let me direct the attention of the Minister to the heavy traffic that comes from the Upper Swan areas in midwinter. Owing to the flood waters that come down through Caversham, it is impossible for vehicles to get into Guildford, and the heavy loads of wool and other commodities coming from Upper Swan——

Mr. SPEAKER: The hon. member's speech would be more appropriate on the Estimates. The question is one of altering an existing Act dealing with finance. The hon. member should confine himself to the scope of the Bill, which has nothing to do with particular roads.

Mr. HEGNEY: As the Bill provides for expenditure on main roads, I thought I would be entitled to refer to particular roads. However, I have no desire to pursue the question now, but will take another opportunity to bring it under the notice of the Minister. It is regrettable that the funds available will decline, but it is pleasing to know that the former restrictions have been lifted. When representations are made to the Minister in future, he will not be able to fall back on the old excuse that the agreement will not permit of expenditure as requested.

HON. J. C. WILLCOCK (Geraldton) [8.27]: Have the Government any idea of altering the basis of payments now made by local authorities out of their traffic fees, seeing that the Federal Aid Roads Agreement has been altered? The percentage payments under the Main Roads Act were instituted, partly I believe to reimburse the State some portion of the interest and sinking fund payments on the money found by the State under the agreement. That was one of the ostensible reasons for the percentage arrangement. Under the new agreement, the State will have no liability in the

way of finding money, and whatever contribution by the local authorities was used to meet interest and sinking fund payments on State loan moneys will in future be unnecessary. Therefore it may be possible to alter the incidence.

The Minister for Works: The sinking fund payments are taken out of the Federal grant, and always have been.

Hon. J. C. WILLCOCK: The State money carried a certain amount of interest and sinking fund.

The Minister for Works: Yes, £36,000 a year.

Hon. J. C. WILLCOCK: The State had to provide a large proportion of its 15s. in the pound contribution out of loan money, and interest and sinking fund had to be paid on it. The local authorities bore a proportion of that charge. As the State has not now to meet that charge, could not we review the incidence of the percentage payments and alter it? In any event the percentage allocation should be altered. I am informed that certain local authorities are suffering distinct disabilities because of the practically arbitrary percentage basis on which they have to contribute. I think I am right in saying that some portion of the traffic fees was used to pay interest and sinking fund. The Minister now says that practically all the money will have to be used for maintenance. I do not know what is to happen to all the money contributed by the local authorities under the percentage arrangement. It must be a considerable amount.

The Minister for Works: Unfortunately it has diminished considerably in the last 12 months.

Hon. J. C. WILLCOCK: Yes, because many licenses have not been renewed. At the same time the local authorities are feeling the pinch. Their revenue has declined, and if some proportion of the percentge payments previously made available to the Government be not now necessary, an alteration should be made. The Minister might inform us of the intentions of the Government.

MR. COVERLEY (Kimberley) [8.30]: I support the remarks of the member for Gascoyne (Mr. Angelo), the Deputy Leader of the Onposition and others who reminded the Minister for Works of the great spaces in the far North and the small revenue obtained by the local authorities. I know that by this Bill we are likely to suffer from depleted revenue in the next 12 months, but I hope the Minister will take into consideration the amount of money that has already been spent on what we term permanent works in the North, and that he will also remember the road mileage controlled by our local authorities.

The Minister for Works: Have the Kimberleys had any money in the last 12 months?

Mr. COVERLEY: I do not think so.

The Minister for Works: What about the £500 I gave on your own representation?

Mr. Marshall: That must have come back from the North on the "Koolinda."

Mr. COVERLEY: In any event, a sum of £500 is not very much to allocate to a district like Kimberley. Hall's Creek Road Board alone has 500 miles of permanent roads and 400 miles of subsidiary roads and I guarantee that the income of that local authority does not reach anything like £500 a year. Even if the Minister did give £500 to that one road board, not very much work could be done with it. I remind the Minister that there are such works to receive attention as cement crossings that have been put in. Each year there is a tremendous water wash and these crossings need to be repaired. Consequently it takes a fair amount of money to control a road district that has such a great mileage to look after. The Minister should also remember, as the member for Gascoyne pointed out, that the roads in the North are national roads. The Minister might further be reminded that there are no railways in the North. It is also very necessary to assist the shearing and other industries and, as a matter of fact, these are some of the problems so far as the North-West is concerned. I hope that on the occasion when next I shall have something to say to the Minister for Works in relation to road grants, I shall be able to accuse him as the member for Middle Swan did of having been most liberal.

THE MINISTER FOR WORKS (Hon. J. Lindsay — Mt. Marshall — in reply) [8.35]: The amendment to the agreement has been approved, generally speaking, by the Premiers' Conference. The position with regard to the petrol tax is that the Federal Government took 7d. per gallon

under the original agreement and of that, 2d. a gallon was allocated to the States, together with the tariff on motor parts, amounting in all to £2,000,000. Just recently I have seen that the Federal Government collected much more than £2,000,000. Now the Federal Government have agreed to give 2½d. per gallon from the petrol tax and that will mean that the Federal Government will still be taking 4½d. per gallon into their revenue. Petrol refined in Melbourne now pays an extra excise duty of 1½d. per gallon. That amount is supposed to realise £155,000. We cannot say how much money we shall receive next year because payments are made to us from month to month.

Hon. J. C. Willcock: That makes it very awkward.

The MINISTER FOR WORKS: It makes it impossible almost to budget for the year's work. Regarding the payment of £2,000 per annum to the local bodies, the ex-Minister for Works agreed that each local authority would receive that amount, and the arrangement would have been carried out if the Loan Council could have borrowed money for the State Government. Actually in five years the State Government's contribution has been £645,000 short. There are 127 local bodies outside the metropolitan area, and instead of their receiving an average of £10,000 they have only received £5,000. It can be said that on an average each local governing body, during the five years operation of the Act, has received an average of £7,000. Some have actually received £10,000 and some £12,000 or £5,000. I have had to deal with one year's allocation. The ex-Minister for Works was not able to give £2,000 during his last year of office. I was faced with the position that I believed I had £68,000 to spend and to decide which road boards should get the money. We went down the list and decided that those boards which were over £2,000 short of their allocations, were to get £1,000. Unfortunately I could not live up to my promise; there was not sufficient money with which to pay the £1,000, but many of the boards received £500. I was surprised to hear one hon. member say that the Hall's Creek Board had not received anything. My impression is that that board did receive £500. Hon. members must understand that it is my belief that the back country of the State should receive assistance. The Gascoyne board received something in addition to the bridge, and the Port Hedland board received something. But the trouble has been that we did not have the money to go round. The first job is to maintain existing roads, and there are certain patches that must be made. Then again, local governing bodies cannot be expected to build their own bridges. The balance of the funds will go back to the local governing bodies. It is a fact that we can now get a great deal better value in the construction of roads than was the case in the past, because then we had to work to certain plans and specifications, and a good deal of money also went in frills which now are not necessary. I have had two sets of suggestions put before me. I have been told that money should be spent in the outback areas and again that it should be spent in the metropolitan area. I have followed the policy of my predecessor, and which I agree is the correct policy, not to spend money in the metropolitan area. A deputation from the City Council waited upon me a week or two ago to advocate the building of a bridge over the Claisebrook drain. Prior to that, a deputation from the Bunbury Road Board asked me to build a bridge, to which I agreed. The City Council deputation said, "If you can find money to build a bridge at Bunbury, you can find money for building a bridge over the Claisebrook drain." We were able to find the money for the bridge out of the Federal Aid Roads grant which was given for that particular purpose, but the money that would be required for the other would have to come from loan. The member for Geraldton referred to traffic fees. I remind the hon. member that twice this session the Traffic Act has been amended. I remind him also that we have reduced motor truck fees by 50 per cent. to farmers and pastoralists and those engaged in mining operations, and that we only receive one per centage of the reduced amounts.

Hon. J. C. Willcock: So do they.

The MINISTER FOR WORKS: I agree, and I am beginning to think that we shall still further have to reduce the fees. Roads are meant to carry vehicles, and vehicles should pay for the maintenance of the roads. Western Australia is the only State where local governing bodies collect traffic fees. At the last Premiers' Conference a resolution

was carried to provide that traffic fees should be paid into revenue. We cannot do that in this State; the local governing bodies still collect the fees. do not again propose to amend the Traffic Act this session, having done so twice already. Of the 127 local governing bodies in the State, 13 have not paid any traffic fees during the two years the Act has been in existence, and at least ten of those local bodies are, generally speaking, amongst the most financial in the State. So far as I am concerned, they will have to pay. The Act distinctly provides that the money must be paid into a trust fund as collected, and remitted to the Treasury every month. That has not been done in the case of the boards I have referred to. There are local bodies in the wheat belt that are not in a good financial position, but they manage to send along their fees each month. The member for Geraldton mentioned the sinking fund. What was paid out of revenue was £36,000 per annum; £360,000 in 10 years. That is in the agreement. We are not taking the £36,000 now but the sinking fund has never been paid by the State Government. The agreement says it shall be taken out of the contributions, and amounts to 3 per cent. That is where it came from in the past and where it will come from in the future.

Hon. J. C. Willcock: It was from loan expenditure.

The MINISTER FOR WORKS: The 3 per cent. sinking fund is taken from the Federal Aid Roads grant, and the Federal authorities pay themselves. That is how it is done. When moving the second reading of the Bill, I mentioned that on the figures for the financial year ended the 30th June last, regarding petrol importations and petrol refined within Australia, Western Australia would receive £303,360, from which sinking fund payments, amounting to £21,148, would be deducted. With other hon. members, I am sorry that we are placed in this position, but if we refuse to endorse the agreement the State will have to live up to its obligations under the old agreement, and that will be impossible. We must accept the new agreement. It means that we will receive a certain amount of money, and I can assure hon. members it is my intention to provide the local governing authorities, particularly in the outback areas, with as much money as possible.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Minister for Works in charge of the Bill.

Clauses 1, 2—agreed to.

