

Legislative Council.

Thursday, 8th April, 1913.

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The PRESIDENT took the Chair at 11 a.m., and read prayers.

BILL—COMMONWEALTH POWERS.

In Committee.

Resumed from the previous day. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 2—Reference of matters to Parliament of Commonwealth:

Paragraph (e) (partly considered):

The CHAIRMAN: Progress was reported on Clause 2, paragraph (e), to which Mr. Mann had moved an amendment that before the word "trust" the words "the regulation and control of" be inserted.

Hon. W. J. MANN: I appreciate the action of the Chief Secretary in giving me a further opportunity to look into this matter. I cannot accept the suggestion that the word "prohibit" should be inserted after the word "regulation." The Commonwealth Government already has sufficient power over interstate and oversea monopolies. We are only seeking to conserve to this State what we contend to be our due. Trusts, combines and monopolies in Western Australia not under Federal control, are under the control of this State Parliament, which has been given power to take over, prohibit and resume even without compensation any trust or combine inimical to the State. Are we to give away that power? I do not think we should. A little while ago the State Transport Co-ordination Act was passed. It effectively killed a number of small monopolies—buses running to various places. If we leave the paragraph as it is, we will give the Commonwealth Government power to supersede any or all of the rights of this State. There would be open dissension if we did that. The trusts and monopolies existing beyond our State boundaries do not concern us. Most of the trusts and combines here have their roots oversea or in the Eastern States, and we are not much concerned with them. But we are concerned with some and we want to hold them. Any trusts or combines operat-

ing against the interests of the State should be acquired by the State, to which any profits should revert. I would not mind if this paragraph went out. I realise that the Commonwealth Government can do a lot by regulation; in fact, it has done so.

Hon. G. W. Miles: The Commonwealth has 2,300 regulations already.

Hon. W. J. MANN: That would not stop Mr. Dedman or Mr. Ward from promulgating another couple of thousand. The Commonwealth certainly has sufficient power to deal with this matter by that means.

The CHIEF SECRETARY: I was rather surprised to hear the argument advanced by Mr. Mann, and particularly his remark that he would not care if this particular paragraph was struck out of the Bill. If there is one direction in which we must be careful regarding the post-war period, it is that relating to the position of trusts, combines and monopolies.

Hon. W. J. Mann: The Commonwealth has power to deal with that now.

The CHIEF SECRETARY: Yes, but only up to a certain point. The Commonwealth wishes to have further authority, not only to regulate and control but even to prohibit them if the necessity should arise. If we are to allow the Commonwealth to regulate and control these bodies, we should also be prepared to grant it the further right to lay down the conditions under which a monopoly should be established. If Mr. Mann's amendment were agreed to, the Commonwealth would have no rights at all in that direction. When he says that the Commonwealth could take the necessary action by way of regulation, as it is doing now, Mr. Mann surely does not recognise that at present those regulations are issued under the wartime powers of the Commonwealth and that those powers will cease when hostilities terminate.

Hon. W. J. Mann: But the reference of this power is only for a period of five years after the end of the war.

The CHIEF SECRETARY: That statement is being repeated constantly. At the end of that period it will be conclusively demonstrated whether it will be reasonable for the Commonwealth still to retain some of these powers. I have no doubt that two or three of them will become permanent, but there should be a probationary period in order that we may ascertain how the transfer of those powers will operate. In making use

of the word "prohibition" yesterday, I had in mind the fact that conditions generally will alter very considerably. No one will deny that there are bound to be radical alterations in the post-war period. Every country in the world is considering what changes will take place, and that is what is happening in the States and in the Commonwealth as well. I cannot understand why Mr. Mann should object to the granting of this particular additional power.

The CHAIRMAN: It is quite open to the Chief Secretary to move an amendment on the amendment.

The CHIEF SECRETARY: I do not propose to do so; I stand by the paragraph in the Bill. If there is to be any amendment it might be that the Commonwealth should have power to prohibit where a monopoly works to the detriment of the State, but I prefer the paragraph as it appears in the Bill.

Hon. Sir HAL COLEBATCH: I have mixed feelings regarding the paragraph. If I thought the power would be exercised in the way it should be exercised, I would not object to the paragraph as it stands. I do not wish to be told that I am not trusting the Commonwealth Government. In Australia, and particularly in Western Australia, we have suffered and are still suffering severely from the operations of trusts, combines and monopolies, each one of which is the creation of political privileges, the result of Federal legislation. What is the use of saying that additional powers are required? All the Commonwealth needs to do is to remove prohibitions and reduce duties and then the disabilities regarding trusts, combines and monopolies will disappear at once. That is my reason for thinking that we shall not do much harm by agreeing to the paragraph, whereas we might do some harm if we adopt the amendment moved by Mr. Mann.