Schedule:

Hon. A. McCALLUM: The schedule embodies the agreement, which, in its altered form, will enable the Government to have a free hand in the expenditure of road money. I again enter my protest against the expenditure of £30,000 on the deviation of the York-road at Greenmount. That proposition was placed before me as Minister for Works two or three times, but the Labour Government refused to approve of the work being carried out. We held back with the idea that we would in time secure release from the Commonwealth restriction regarding grades of roads upon which Federal money could be expended. Immediately the agreement was altered and the State was given a free hand, the present Government spent £30,000 on the deviation. The only result that will accrue from that expenditure is that it will save some people from the necessity for changing down to second gear when driving along that route. I regard the money spent on the work as a shocking waste of public funds. Under the old agreement, the Federal Government would not allow the State to spend any money on a road where the grade was more than one in 16. It was outrageous.

The Premier: A grade of one in 16 is steep enough.

Hon. A. McCALLUM: Perhaps so, but I have driven over the Greenmount Hill hundreds of times and have never had to change gear once. As a result of this waste of public money, the deviation has divided holdings, and more than one little farm has been absolutely ruined. The work was not warranted in any circumstances.

The Premier: Like that deviation at the rope works.

Hon. A. McCALLUM: The Government did not contribute a penny towards that work: it was carried out with money belonging to the local authorities who wanted the work done, and we did it for them.

The Premier: You took the money away from them.

Hon. A. McCALLUM: I had a conference with the local authorities concerned,

and discussed the matter with them. They agreed to the work being carried out.

The Premier: It was an absolute waste of money.

Hon. A. McCALLUM: Fancy comparing that small strip of road with the York-road deviation!

The MINISTER FOR WORKS: To a certain extent, I agree with the remarks of the member for South Fremantle. At the time the work was authorised, I had but recently taken charge as Minister for Works and I was required to put in hand some undertaking that would absorb a number of married men and take them off sustenance. The work had to be close to the metropolitan area, and the deviation at Greenmount was the only possible job I could undertake. The departmental engineers refused to agree to the expenditure of any additional funds on the old road. I was new to the position, and I accepted the advice of the engineers. It may be to-day, when I am, some say, something like the member for South Fremantle—a little Mussolini—that I would reject the representations of the departmental engineers, but in those days I did not do so. The road through to Northam was constructed on a certain grade and, as the strength of a chain is that of its weakest link, I was urged to carry out the deviation so as to bring that part of the York-road into conformity with the grades over the rest of the highway. As I had to provide work for the married unemployed, so as to take them off the dole, I agreed to the work being undertaken. Last night I heard some hon. members talking about work at Blackboy. I can inform them that the men from Blackboy are carrying out the work at a cost of £10,700 to date. The amount is not £30,000, as suggested, nor will the deviation cost that amount when it is completed. The estimate is considerably below that figure. The member for South Fremantle mentioned another point regarding road work. When the Traffic Act Amendment Bill was before hon. members, I desired to secure permission to use money for improvements out of traffic fees, but the member for South Fremantle opposed it bitterly.

Hon. A. McCallum: You bet your life!

The MINISTER FOR WORKS: The member for South Fremantle spent money out of traffic fees illegally.

Hon. A. McCallum: With the approval of the local authorities.

The MINISTER FOR WORKS: I wanted to be in the same position, but to be able to take action legally. I asked members to agree to the inclusion of the one word "improvements," but they turned down my request. Then, again, did all the local governing authorities agree to the expenditure the member for South Fremantle has mentioned? Of course not. However, the hon. member did as I shall have to do in all probability, because I have already done something that was not quite right. I have had to incur expenditure to the extent of about £400 on the Fremantle tramway line over the traffic bridge. Reverting to the Greenmount deviation, so far from £30,000 having been spent on that work, the estimate for the whole job, when completed, is £20,000. I want to emphasise the fact that that work would never have been undertaken had it not been that I had to find work for the unemployed, as I have already indicated. Then reference has been made to the construction of another road. I agreed to that work being undertaken because it would open up certain swamp lands. I thought it was in the interests of the State to open up and develop that area.

Hon. W. D. Johnson interjected.

The MINISTER FOR WORKS: Why, it was the hon. member himself who took me out along the boundary road to show me the country and told me that it was a developmental road. I asked how far it was to a railway station, and I was told it was three-quarters of a mile. I said, "You can cut that out."

Schedule put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—SUPPLY (No. 3), £1,370,000.

Returned from the Council without amendment.

MOTION—STATUTE OF WESTMINSTER.

Protest against Enactment.

Debate resumed from the 28th July on the following motion by the Premier:—

That this Parliament of the State of Western Australia, a State of the Commonwealth

of Australia, hereby enters its emphatic protest against the passing by the Parliament of the United Kingdom of a statute at the request of the Parliament of the Commonwealth of Australia to give effect to certain resolutions passed by the Imperial Conference held at London in the year 1930, and in particular to the provision that no Act of the Parliament of the United Kingdom passed after the commencement of the said statute shall extend or be deemed to extend to the Dominion of Australia as part of the law of that Dominion, unless it is expressly declared in that statute that the Dominion of Australia has requested and consented to the enactment thereof, on the ground that any such provision would inflict great injury on the State of Western Australia and tend seriously to weaken the link between the people of Western Australia and the people of the Home Country which it is the desire of both to strengthen and preserve.

HON. A. McCALLUM (South Fremantle) [9.2]: I would have preferred a longer period in which to look more closly into the full meaning of this statute, which is of considerable importance, but I see that by the decisions of the Imperial Conference it was arranged that the determinations of the several Dominions should reach the Home Secretary's Office by the 1st of this month, or at latest by the last day of the month, and that all determinations should be in the hands of the Secretary of State by to-morrow. I understand Australia is the only Dominion that has not yet sent in her determinations. According to this morning's paper the Commonwealth Parliament passed their Act yesterday. I want it to be understood that in expressing the views I propose to give I am speaking for myself entirely; I have no authority to speak on this for members of this side, for this matter cannot be regarded as a party measure or one in any way involving the principles of the Labour Party. In 1926 the then Prime Minister of the Commonwealth, Mr. Bruce, attended the Imperial Conference, where he advocated this measure. I remember that he was very enthusiastic about it on his return from England. At the last Imperial Conference this measure was supported by Mr. Scullin and Mr. Brennan. So two Prime Ministers of opposite colour in politics have both supported it, and consequently it cannot be regarded as a party measure. It appears to me the essence of the thing is that the statute purports to put into law what has actually been the practice for a considerable time past. For a good many years it has been recognised that the Imperial Parliament will not interfere with the legislation of the Dominions, that the Dominions have a free hand. There is no question that in the laws the various parts of the Empire have seen fit to pass, a free hand has been given to them and we have all been considered as equals to the British Parliament in passing legislation governing our own people. But this statute is to reduce to the form of a law the conditions that have prevailed. It is owing to the attempt to reduce it to writing and place it in the form of a statute that the trouble has occurred. Personally I feel it would have been better to leave things as they were, with the understanding that existed between the various Dominions and in view of what history has taught us, namely that there has been no attempt on the part of the Home authorities to interfere with our legislation. This statute means that all parts of the British Empire are to be considered as equal one with the other, that the Commonwealth Parliament is not to be considered in any way inferior to the British Parliament, that the Canadian Parliament, the South African Parliament and the New Zealand Parliament are all to be on the one footing with the British Parliament under the Crown, and that the Ministers of the Commonwealth Government, the New Zealand Government, the South African Government and the Canadian Government shall all be advisers to His Majesty the King on an equal footing with British Ministers.

Mr. Kenneally: Which they should be.

Hon. A. McCALLUM: Yes, in relation to all matters affecting their own countries. That is the difference between the position that has existed since 1926 and that which previously existed. The British Government have no greater authority than the Australian Government or the Canadian Government or any other Dominion Government, and the King is no more the King of England than he is the King of Australia, the King of South Africa, the King of New Zealand or the King of Canada. The binding link between the Dominions is the Crown, and that is common to all parts of the Dominions, and each Government will deal direct with the King, and not through the Dominion Office, as in the past. I think the first effect of that to be felt in Australia has been that we have appointed our own Governor General without reference to the British Government, but on representations made by

Australian Ministers direct to His Majesty the King. We have to-day an Australian Governor General as the direct representative of the King in this Commonwealth, and as the choice of the Australian Government without any reference to the British Government. And from now on there will be no necessity for our Ministers to deal with the Imperial Ministers at all. At the moment, without the passing of this Statute, there is no power for the British Parliament to interfere with legislation in the Dominions, unless any Dominion is expressly mentioned in that legislation. This statute provides that the Dominions shall not be affected by any law passed by the British Parliament, except at the special request of the Dominion concerned. That is to say, we are to be free from all British legislation unless the Commonwealth Parliament specially request the British Parliament to pass legislation dealing with some matter which we want them to handle, whether repugnant to British legislation or not. That is as it should be. If that was all this measure stood for, I would be wholeheartedly in support of it, for I think that position should prevail. I do not agree with the viewpoint of the Premier that this statute in any way interferes with the question of this State requiring to secede from Federation. It does not affect that position. I think the opinion expressed by King's Counsel in the Senate yesterday and reported this morning is the correct one. To say that the Imperial Parliament would listen to representations made by one part of the Federation and ignore another part of the Federation, that the Imperial Parliament would be likely to step in and pass legislation over the heads of the other partners to the Federation and give effect to the desires of one partner in opposition to the rest, is too ridiculous to be taken seriously. Nobody seriously thinks that is likely to happen. If we approached the British Government and asked them to step in and take sides with us against the rest of the Commonwealth for an alteration of the Constitution, we should be told that when we joined the Federation we joined it with our eyes open, that we knew the provisions of the Constitution and the conditions relating to the amendment of the Constitution that were embodied in the law we had agreed to and which the Imperial Parliament had passed, and that the Constitution having made provision for its own amendment it was altogether beyond reason to ask the Imperial Parliament to step over all that and disregard the other parties to the bargain, override all sections but one and pass a law to suit that one alone. That would create very serious trouble, and I do not think it would be taken seriously. Those that put that up put it up as a catch-cry to tickle the ears of those who have not studied the situation. No one who looks into it would seriously entertain such a proposal for a moment.

The Premier: I may be wrong.

Hon. A. McCALLUM: Well, that sums up the position so far as I can see it. If I were in the position of the Commonwealth I would stand four-square behind this measure. It gives the Commonwealth freedom and allows them to function without interference from any other Parliament. And if they want to co-operate with the Imperial Parliament and ask for a given measure, that measure will be passed and the work done for them. That is the way things should be. But when we come to examine it from the point of view of the State, we find an entirely different aspect. We at the moment are a sovereign State, and the Commonwealth are only greater than we are by the powers we ourselves have voluntarily given them. Apart from those powers, we are equal with them and we function as a sovereign authority. We can have our appeals to the Commonwealth on matters that affect the Commonwealth if there are questions upon which we desire to appeal to them. Or if there are questions upon which it is desirable for us to appeal to the Imperial authorities, that channel is open to us all. We can appeal to the British Government or the British Parliament or the Crown if it becomes necessary. We are a sovereign State acting within our own authority, and the Commonwealth Government can only supersede us within the functions that we have given them. But if the Statute of Westminster becomes law and if I understand the situation, it will mean that the Imperial Government will have no authority to act for us unless the Commonwealth Parliament agreed. We could not approach the Imperial Parliament or the Imperial Government unless the Commonwealth agreed. That might be all right in certain circumstances, but what would be the circumstances, subject or disability on which this State would be likely to desire to appeal to the Imperial authority? So far as I can visu-

alise the possibilities, it would be only on some grievance against the Commonwealth; I cannot conceive of its being a grievance against anyone else. If the statute becomes law we would be appealing from Caesar to Caesar.

Hon. W. D. Johnson: The Statute of Westminster would not cover that at all.

Hon. A. McCALLUM: We would have to appeal to the Commonwealth Government for leave to appeal over their heads and ask for assistance against some action upon which the Commonwealth had decided. That would be weakening our position as a sovereign State. It would deprive us of power that we now possess and put us in a position secondary to the Commonwealth. The statute repeals the Colonial Laws Validity Act of 1865, and that is the serious objection I have to it. From the Commonwealth point of view, the repealing of that Act is a good thing. If I regarded it solely from the viewpoint of the Commonwealth, I would say, "Yes, repeal the Act." If protection were afforded to us as it is to the Commonwealth, I would agree, but the statute provides for the repeal of that Act without replacing the Act with anything of benefit to the State.

Hon. W. D. Johnson: Why should it?

Hon. A. McCALLUM: I shall show presently. With what situation would the State be faced if that Act were repealed without providing any safeguards? We would be in the same position as we were prior to the passing of the Act. The Colonial Laws Validity Act was the outcome of a situation that occurred in South Australia. I have been favoured with certain books by the Chief Secretary, and an article in the "West Australian" a few mornings ago dealt pretty fully with the question. The records show that Mr. Justice Boothby, in South Australia, declared Act after Act of the South Australian Parliament unconstitutional, as repugnant to British laws and therefore ultra vires. The people of South Australia were up in arms; the State was seething with discontent, and both Houses passed a motion petitioning the Home authorities, according to their constitution of the time, to remove Mr. Justice Boothby. When the petition was forwarded to the Home authorities, Mr. Justice Boothby discovered that the Parliament had been elected under an unconstitutional law. He found that the Electoral Act was repugnant to the British law, and not only was the Parliament elected unconstitutionally, but every Act passed by it was declared to be unconstitutional.

Hon. J. C. Willcock: And his own appointment was unconstitutional.

Hon. A. McCALLUM: The point was upheld by the British authorities, and later on the Judge discovered that his own appointment was ultra vires. Any law that the Parliament of South Australia passed and that clashed with Imperial laws was considered to be repugnant and ultra vires. That is the position to which we should revert if the Statute of Westminster were agreed to.

Hon. W. D. Johnson: Not at all.

Hon. A. McCALLUM: The Commonwealth does not in any way undermine our position as a sovereign State: the Commonwealth has only the authority we give it. At the Imperial Conference, representatives of South Africa and Ireland alone advocated this measure. They have no sovereign States as we have. The States of Canada have only the authority that the Federal Parliament of Canada gives them, and New Zealand and Newfoundland are without States of their own. Australia is unique in that respect, and our position as sovereign States in a Federation seems to have been entirely overlooked. I do not think this has been done deliberately; I think it is merely an oversight. The Commonwealth Government have protected themselves. Provision is made that if the statute be passed, the Imperial Parliament cannot act for the Commonwealth Government unless they request it, but we shall be left in the position that if any law is repugnant to the British law, we shall be ruled out.

Hon. W. D. Johnson: Nonsense!

Hon. A. McCALLUM: I am not prepared to support anything that will put us in that position. That we should be at the mercy of laws passed by the British Parliament would put us in an impossible position. Where would we be if we got a Judge Boothby who might declare a lot of our decisions unconstitutional? With the principle as it affects the Commonwealth, I entirely agree, but I object to the Commonwealth putting us into a worse position, and putting us back to where we were prior to 1865. If the Commonwealth Government had put us on an equal footing with themselves, I would have been whole-heartedly with them. I feel that the matter only needs to be pointed out and the Commen-

wealth will help us to get it rectified. I feel that we have been overlooked, and that the Commonwealth Government will be prepared to put us in a position similar to their own. According to the decision of the Imperial Conference, to-morrow is the last day for receiving word from the autonomous States. I would have liked to see negotiations opened in order to get the position remedied. It is impossible to do that in the time, however, and the only way is to lodge a protest and delay the consummation of the statute with a view to getting our position rectified, so that we shall not revert to the disabilities suffered prior to the passing of the 1865 Act. I think a protest to the Imperial authorities would result in delay until the position of the State was reconsidered so that we should not be put in an anomalous position of being overridden by the Imperial Parliament. If I can do anything to help in that direction, I shall be only too pleased to do it. I am not in favour of the motion as tabled. I consider that the words "and tend seriously to weaken the link between the people of Western Australia and the people of the Home country" should be deleted. I do not think the provision would tend to weaken the link, though it would create considerable friction, as in South Australia.

Hon. W. D. Johnson: You cannot convince us of that.

Hon. A. McCALLUM: To provide that any State law clashing with the British law must be ruled out would rob us of self-government.

Hon. W. D. Johnson: It is not so.

Hon. A. McCALLUM: We would be deprived of authority to govern in our own way, and as a Parliament would be placed in a second-rate position. I am not prepared to accept that. I stick out for full self-government without any restrictions or overlords, either Commonwealth or Imperial. The Commonwealth Government will be in a good position. There will be no outside interference with them unless they ask for it. That is what I want for the State. If we wanted help, we would ask for it, but we should be left alone to attend to our own job so long as we do it to the satisfaction of the people in the country. I think we can agree to the motion if the words I have mentioned are deleted, but I cannot subscribe to it if it declares that the provision would tend to weaken the link between the State and the Home country. I am sure it will cause a great deal of trouble and friction, and will not have anything to do with weakening the tie. I am sorry we have not had more notice of this to investigate it more thoroughly. On the whole it is simple enough. If the situation is as I view it, there is no doubt that the law has been repealed. Nothing has been put in its place from our point of view. Commonsense tells us that if the Act is repealed and nothing is put in its place we revert to the position that existed prior to the passing of the Act. The whole of Parliament is ruled out as well as all the laws that are passed. I am not prepared to subscribe to that position.

Hon. J. C. Willcock: It is so awkward because our Constitution is very different from that of the other Dominions.

Hon. A. McCALLUM: At the Dominions' conference the viewpoint of the Australian States was not presented. No other Dominion has sovereign States such as Australia has.

Mr. Griffiths: Canada held back on account of its provinces.

Hon. A. McCALLUM: I understand the Canadian Parliament has passed a resolution agreeing to this, the only reservation being that prior to the Act being passed it must be submitted to the Canadian Federal Parliament for endorsement.

The Attorney General: To the provinces.

Hon. A. McCALLUM: To the Federal Parliament.

The Attorney General: That is the New Zealand reservation.

Hon. A. McCALLUM: The Canadian provinces have not the power our States have. They have only the power the Federation delegates to them. In our case the Federation has only the power we delegate to it.

Hon. J. C. Willcock: The residuary power of the States of Australia is more sovereign than the Federation.

Hon. A. McCALLUM: The Federal Parliament had no authority until the States gave it to them. There is practically no limit, however, to the authority the States have. I am prepared to join in the protest with a view to securing delay so that the position of the States of Australia may be safeguarded, and that we do not revert to the position prior to

1865. I ask the Government to alter the wording of the motion. It is merely drawing the long bow as it is. I do not want it to be thought we are calling everyone else disloyal who does not agree with us.

The Premier: The resolution does not say that.

Hon. A. McCALLUM: It infers it. I will join with the Government in sending the protest, but ask the closing lines of the motion be cut out.

MR. GRIFFITHS (Avon) [9.33]: I had some hand in bringing this matter to the front. I am glad the Government have brought forward this resolution. I understood that the 1st July was the date given to finalise the matter in Australia, and that this was then extended to the 1st August.

Hon. W. D. Johnson: It had to be finalised before then.

Mr. GRIFFITHS: A special reservation was made at the Dominions' Conference, and paragraph 71 says—

> In the absence of special provision, provincial and State legislation will continue to be subject to the Colonial Laws Validity Act and to the legislative supremacy of the Parliament of the United Kingdom, and it will be a matter for the proper authorities in Canada and in Australia to consider whether and to what extent it is desired that the principles to be embodied in the new Act of the Parliament of the United Kingdom should be applied to provincial and State legislation in the future.