Hon. H. SEDDON: Sir Hal has certainly touched on one aspect of trusts, combines and monopolies, which is the direct result of Australia's policy. It is recognised that, where a high tariff policy operates, conditions are created favourable to the establishment of trusts, combines and monopolies.

Hon. Sir Hal Colebatch: Not only in Australia, but everywhere!

Hon. H. SEDDON: That has been the experience of the United States of America,

and Australia is following closely in the footsteps of the United States in regard to tariff policy. It does not necessarily follow that trusts, combines and monopolies are detrimental. In many instances they have been distinctly advantageous. Conditions obtain, especially in connection with heavy industries, where it is essential for the creation of the industry to have a monopoly. Take the position regarding the manufacture of aluminium! The amount of capital required for the erection of a plant is so great that only a very powerful financial corporation can undertake the task. Aluminium is a necessity under modern conditions, and it simply means that in order to continue the manufacture of aluminium there has to be a number of large concerns. Any attempt to prohibit the provision of large capitalisation would mean that we would not manufacture aluminium in Australia. The aluminium combine is one of the most powerful in the world, yet its creation has been largely due to economic conditions associated with the manufacture of that commodity. It will be recognised that the detrimental effects of monopolies are largely attributable to conditions that arose before the war.

The tremendous tyrannical monopolies created by Germany forced the position, and it was in order to continue the attack on the rest of the world that that country had recourse to arms. Many monopolies have arisen through the necessity to provide huge capital, while in other instances they have become essential because of the desire to maintain sound conditions in industries. One great advantage of a monopoly is that it controls the product from the time it is mined from the ground or garnered from the land until it is marketed. The great profits made are due to the fact that they absorb the intermediate profits and the finished product of one industry is the raw material of another. However, the great advantage of the monopoly is that it eliminates the intermediate profits and yet what look like handsome profits in the aggregate, when distributed over the very many various parts of the monopolies' operations, are really very small. If we give power to prohibit monopolies, we might be doing more economic harm than good. I believe our objective would be attained by providing that, where a monopoly is shown to be detrimental, it may be regulated and controlled. Where a mono-

poly is acting in restraint of trade, it comes under the control of the Commonwealth Government. I support the amendment.

Hon. G. W. MILES: I suggest the insertion of the words indicated by the Minister to provide for the prohibition of monopolies. I do not like the words in the amendment referring to the regulation of monopolies. Monopolies should be controlled by legislation. There has been too much government by regulation.

Hon. Sir Hal Colebatch: This does not mean controlling by regulation; it means regulating by law.

Hon. G. W. MILES: If that is so, my objection disappears. The Commonwealth is driving people almost mad with its war-made regulations, of which there are hundreds. A citizen cannot move without first getting permission from the Commonwealth.

Hon. A. Thomson: And if everything was centralised in Canberra, you would have still more regulations.

Hon. G. W. MILES: The hon. member cannot escape the fact that we have a national Parliament and he would deny it the power that it ought to have.

Hon. A. Thomson: But we have not a national Parliament.

Hon. G. W. MILES: The Commonwealth Government represents Australia.

Hon. W. J. Mann: Does it?

Hon. G. W. MILES: Yes. I hope members will be reasonable and give consideration to the other side of the question. Yesterday I congratulated the Minister on the way he was fighting a rearguard action. Members here seem to have put their heads together.

Hon. A. Thomson: What was done in another place?

Hon. G. W. MILES: This is supposed to be a non-party Chamber.

The CHAIRMAN: It is contrary to Standing Orders to allude to a debate in another place.

Hon. G. W. MILES: I move—

That the amendment be amended by inserting after the word "control" the words "or prohibition."

Hon. H. S. W. PARKER: If we insert the words proposed by Mr. Miles, we shall be giving the Commonwealth full and complete power; in fact it would be another way of re-inserting what we want to delete. Mr. Miles has indicated the serious difficulties we are suffering owing to government

by regulation over which we have no control. The more authority we give the Commonwealth, the farther away we shall get from controlling our own affairs. When the State Government promulgates regulations, we have an opportunity to disallow them.

Hon. G. W. MILES: We cannot prevent the Commonwealth from exercising powers taken under the National Security Regulations for the period of the war, but the Commonwealth desires further power for the post-war period and it is only logical that we grant it.