It appears to me that the proper authorities in the case of an appeal would in our case be the Commonwealth Government. The States should have been consulted in this matter. Their sovereign rights are being infringed. In Canada the provinces lodged a protest, and on account of that protest the matter has been held up. The following note by the conference is given—

> In view of the doubts that have arisen concerning the interpretation of the draft section in paragraph 66 in its application to the Canadian Constitution, the words "Dominion of Canada" and "provinces" have been deleted. It is intended that a section dealing exclusively with the Canadian position will be inserted after the representations of the provinces have received consideration.

We have received no consideration here. That is why certain of us have tried to get a protest voiced from the point of view of the States of Australia. There has been too long a delay over this matter. It should have been brought up before. I wish to join with other members in sending forward this protest.

THE ATTORNEY GENERAL (Hon. T. A. L. Davy—West Perth) [9.37]: I am glad to have heard that the member for South Fremantle (Hon. A. McCallum) joins with us in this protest.

Mr. Marshall: It is a most unholy alliance.

The ATTORNEY GENERAL: I do not think so.

Mr. Marshall: I am sure of it; you need not think about it. It is not often I find the Premier right.

The Premier: If that is the case I must be wrong.

The ATTORNEY GENERAL: The member for Murchison has a wrong conception if he thinks there is anything unholy in an alliance between the member for South Fremantle and myself.

Mr. Marshall: I was referring to the Premier.

The ATTORNEY GENERAL: We have agreed on quite a number of matters.

Mr. Marshall: You never disclose that across the floor of the House.

The ATTORNEY GENERAL: During the last week or ten days we have agreed upon some very important matters.

Mr. Marshall: And disagreed on still more important matters.

The ATTORNEY GENERAL: I have accepted amendments from him of a highly important nature.

Hon. A. McCallum: I do not remember them.

The ATTORNEY GENERAL: The memory of the hon. member at the moment is working in a manner designed to support the argument of the member for Murchison.

Hon. A. McCallum: It is full of recollections of things you have rejected.

The ATTORNEY GENERAL: Let the hon. member consider the good things and not the bad things. This resolution may be supported on many grounds. Probably the reasons which induced me to think that a protest should be made may be different from the reasons given by the member for South Fremantle and by the Premier. That which particularly annoys me about the proposed Statute of Westminster is the attempt to reduce to writing a relationship which in its very essence has always been elastic, and which I desire to remain elastic.

The relationship between the Imperial Parliament and the Dominion Parliaments has always been analogous to the British Constitution itself, which has never been reduced to writing, which is not to be found expressed in any statute, but which, nevertheless, I think, every democracy will agree has worked with more satisfaction and benefit to the citizens of Great Britain than has any other constitution in the world. It is proposed to reduce to a rigid printed formula a relationship which has grown and is growing and changing all the time, and which has always very effectively met the requirements from moment to moment, and to crystallise it and put it into print. The moment that is done its elasticity and its capacity to change from year to year to meet requirements of the moment vanishes.

Mr. Kenneally: You are not objecting to the principle of the statute, but to its being reduced to writing.

The ATTORNEY GENERAL: The principle of the statute is the fact this moment, but it may not be the fact a year hence. I do not want to see its elasticity interfered with. The moment you make a statute, which cannot be changed except in the same formal way in which it was agreed to, its elasticity is gone. I do not want to see the relationship between the Imperial Parliament and the Dominion Parliaments reduced to £ s. d., reduced to black and white so that it cannot be altered.

Mr. Kenneally: Where does "£ s. d." come into the argument?

The ATTORNEY GENERAL: I do not understand the interjection.

Mr. Kenneally: Why use such words?

The ATTORNEY GENERAL: I do not want to see the very elastic and human relationship between the Imperial Parliament and the Dominion Parliaments reduce to cold inelastic terms of print. I want to see the elasticity continue. That is my fundamental objection to the proposal. Another objection is that which has been voiced by the member for South Fremantle, that we Western Australians are citizens of two States in effect. We are citizens of the Commonwealth which has a limited sovereignty, and of Western Australia which has a less limited sovereignty. We have not been consulted or thought of. At the Imperial Conference which recommended this measure we were represented by someone sent not by the States but by the Federal Government. I do not believe that the Imperial Conference ever had in mind that the States of Australia had any sovereignty at all. I think it was entirely forgotten that the Federal Government had an expressly limited sovereignty. The Conference visualised that the States were something like the provinces of the Union of South Africa. It did not appreciate the peculiar position in Australia.

Hon. A. McCallum: I do not think it was ever mentioned.

The ATTORNEY GENERAL: No, it was not. The persons who represented the Australian Commonwealth at the Conference were persons living in the Eastern States, where perhaps the sovereignty of the States is more lost sight of than is the case here.

Hon. W. D. Johnson: But their sovereignty is identical with ours.

The ATTORNEY GENERAL: It is in law.

Hon. W. D. Johnson: It is in fact.

The ATTORNEY GENERAL: But it is not such a matter of human importance there as in this State.

Hon. W. D. Johnson: This motion is based on secession.

The ATTORNEY GENERAL: No; I do not agree with that statement for a moment. As the hon. member interjecting may or may not know, I am not a supporter of the movement for secession.

Hon. W. D. Johnson: I know that. You have too much sense.

The ATTORNEY GENERAL: I am not going to agree that the holding of views in favour of secession indicates want of sufficient sense. The member for Guildford-Midland has not a trace of the unificationist about him, in spite of what the printed platform of his party may say. He knows perfectly well that for Western Australia, unification would spell the worst kind of disaster. Although he does not nod his head in agreement with me when I make that remark, I know his real opinions on the subject.

Hon. W. D. Johnson: I do not wish to introduce secession into this debate.

Mr. SPEAKER: The Chair will see to that, because there is a motion referring to secession on the Notice Paper.

The ATTORNEY GENERAL: I do not wish to introduce the subject either. The word "secession" and the question of seces-

sion were introduced by the interjection of the member for Guildford-Midland.

Hon. W. D. Johnson: The subject was mentioned when the Premier spoke.

The ATTORNEY GENERAL: One may be most emphatically in favour of the motion that is being debated without the question of secession entering into it at all. I want to make the Imperial Parliament understand, as apparently it does not understand, that the States of Australia are definitely sovereign States; that this proposed measure will tend to drown the sovereignty of the States; that it is a recognition of the Commonwealth as a whole and a definite ignoring of the sovereignty of the States. To my mind the extraordinary feature is that the Commonwealth Government have, in their negotiations with the Imperial Parliament, adopted an attitude which involves less recognition of the sovereignty of the States than the attitude of the Dominion Parliament of Canada involves recognition of the sovereignty of its provinces, which are not sovereign at all as compared with the Australian States. Before this statute is to be made law, another Conference, I submit, should be held—a Conference at which the sovereign States of Australia would be represented. Not that the Commonwealth, which has a narrowly limited sovereignty, should assume to itself the right to speak for the sovereign States without consulting them, without telling them what it is going to do. There should be a Conference at which every sovereign part of the British Empire would be represented individually, and at which the representatives should be permitted to express their views as to whether this very important change in the relationship between the Imperial Parliament and the component parts of the Empire should be determined. Therefore I support the motion.

Hon. W. D. Johnson: As worded?

The ATTORNEY GENERAL: I am never very much concerned with verbiage.

Mr. Sleeman: The Deputy Leader of the Opposition raised a very important point, which ought to be cleared up.

The ATTORNEY GENERAL: Yes. The hon. gentleman usually raises important points. I do not know that I am prepared to try to clear them up.

Hon. W. D. Johnson: The matter should certainly be cleared up by somebody. The statement is one with which I disagree absolutely—that if the Colonial Laws Validity Act is repealed, all our laws become repugnant to the laws of Britain.

The ATTORNEY GENERAL: I think his statement to that extent is incorrect. I do not think the passage of the Statute of Westminster—though I do not pretend to be an authority on this—will repeal the Colonial Laws Validity Act so far as the States are concerned.

Hon. A. McCallum: The statute will repeal the Act absolutely without limit. You can see that by "Hansard."

The ATTORNEY GENERAL: If that is so, if the effect of passing the statute will be to repeal the Colonial Laws Validity Act so far as the States and Commonwealth are concerned, then our State of Western Australia will be thrown back into the position of the Commonwealth, a position which was occupied by South Australia 80 years ago, when there was a serious doubt whether a large number of the South Australian statutes had any validity at all. My impression is that the statute will not repeal the Colonial Laws Validity Act so far as the States are concerned, but undoubtedly will repeal it so far as the Commonwealth is concerned. I am not dogmatic about it, but I understand that so far as the States are concerned the Act remains. However, a most extraordinary position arises even if that is so. As between the Commonwealth of Australia and the Imperial Parliament, the Commonwealth is completely independent. As between the Imperial Parliament and the States, the States are not independent.

Hon. W. D. Johnson: If the Deputy Leader of the Opposition is right, we are absolutely subservient.

The ATTORNEY GENERAL: If the member for South Fremantle is right, then as between the Imperial Parliament and the Federal Parliament, the Federal Parliament is entirely free. As between the Imperial Parliament and the State Parliaments, the latter are in a hopelessly subservient position, even if he is wrong.

Hon. W. D. Johnson: If he is wrong, he has made no point at all.

The ATTORNEY GENERAL: Even if wrong, he has made a point. The Colonial Laws Validity Act still continues so far as the States are concerned. As between the Imperial Parliament and the Commonwealth, the Commonwealth is absolutely free. As between the Imperial Parliament and the States, the States are only free so far as the

Colonial Laws Validity Act allows them to be free—which seems to me an utter absurdity. The statute proposes to make the Federation entirely independent, and to leave the States only partly independent. What conceivable sense is there in the idea?

Hon. W. D. Johnson: If the position is as the member for South Fremantle states, this motion is not sufficient to meet the situation, and we have to do more.

The ATTORNEY GENERAL: It has to be stronger?

Hon. W. D. Johnson: Yes. I submit that if he is right, this motion is not the motion which the House should carry. Therefore we should adjourn the debate and go into the matter. If we carry this motion, and if the position is as the member for South Fremantle states, we are not fulfilling our duty to Western Australia by this motion. The question requires more investigation.

The ATTORNEY GENERAL: I do not mind its being investigated.

Hon. W. D. Johnson: We ought to adjourn the debate.

The ATTORNEY GENERAL: We should maintain this position, that we are not going to let the Statute of Westminster be passed into law without our viewpoint being represented. In fact, I felt at a certain stage that what we ought to be unanimous upon was that the statute should not become law without the viewpoints of the States being listened to and fully explained.

Hon. A. McCallum: I want the thing delayed until our position is made clear.

The ATTORNEY GENERAL: We want the thing defined so that we shall know what we are entering into, and are in a position to put up our protest and have our views properly considered before the Statute of Westminster is enacted. I am extremely glad to find that, to put it at its weakest, both sides of the House seem to object to allowing the statute to go through without some sort of protest. To put it at its strongest, perhaps, we are all agreed that we do not want the law to pass.

Mr. Kenneally: The Attorney General is speaking for himself.

The ATTORNEY GENERAL: I am speaking for myself from the impression I have gathered from hearing the remarks of the member for South Fremantle and the interjections of the member for Guildford. I think we are all agreed that at the moment we are not prepared to commit ourselves, but want to know more about the matter.

Hon. W. D. Johnson: I am opposed to the motion. I disagree with the member for South Fremantle, and I disagree with you; but if there is anything in the point raised by the member for South Fremantle, I want time to investigate it, as if he is right a stronger motion than this is needed to protect us. If the hon. member is wrong, I am prepared to support the Commonwealth Parliament.

The ATTORNEY GENERAL: I do not agree with that attitude at all.

Hon. W. D. Johnson: The debate should be adjourned.

The ATTORNEY GENERAL: I do not want to see the very workable unwritten relationship between the Imperial Parliament and the component parts of the British Empire reduced to rigidity. That is the most fundamental objection to the whole thing. In addition, I am of opinion that the matter has not been adequately considered, and that the viewpoint of the sovereign States of the component parts of the British Empire has not been considered at all.

MR. SLEEMAN (Fremantle) [9.59]: I move—

That the debate be adjourned.

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

Ayes	13
Noes	22
Majority against	9

AYES.

Mr. Coverley	Mr. Raphael
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Walker
Mr. Kenneally	Mr. Wansbrough
Mr. Marshall	Mr. Willcock
Mr. McCallum	Mr. Corboy
Mr. Munsie	(*Teller.*)

NOES.

Mr. Angelo	Sir James Mitchell
Mr. Barnard	Mr. Parker
Mr. Brown	Mr. Patrick
Mr. Davy	Mr. Piesse
Mr. Doney	Mr. Richardson
Mr. Ferguson	Mr. Scaddan
Mr. Griffiths	Mr. J. H. Smith
Mr. Keenan	Mr. J. M. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. J. I. Mann	Mr. North
	(*Teller.*)

PAIRS.

AYES.	NOES.
Mr. Withers	Mr. Teesdale
Mr. Collier	Mr. Sampson
Mr. Cunningham	Mr. McLarty
Mr. Wilson	Mr. H. W. Mann

Motion thus negatived.

HON. W. D. JOHNSON (Guildford-Midland) [10.3]: I regret exceedingly that the Government are endeavouring to force the resolution through, seeing that members have not had time to investigate a subject on which there is some difference of opinion. I disagree with the views expressed by the member for South Fremantle (Hon. A. McCallum) but I respect his opinion. Although I do not think there is anything in the point he raised, I maintain that the House should be given an opportunity to investigate the position before the resolution is forced to a vote. The member for South Fremantle should have presented some legal backing for his view, before presenting it to this Chamber.

Mr. Kenneally: He got it from the wrong legal gentleman.

Hon. W. D. JOHNSON: If there is anything in the point raised by that hon. member, then this Chamber will fail in its duty to Western Australia, in that we shall not submit to the Imperial Parliament, particulars regarding the serious position Western Australia will be in should the Statute of Westminster be agreed to. The resolution will merely represent so much purely platitudinous matter, compared with what would be necessary if there were anything in the contention raised by the member for South Fremantle. We shall be endeavouring to do with a snowball something for which a cannon ball is necessary. Hon. members will have to accept the responsibility attaching to agreeing to such a resolution seeing that it will impress no one, whereas, if the matter is of such importance, everyone concerned should be impressed. I do not know why the resolution is being rushed through. There is no urgency about it, because no one will imagine for one moment that a resolution carried by the Parliament of Western Australia will hold up the consideration of an Imperial statute if our representations are submitted before the 1st August. We will secure no result from the passing of the resolution because we shall have failed to word it in such a way as to bring forcibly before the Imperial Parliament the possible seriousness to Western Australia attaching to the passing of such Imperial legislation. We are rushed into a question with which we are not conversant and respecting which the House has been given little or no information. In moving the motion, the Premier said practically nothing. In those circumstances, we are asked to pass a resolution that will be submitted to the Imperial Parliament and it will be based on absolutely nothing. The only information of any importance that has been submitted was embodied in the remarks by the member for South Fremantle, and I question whether that information was based on the actual position. Let us look at the Statute of Westminster. The question was raised in 1926 by the then Prime Minister of Australia, Mr. Bruce. It was received, as the Deputy Leader of the Opposition pointed out, with the utmost enthusiasm. Mr. Bruce actively took part in having a committee appointed, of which Lord Balfour was chairman. The committee was formed to go into the question of framing a statute of this description for the purpose of creating a commonwealth of nations.

Mr. Kenneally: And when Mr. Bruce returned to Australia he was hailed as the saviour of the Commonwealth.

Hon. W. D. JOHNSON: Of course. As the member for South Fremantle pointed out, having accomplished so much at the Imperial Conference, at which the Balfour report was submitted, Mr. Bruce returned to Australia and his attitude was generally endorsed. He delivered an address in Perth and the attitude he adopted and his advocacy of the move were endorsed with the utmost enthusiasm. It received unanimous approval. In addition to that, a committee of men highly qualified to go into a question of this description was appointed. It comprised people who were keen to consolidate and cement the British Empire. The proposals were not considered by a mere casual committee. That task was undertaken by men deeply concerned with the interests of the Empire, men who had contributed largely to its growth. It was men of that type that went into the question, and they unanimously endorsed the report submitted by Lord Balfour. Not only was that done by men we must respect to the highest degree, but, in addition, they appointed a committee, known as the com-

mittee to go into the question of the operations of Dominion legislation. On that committee was a strong representation of the Dominions. One of the most faithful servants Australia possesses, Sir Harrison Moore, represented the Commonwealth. We know what Sir Harrison has done with reference to constitutional matters and the general welfare of the Commonwealth of Australia. He is recognised as one whose advice on constitutional matters is thoroughly sound. He is looked upon as the best authority on the protection of what is best for Australia. He was appointed to voice Australians' opinion on a matter of this kind, and he again endorsed and recommended the report the Earl of Balfour had previously submitted and which, when Mr. Bruce came back, he also generally endorsed. There were no protests, but there certainly was a general endorsement. Then in 1929 this committee to inquire into the question of the operations of Dominion legislation again sat. The matter was prominently brought before Australia and Western Australia in 1926 and again in 1929. Then, before the representation went to the Imperial Conference of last year, repeated references were made to the fact that the matter raised by Mr. Bruce and investigated by this committee was to be finalised at the 1930 Imperial Conference. Again there was no protest. It was generally recognised that it had to be finalised in the interests of the Dominions. So it was generally endorsed when our representatives went Home, and again when they returned, and there was no protest from Western Australia. Everything was endorsed by public opinion until quite lately. I say most emphatically that if we had not an organisation actively trying to create a public opinion in favour of secession, we would never have heard a word about this resolution. It is that organisation that influenced the Premier to introduce this matter and, judging by the Premier's speech, it was that organisation that supplied the subject-matter he submitted to this Chamber. In other words, we are being influenced to carry this motion purely from a secession point of view. The secessionists that, without avail, have been trying to create a public opinion are actively attempting through a kind of back door to make a case to the Imperial Parliament that if we pass the Statute of Westminster we shall be interfering with Western Australia, should the State ultimately decide to make representations regarding secession. This is a back door way of doing the thing. If there is anything in the secession movement let us carry the motion, let us have the referendum and submit the opinions of the people of Western Australia—if they support the referendum—through the ordinary channels in the proper way. Whether this statute goes through or not, the only way such a matter will be considered is through those channels. We are proposing to take a serious view of the position, as if the Statute of Westminster was going to interfere with the sovereign rights of Western Australia. The statute will not interfere in the slightest degree with that status. The member for South Fremantle quite correctly stated that we have full sovereign rights except, of course, the part that we have voluntarily handed over to the Commonwealth. We have retained absolute right as a State in regard to various matters and have created an organisation in the form of the Commonwealth Government to take over other parts in conjunction with the other States of Australia. This Statute of Westminster is not going to limit Western Australia at all, but will give us greater power. To-day we have not the powers that we shall have to-morrow or the day after, when this statute is passed.

The Chief Secretary: Tell me one of them.

Hon. W. D. JOHNSON: To-day, before the Statute of Westminster is passed, certain powers are held by the Imperial Parliament in relation to Western Australia. They can do certain things. They have the power to impose certain of their laws and desires and aspirations on Western Australia. But immediately the Statute of Westminster passes, they can no longer do that. So the passing of the statute will not limit the dominion status of Western Australia, but will strengthen it.

The Chief Secretary: It has no dominion status, as you ought to know. Australia has, but not Western Australia.

Hon. W. D. JOHNSON: It only goes to show that we require opportunity to study this question more closely. What status has Western Australia?

The Chief Secretary: That of a sovereign State.

Hon. W. D. JOHNSON: With certain rights in regard to the governing of the people of the State and the controlling of the affairs of the State. The only limit we have

is in regard to the powers given to the Commonwealth to interfere with Western Australia, and the powers the Imperial Parliament has exercised and maintained of interfering with us if it thinks it necessary to interfere. I do not claim that the British Parliament has ever interfered with us. The fact remains that the sovereign rights of Western Australia must be strengthened; they cannot be weakened or reduced by the Statute of Westminster. To-day some people can interfere with Western Australia; in other words, some people limit our power and our control, and immediately we cut out those people it must automatically strengthen our powers and rights. So how can it be claimed that the sovereign rights of the State will be in any way reduced or weakened by the passing of the Statute of Westminster? The member for South Fremantle contended that if the statute were passed, we would be unable to make representations, but would have to do everything through the Federal Government. That is the position to-day. The Imperial Government would not entertain any representations made by a State unless they were definitely confined to the State and affected the State only.

The Chief Secretary: Quite right.

Hon. W. D. JOHNSON: Therefore any suggestion of a grievance against the Commonwealth would be outside the scope of Western Australia. If we had a grievance against the Commonwealth, it would be a grievance against other portions of Australia, and immediately other people were involved in the grievance, we would be interfering with their rights, privileges and opinions, and a protest would have to go through the Federal authorities. Therefore to ventilate to-day a grievance such as the hon. member contemplated, we must act through the Federal authorities, and that would continue if the Statute of Westminster were passed. The statute would not interfere with our power to ventilate grievances.

Hon. A. McCallum: The State Parliament does not deal with the Commonwealth, but deals direct with London.

Hon. W. D. JOHNSON: The hon. member made a point of a grievance against the Commonwealth. Immediately we had a grievance against the Commonwealth, it would have to be voiced through the Commonwealth.

Hon. A. McCallum: Nothing of the sort. We would go straight to headquarters in London.

Hon. W. D. JOHNSON: It would have to be voiced to the Dominions office through the Commonwealth.

Hon. A. McCallum: You are entirely wrong.

Hon. W. D. JOHNSON: I maintain that I am right. The hon. member's statement is nonsense. If we have a grievance against fellow electors in the Eastern States, what right would we have to petition the Home Government without moving through the Commonwealth on a Commonwealth matter? Would it not be presumption on our part to attempt anything of the kind?

Mr. Kenneally: If that were done, the King would seek the advice of his Ministers, and they would be the Commonwealth and not the State Ministers.

Hon. W. D. JOHNSON: We have no right to interfere with Commonwealth functions, and immediately our grievance was against the Commonwealth, there would be interference with Commonwealth functions. If we attempted to voice a grievance to the Imperial authorities, the Secretary of State, if it reached him, would return it to the Commonwealth Government for their opinion and direction. The member for South Fremantle knows full well that we as a State would not attempt to do it. The Government would have more sense. In making any representations the State Government would adopt the correct channel, namely, the Commonwealth. If it were a petition to the Crown, it would go through the Governor General; if it were some other matter, it would go through the Dominions Office. The contention of the member for South Fremantle that the statute would repeal the Colonial Laws Validity Act of 1865 and that we would revert to the conditions that prevailed in South Australia previous to 1865 is nonsense. The Statute of Westminster would prevent anything of the kind happening, since it provides that no law of the State could be repugnant to British law. If the hon. member's contention is correct that the statute is of no value, it is a reflection on Mr. Stanley Bruce, on Earl Balfour, on Sir Harrison Moore who was charged with the responsibility of investigating the question,

and on the Prime Minister and the Federal Attorney General. It is absolute nonsense to submit a contention of that kind. If the House endorses the hon. member's point of view, the motion should not be passed because it is altogether too mild as a protest against an act of that description. We would be justified in using the strongest terms, and the motion should be framed with great care by the best legal advisers. No secession league should draft a motion of the kind; it is too big a question for those people. The motion protests against the statute "on the ground that any such provision would inflict great injury on the State of Western Australia." If that motion were submitted to the Imperial authorities they would want to know what serious injury would be inflicted on us. It would make us appear ridiculous. Fancy asking the Chief Secretary to make out a case that the Statute of Westminster would inflict great injury on the State! The Minister knows that he could not make out such a case. If we deleted the contention regarding secession, there would be nothing left. Of course the Premier could not make out a case and did not attempt to. I contend that, before we pass the motion, the House should be convinced and should have it on record in "Hansard" just how the statute would inflict great injury on the State. There is nothing in "Hansard" yet to prove it. That is just a bald statement not founded on fact or based on any evidence. The member for South Fremantle spoke of the reference in the motion that the provision would tend seriously to weaken the link between the people of Western Australia and the people of the Home country. No man in the British Empire is prouder of the British Constitution than I am. I love the humanity of the British Constitution, and the noble lead it gives for the welfare of the British people. I do not desire in any way to weaken the link with the Home country. If there is one thing I detest, it is the constant claptrap of those people who come from overseas and prate about the wonderful loyalty of Australians. There are no disloyal people in Australia; we are all loyal to the Home land. Why do they want to announce at public gatherings that we are wonderfully loyal, and patronise us because of our loyalty? We do not want patronage; we recognise the advantage of living under the British Constitution, and we are part and parcel of it. We take an active part as units of the Empire in trying to strengthen it. The Statute of Westminster will also strengthen it. Does the Chief Secretary claim that we are going to make people loyal by legislation, or more faithful to the Crown and the British Empire by giving the British Parliament the right to legislate for certain matters in Western Australia? The fact that legislation exists constitutes a weakness. It demonstrates that we are not fully trusted, that although we are part of the British Empire the sovereign rights we enjoy must be limited because we might do something wrong. So long as we are distrusted in that way there is some room for resentment. That is why the big men, Earl Balfour and others, say it is wrong and that we have outlived it. The day for the Colonial Laws Validity Act is gone. It was all right in 1865, when we were thin in population but big in territory, when we had no Commonwealth Parliament, no established education system, and had not become a nation. There was necessity for legislation of that kind then, but to-day we do not want it. We want to work out our own destiny as part of the British Commonwealth of nations, and to do it in our own way, but always in a way that will strengthen and unite the British Empire. If this is going to be done by giving the Imperial Parliament the right to dictate to us in the matter of legislation, we shall have resentment through an effort being made to force us into things instead of leaving it to the people to work things out in their own way. I am opposed to the motion. We have created a Commonwealth Parliament to do certain things. If there is one thing we have created it for it is to speak for the united people of Australia. On big matters no State should make representations to the Imperial Parliament, but everything should go through the central Government. They were created for that purpose. That is why we are so proud of them. We have a Parliament that can speak not for one State but for the 6,000,000 people of Australia. That Parliament has associated with it, and will have maintained with it a Governor General, and through the Governor General we can make our representations after the Statute of Westminster is passed, just as we are able to do now. It is quite right that the Commonwealth Parliament should be the one to voice Australia's opinion. It is significant that no other

part of the Commonwealth has carried a resolution of this kind.

The Chief Secretary: Tasmania and Queensland have done so.

Hon. W. D. JOHNSON: That is news to me. Tasmania is only a small portion of Australia. I question very much whether the wording of the resolution in that State is on all-fours with this one. I do not think any other State would carry a motion like this. There is no doubt the motion was drafted and influenced by the secession movement. It is not raised on the points referred to by the member for South Fremantle or by the Attorney General. If resolutions have been carried in other States, they are different from this one. I regret the matter is being rushed through. There is plenty of time in which to consider it. The debate should have been adjourned to enable us to go into the matter closely. We have been working very hard of late. I went to the trouble of getting from "Hansard" a copy of the Premier's speech, and analysing it. There is no information in it to justify this resolution. It is simply thrown into the Chamber. No one has had time to study it because we have been working day and night. A tired House is being rushed into this business, which will only bring us into ridicule. When it is submitted to the Imperial Parliament they will either ignore it or administer a nice little rebuke, telling us that we do not understand the situation, that the matter is purely one for Australia as a whole and not for one section domiciled in Western Australia.

THE CHIEF SECRETARY (Hon. N. Keenan—Nedlands) [10.37]: It is incumbent upon me, and others who have made some study of constitutional law, to clear a matter that has apparently clouded the mind of the member for Guildford-Midland. He has mixed up terms in an extraordinary fashion. He talks of Dominions, States, Dependencies and Colonies all in one great jumble, as if they were all the same.

Mr. Kenneally: The hon. member did not mention dependencies.

Hon. W. D. Johnson: That is a lawyer's bluff. When you have no case, bounce and bluff away!

Mr. Kenneally: But the hon. member did not mention such a thing.

Hon. W. D. Johnson: Let the Minister go on.

The CHIEF SECRETARY: The hon. member must know he has no case, for I have never heard a greater bluff than the one he has put up.

Hon. W. D. Johnson: I suggest we give the Minister a patient hearing.

The CHIEF SECRETARY: It is no use exchanging what may be termed courtesies with one another. This State is not a Dominion. Originally it was a colony, and it remained a colony so far as its description was concerned, but changed its denomination into that of a State when Federation was formed. The only Dominion in Australia is the Dominion known as the Commonwealth. There are also the Dominions of New Zealand, South Africa and Canada. The term "Dominion" is one of modern use. The Statute of Westminster is spoken of as if it is the only Statute of Westminster, whereas every law that is passed is a Statute of Westminster. This particular one refers to the Dominions, and when that refers to Dominions, it does not refer to Western Australia, or to Victoria, or Queensland, or South Australia, or New South Wales, or Tasmania. That is the first matter with respect to which I desire to help the member for Guildford-Midland, although he is not inclined, I am afraid, to accept my help with any thanks.

Hon. W. D. Johnson: You should have given this help before. Why rush a resolution through without any information?

The CHIEF SECRETARY: I had the intention of rising, but the hon. member was so——

Hon. W. D. Johnson: You did not indicate the intention at all.

The CHIEF SECRETARY: I do not rise as on a spring. I presume I can catch the eye of the Speaker without jumping up in the manner some members adopt. Before dealing with the matter, I also wish to say a word on the question of time. As I suppose all of us who have taken an interest in the matter are aware, it is proposed by the Imperial Parliament to take action on receiving from the Dominions an address requesting this legislation. Unless some protest is made immediately, the statute will become law; and everyone knows the difference between protesting before a statute is passed, and protesting after it has been passed. The mere protest that has been

made by the Provinces of Canada, which have no sovereign rights whatever, have been effective so far as they are concerned: and yet the member for Guildford-Midland believes that a protest made by a sovereign State such as we are, or any other Australian State is, will not be effective. I wonder very much on what that opinion can be based, unless it is based on some idea that whatever the hon. member conceives must be right, and that no matter how much it is opposed to clear events happening elsewhere, it still must remain right.

Mr. Kenneally: Is that courteous?

Hon. W. D. Johnson: Time will show.

The CHIEF SECRETARY: When I say that an hon. member is perfectly convinced that he is right, is that discourteous? Now I propose to deal with the matter of the motion: and let me say that the case put before the House by the Deputy Leader of the Opposition was not only concise and clear, but absolutely accurate, with one single exception, which I do not mention as a matter for comment. I have been unable to find in any matter that I could obtain a definite statement of the extent to which the Act of 1865 is repealed. There can be limited repeal, or total repeal.

Hon. A. McCallum: I think that if there was any limit in the repeal, it would have been mentioned in the speech.

The CHIEF SECRETARY: I should have thought so, and therefore I accept the assurances of those who have read the speech of Mr. Brennan in "Hansard." My point is that if Mr. Brennan, who is also a lawyer, spoke of a repeal which was limited, and not of a repeal simply obliterating the statute, he would have mentioned the extent of the limitation. Therefore I assume that the member for South Fremantle is quite correct in his assumption that if Mr. Brennan did not describe the limitation, his reference to the statute of 1865 must be taken to mean that the statute is wholly repealed.

Hon. A. McCallum: That is the way I took it.

The CHIEF SECRETARY: There are three grounds on which I think the House should support the motion now before it. It is quite correct to say this Statute of Westminster largely represents an attempt to reduce into writing what has hitherto been the unwritten relationship between not merely the Dominion of Australia, but each separate sovereign State, and the Imperial Parliament so far as laws are concerned. There has never been any attempt on the part of the Imperial authorities to pass legislation which would refer, in the terms of the Colonial Laws Validity Act, to Western Australia or to any State of Australia; and it is inconceivable that they should do so. But, as has been mentioned by the Deputy Leader of the Opposition and emphasised by the Attorney General, the whole foundation of the relationship between the Imperial authorities and the Colonies has always been left an unwritten law. In fact, I venture to say it is a matter which is regretted by a very great number that there should be any attempt to reduce that relationship to a hard and fast formula. The member for Guildford-Midland is wholly astray in a knowledge of the events that led up to this formula. It was no desire of Australia whatever. It is true that the representative of Australia, who was then Mr. Bruce, did assent to it; but there was no desire for it on the part of any Australian Government or of the Australian people. It was the desire of those people who are not particularly friendly to the Imperial connection, and who wish, if possible, to have the right, which had been freely conceded by the Imperial authorities before, but which it was of course theoretically in their power to refuse to concede at any time, reduced into writing and so placed beyond any question. It was merely, as I think Mr. Hughes in the Federal Parliament described it, a desire to parade the world in the toga of independence. That is the history of this movement for the Statute of Westminster. There was never any desire for it on the part of Australia, India, or Canada, or any other part of the British Empire. The objection I take to the statute is the objection which was voiced by the Deputy Leader of the Opposition, that it undoubtedly does deprive this State of some of its sovereign rights. To begin with, it deprives this State of the sovereign right of direct approach to the Crown, direct approach from this Parliament. We are entitled, notwithstanding what the member for Guildford-Midland says to the contrary, to directly represent our wishes to the Crown, and we are entitled to a hearing. We are as great a sovereign State within the powers given to us by the Imperial Parliament as the Imperial Parliament itself is.

It is one of the boasts of the British Empire that its dependencies which were created overseas, enjoy in every sense the same powers and authorities as the Imperial Parliament itself exercises. Amongst those powers and authorities is the right to approach what is known as the Crown, which of course means the Executive of the Crown, in any matter in respect of which we consider that by approaching them we can obtain any privilege or aid or advantage. The second point is that undoubtedly as compared with the Dominion of Australia, this State will be in a very inferior position as regards the repugnancy of its laws to English laws, and the invalidity of those laws in consequence of that repugnancy. It does not matter whether in fact the law of 1865, the Colonial Laws Validity Act, is repealed in toto or only repealed to a limited extent. Whether that be so or not, the Commonwealth Parliament would occupy a wholly different position from the States in regard to the laws made by the Commonwealth Parliament and the laws made by the State Parliament; and that difference would be to our disadvantage. Whereas under the new statute no law whatever of the Commonwealth can be challenged, our legislation will, insofar as the statute of 1865 leaves it open, remain open to challenge. If, in fact, it is correct that the statute of 1865 is repealed, and apparently the Deputy Leader of the Opposition has made a complete search of Mr. Brennan's speech and can find no hint to any other effect, our position would be intolerable. We would be in the position of South Australia before 1865. I ask the member for Guildford-Midland (Hon. W. D. Johnson) to address himself to the point that it does not really matter whether that is correct or not. If incorrect, it still remains that the Commonwealth would occupy a wholly different position as regards the validity of its laws when those laws may be in conflict with British laws, from that which we as a State would occupy. As we are a sovereign State, with equal sovereignty to that enjoyed by the Commonwealth, that is not a position I am inclined to abide by. There is a third matter I wish to mention. It is that it would be extremely derogatory for the sovereign States of Australia to acknowledge that they occupy an inferior position to that of a mere province in the Dominion of Canada. If, in fact, it is compulsory with regard to the statute, that, even with the consent of the Dominion of Canada, it must become operative only if adopted by the mere provinces of Canada, surely it will not be asking too much if we urge we are entitled to ask that we, as a sovereign State, shall have the same rights as the provinces of Canada.

Hon. W. D. Johnson: It is a bit late for that. You should have thought of that two or three years ago.

The CHIEF SECRETARY: I do not profess to claim any gift of prophecy. I am merely dealing with the position after it has arisen.

Hon. W. D. Johnson: At the eleventh hour.

The CHIEF SECRETARY: There is nothing further that I can state. It has been said by the member for Guildford-Midland that the resolution has been inspired by the secession movement. I should have thought the resolution makes it absolutely plain that it has not been inspired from that source. I should think that the secession movement would be very glad to see friction existing between the State and the Commonwealth. The secession movement would gain strength from that friction. The member for Guildford-Midland himself suggested a very good answer to any such idea. He said it would make no difference at all, so far as the secession movement was concerned. If it makes no difference, why inspire it?

Hon. W. D. Johnson: That is my opinion, not that of others.

The CHIEF SECRETARY: But the hon. member is right, and they are wrong. He is always right. Therefore, I think that is the proper view to take—it will make no difference. The secession movement in fact took no part in inspiring the resolution, nor was it inspired by any person associated with that movement. I think it expresses the opinion of any thinking person in Western Australia who appreciates the position, no matter what his views may be in other respects. Such a man would presume it to be only proper to assert the right of a sovereign State to retain its sovereignty. He would desire the postion to remain so that when this Parliament wished to pass laws, we should have that right equally with the Commonwealth Parliament, a Parliament created entirely by the same law for the

States of some of their powers. The Federal Parliament to that extent is really a creature of the States. Had the States not agreed to surrender certain of their powers to the Commonwealth, the Commonwealth must have done without those powers. It was only by the surrender of our powers that the Commonwealth Parliament enjoys the powers it now possesses. In these circumstances, I hope there will be no question of party in the voting on this resolution. We cannot prevent individual instances of differences of opinion, but I should be sorry to think there were more than one or two members of this Chamber who hold adverse opinions on this matter. If a vote be taken, I hope it will show that a great majority of the members of this Chamber are proud of our State Parliament and are determined, no matter what other views they may hold, by no act of theirs will any power enjoyed by this Parliament be taken away or impinged in any way derogatory to its sovereign rights.

MR. KENNEALLY (East Perth) [10.55]: In contradistinction to the attitude adopted by the Chief Secretary, I hope that when the vote is taken on this question, there will be a considerable number voting against it. We continue to refer to the legislation as the "Statute of Westminster" although, as has been pointed out, all such legislation passed by the British Parliament is a statute of Westminster. The statute makes provision by which the King shall accept the advice of his Ministers and that on all questions associated with the Dominions, the advice shall be that of the Dominion Ministers. Prior to the Balfour Note, the King accepted the advice of his Ministers, but advice derived from any of the Dominions had to be transmitted through the British Ministers. The King had to be advised by the British Minister on information forwarded by the Dominion Minister. The whole fight has been to get away from that position. In determining the point at issue, it will be a question of whether the King is to be influenced, not by advice tendered by Dominion Ministers, but by advice of British Ministers based on information forwarded by Dominion Ministers. I have a great personal regard for the Chief Secretary and his legal knowledge, but I have also regard for another man who has given equal attention to this question—the Federal Attorney General, Mr. Brennan. I will not accept the advice of the Chief Secretary as against that of the Federal Attorney General, who has made a study of this question to just as great an extent as has the Chief Secretary.

The Attorney General: But from a different point of view.

Mr. KENNEALLY: Just the same as I may have given attention to it from a different point of view to that of the hon. gentleman. I believe the time has long passed when the Commonwealth should be a nation in itself, independent of any other of the sovereign States.

The Attorney General: Then we should have unification?

Mr. KENNEALLY: The hon. member can have it that way if he likes.

The Minister for Railways: Certainly not, according to what you have said already. You have talked about the Commonwealth being a nation.

Mr. KENNEALLY: We should be a nation independent in all respects. In the forefront of our general policy is the aim to be a member of the British Commonwealth of Nations, and how could we be that unless we were first a nation and so qualified for that status? There are members who think that when we mention any idea of nationhood complete and distinct, it involves a step that will mean cutting adrift from someone else. I do not subscribe to that idea at all. If we are to carry out our policy of being a member of the British Commonwealth of Nations, we must first qualify for nationhood itself. It cannot be complete while we are subject to a system under which we are dealt with by Ministers other than the Ministers to whom we in Australia owe allegiance. We have had five years or more in which to give consideration to this question. The Chief Secretary said the question was not raised by the Australian representative at the conference. That is so. It was raised by the representative of South Africa, but the Australian representative, Mr. Bruce, spoke for it and voted for it in 1926. When he returned to Australia he made a definite announcement in Perth, supporting the proposal, and members opposite, seated on his platform, openly applauded him for his action. Why was not exception taken to the proposal then? Again, when our representative attended the recent conference,

the same proposition came forward, and had it not been that one of the direct results of that action was the appointment of an Australian as Governor General, we should not have had this motion to-night. There are in Australia many people who consider we are not yet strong enough to become a nation. They have supported an agitation that we should not cut this tie or that tie, in other words that there was no Australian fit to be appointed Governor General.

The Attorney General: I do not think that was the attitude of any sensible person.

Mr. KENNEALLY: Nor do I.

The Attorney General: No one would take up that attitude.

Mr. KENNEALLY: The member of a nation who says that one of his own countrymen is not competent to be Governor General, is not a sensible man.

The Attorney General: What do you mean by "a member of a nation"?

Mr. KENNEALLY: I give the Attorney General credit for having sufficient sense to understand what I mean.

The Attorney General: Do you think that everybody born in Australia is a member of the Australian nation? He might be a Chinaman.

Mr. KENNEALLY: Then if a Chinaman, he was not born in Australia.

The Attorney General: Then if you were born in China you would not be an Australian, you would be a Chinaman?

Mr. KENNEALLY: We have had the opinion of members opposite as to the appointment of an Australian as Governor General. We still have people who say, "Do not take any steps that may give offence to those who have supported the old system for so long." Will those who are sponsoring this motion contend that the King should act on dominion matters on the advice of his Ministers in Western Australia? Do they think there is an earthly chance of getting such a proposition accepted? If not, they must be in favour of the statute, for it makes provision that the King on dominion matters shall accept the advice of his dominion Ministers direct. That was won at the 1930 conference. I hope we have not arrived at the position that we can support a proposition such as this, an open declaration that we ourselves are not ready to be a nation. The motion, if carried, will be making that admission.

The Attorney General: Why this desire for complete nationhood? Is there anything wrong in being part of a nation?

Mr. KENNEALLY: Perhaps not in the opinion of the Attorney General, but most people in Australia will agree that since our policy is to be a British Commonwealth of Nations, our first qualification to be included in that Commonwealth is to become a nation.

Mr. Parker: We became a nation in 1915.

The Attorney General: I cannot understand the hon. member's point of view.

Mr. KENNEALLY: If the Attorney General's contention is that we should be a nation with a limited responsibility——

The Attorney General: No, a part of one whole nation. Why split up what is in existence?

Hon. W. D. Johnson: This statute is strengthening it.

The Attorney General: It is not.

Mr. KENNEALLY: The contention raised some of the previous speakers was that we would do away with our right to appeal as a sovereign State. What is the present position? If we exercise our right to appeal on anything in connection with Australian affairs, is the British Ministry likely to advise the King without consultation with the Dominion Ministers?

The Minister for Railways: You want to deny this sovereign State the right to do what you claim the whole Commonwealth can do.

Mr. KENNEALLY: No.

The Minister for Railways: You are complaining that the Commonwealth of Australia should not give advice to British Ministers, but you say that Western Australia should give advice to Commonwealth Ministers.

Mr. KENNEALLY: No. I say that is what has to be done. The King will not accept the advice of his British Ministers on an Australian affair, but he has to accept the advice of his Commonwealth Ministers.

The Attorney General: Why should he not accept the advice of Western Australia?

Mr. KENNEALLY: There we come to it again—these little Australians.

The Attorney General: No, these little Western Australians.

Mr. KENNEALLY: Well, put it that way.

The Minister for Railways: You say those who want secession have prompted the

motion. Now we can see who has prompted the opposition—those who want unification.

Mr. KENNEALLY: Little Australians do not constitute the whole of the secessionists; they get support from others.

The Premier: But the little Australian has to be little in everything.

Mr. KENNEALLY: The member for South Fremantle mentioned the Boothby incident in South Australia. How can the passing of the statute cause us to revert to that position? The influence of the British Parliament will not be altered one iota. The statute establishes the right of Dominion Ministers directly to advise the King.

The Minister for Railways: No, only a section of them.

Mr. KENNEALLY: The Commonwealth Ministers.

The Premier: They are not the only Ministers in Australia.

Mr. KENNEALLY: To those who believe in Australia as a nation, they are the Ministers who represent the nation.

The Minister for Railways: Only on matters over which they have power.

Mr. KENNEALLY: They are the national Ministers of Australia.

Mr. Parker: Would you suggest that a resident of Perth was not a resident of Western Australia?

Mr. KENNEALLY: He is a resident of Australia.

Mr. Parker: Is not a resident of Perth a resident of Australia?

Mr. KENNEALLY: Yes, but he is an Australian and a member of the Australian nation, and he is represented by the Ministers of the Australian nation.

Mr. Parker: Only on certain matters.

Mr. KENNEALLY: That is where we differ. I cannot follow the argument of the Chief Secretary. I do not subscribe to his idea that the Commonwealth is a creature of the States.

Mr. Parker: Of course it is.

Mr. KENNEALLY: I do not agree with the hon. member, either.

The Attorney General: The States gave to the Commonwealth certain of their powers and kept all the rest for themselves.

Mr. KENNEALLY: The people of Australia constituted the Commonwealth so that we could be a nation——

The Attorney General: With certain limited powers.

The Minister for Railways: Defined powers.

Mr. KENNEALLY: And appointed under the Constitution Ministers to represent them as a nation. The Statute of Westminster provides that it shall be mandatory for the King to accept the advice of his Commonwealth Ministers rather than that the advice of his Commonwealth Ministers shall go to him through British Ministers.

Mr. Parker: Are not you a Briton?

Mr. KENNEALLY: Any Australian is a member of the British Empire and should desire to be part of the British Commonwealth of nations. Yet there are people in Australia who would deny the right of nationhood to Australia in order that a Commonwealth of Nations might be constituted.

The Minister for Railways: No, it is only a question of terms.

Mr. KENNEALLY: If we do not become a nation, how can we become portion of the Commonwealth of Nations? I hope the motion will not be carried. The question has been in the offing for five years, and yet we are asked to rush the motion through to-night. According to Press reports the British Parliament will adjourn this week, and where is the need for haste?

The Premier: You have had five years to study the wretched thing and surely that is enough.

Mr. KENNEALLY: We did not think that anyone in Western Australia would move a motion of this kind. It is brought forward at the behest of secessionists, because they could not get their motion high enough on the Notice Paper for it to be discussed. If the Premier has been studying the question for five years, he did not make a very gallant effort in giving reasons for the motion.

The Premier: Quite enough to annoy you.

Mr. KENNEALLY: The paucity of information has annoyed me.

The Premier: The virtue of it?

Mr. KENNEALLY: No, the paucity of it. Anyone reading the report of the Premier's speech in the Press would never have recognised it as his utterance. The information that it did not contain would fill a fair-sized volume.

The Premier: Your body would not be big enough to hold it.

Mr. KENNEALLY: The motion aims at belittling the status of the Commonwealth and undermining the influence of the Commonwealth in Imperial affairs, and it should not receive the assent of this House.

The Premier: We do not accept the Commonwealth as an overlord and you should not.

Mr. KENNEALLY: I have never heard the Premier advance any argument in favour of Australia as a nation.

Mr. Parker: Surely you do not want to argue about it.

Mr. KENNEALLY: Surely he will give credit to those who stand for an Australian nation in order to become part of the British Commonwealth of Nations.

The Premier: We belong to the British Empire.

Mr. KENNEALLY: Surely, then, the Premier is broadminded enough to make allowance for those who hold the views I have mentioned.

The Premier: Of course; I am sorry for them at times.

Mr. KENNEALLY: The Premier can be sorry for those who aim at Australian nationhood because his influence has been in the opposite direction. Those people are entitled to their beliefs, just as the Premier is entitled to his insular opinion that we should remain as separate States with all the disadvantages that prevailed in pre-Federal days. I hope Australia will develop along the lines of nationhood, and that such development will be as a member of the British Commonwealth of Nations. That is where our destiny lies. Those who stand in the way of Australia's developing along those lines are not aiming at benefiting or buttressing the British Empire but the reverse. If we cannot develop as a nation within the Empire, we must nevertheless develop as an Australian nation.

Question put and passed.

House adjourned at 11.20 p.m.

Legislative Council,

Tuesday, 4th August, 1931.

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

MOTION—STATUTE OF WESTMINSTER.

Protest against Enactment.

Debate resumed from the 28th July on the following motion by the Minister for Country Water Supplies:—

That this Parliament of the State of Western Australia, a State of the Commonwealth of Australia, hereby enters its emphatic protest against the passing by the Parliament of the United Kingdom of a Statute at the request of the Parliament of the Commonwealth of Australia to give effect to certain resolutions passed by the Imperial Conference held at London in the year 1930, and in particular to the provision that no Act of the Parliament of the United Kingdom passed after the commencement of the said Statute shall extend or be deemed to extend to the Dominion of Australia as part of the law of that Dominion unless it is expressly declared in that Statute that the Dominion of Australia has requested and consented to the enactment thereof, on the ground that any such provision would inflict great injury on the State of Western Australia and tend seriously to weaken the link between the people of Western Australia and the people of the Home Country which it is the desire of both to strengthen and preserve.

HON. J. M. DREW (Central) [4.35]: I asked the House to give me a week in order to make investigations into this question, for it is one of much importance. I think I am in a better position to form a judgment on it now than if I had had to deal with it in haste. It is strange indeed that, contrary to their usual courtesy, the British Government should have omitted to indicate to us at an early stage what was proposed to be placed, as has been indicated, on the Statute Book of England. A formal notification is all that