The CHIEF SECRETARY: The word "regulation" in the amendment is well understood as meaning the power of regulation by the Commonwealth by means of Act of Parliament. Sir Hal said there are monopolies in Australia that have been established as a result of Commonwealth policy. That statement is correct, but if we are to take any notice of what is occurring amongst the Allied Nations, we must admit that some consideration will have to be given to Australian policy in the post-war period.

Hon. Sir Hal Colebatch: Not many Commonwealth Ministers suggest that.

The CHIEF SECRETARY: I do not know whether the point has even been discussed.

Hon. Sir Hal Colebatch: That is the trouble.

The CHIEF SECRETARY: Mr. Churchill, Mr. Roosevelt and other leaders of the Allied Nations have made declarations from time to time to which we are a party. We must be affected by those declarations and will be forced into the position of having to consider them.

Hon. H. Seddon: Were we consulted regarding the Ottawa Conference?

The CHIEF SECRETARY: I do not want to discuss that. We have to recognise that big changes are pending. Australia as a nation will have to consider many of those things on which we held definite views for many years. If we are going to comply with the declarations already made on our behalf, we must give serious consideration to Australian policy. Mr. Parker has suggested that the insertion of the word "prohibition" in the amendment would bring it into line with the paragraph in the Bill. That is not so. The paragraph in the Bill is all-embracing. It would even give the

Commonwealth power to create a monopoly. To that extent it would be different. As regards Mr. Mann's point that so long as we agree to his amendment this State will be enabled to deal with monopolies applying to Western Australia alone, the hon. member is under a great misapprehension, because the moment the Commonwealth Government deals with the question of trusts, monopolies and combines under Commonwealth law our hands will be tied.

Hon. H. S. W. PARKER: What does the Chief Secretary mean when he says the Commonwealth deals with these things? Does he mean by powers under this measure?

The Chief Secretary: Yes.

Hon. W. J. MANN: I am quite convinced that if the word "prohibition" were inserted, we would be granting limitless powers to the Commonwealth—giving away powers which in my opinion this State should retain and if necessary use for the benefit of our own people. I hope the amendment on the amendment will not be carried.

Amendment on amendment put and negatived.

Amendment put and passed.

Hon. W. J. MANN: I move an amendment—

That after the word "monopolies," the words "other than by the compulsory acquisition of property" be inserted.

We need to safeguard our position. The Commonwealth Government has power to acquire anything, but a careful reading of Section 31 of the Commonwealth Constitution Act shows that the power of acquisition relates only to means over which the Commonwealth has power already. In this case we are not giving the Commonwealth limitless powers, but are making doubly sure that the Commonwealth shall not have them. I desire to quote an opinion given, in this connection, by Mr. Ligertwood, K.C., of South Australia—

Combined with Placitum XXXI. of Section 51 of the Constitution which gives the Commonwealth power to acquire property on just terms from any State or person for any purpose in respect of which the Parliament has power to make laws—

That is the important part of the position as it now affects us.

—I think the present Bill will give the Commonwealth Parliament power to compulsorily acquire business undertakings which are in fact monopolies, such as gas and electric light undertakings. Seeing that the powers are limited in time and that the laws made under

them are to cease at the expiration of the specified period, the acquisition of an undertaking by the Commonwealth during the period is likely to lead to confusion. I accordingly suggest that Section 2 (e) should be amended to read "The control and regulation of trusts, combines and monopolies provided that the reference shall not give the Commonwealth power to compulsorily acquire any public or private undertaking."

I have consulted King's Counsel of this State with regard to Mr. Ligertwood's opinion, and in each case have been assured that his interpretation is correct and that we would be very wise indeed if we followed it, since, as apparently members know, this amendment has already been moved in another place. After the most careful consideration it has been agreed that these words are essential to our State's protection.

The CHAIRMAN: The Committee has already agreed to insert the words "regulation and control." What does Mr. Mann mean by "property"?

Hon. W. J. MANN: A huge definition could be given of the word "property." Do you wish me to define the whole range of property, Sir?

The CHAIRMAN: I wish to ask the Committee to consider whether the use of the word "property" would not destroy what we have already agreed to.

Hon. W. J. MANN: I could not even for a moment pretend to give a complete definition of the word "property."

The CHIEF SECRETARY: Mr. Mann finds himself, apparently, in the same position as the delegates to the Convention. They found it exceedingly difficult to define in exact language the exact scope of any one of these powers. As I pointed out previously, that is a difficulty one encounters when one begins to create a Constitution. It is one of the reasons why the Convention decided to word many of the powers as they have been worded, and it is a reason why we should be prepared to allow these powers to be couched in terms similar to those appearing in the Bill. It is a reason, too, why Dr. Evatt, when asked various questions at the Convention, adopted what some members have called an evasive attitude, but which was not that at all. It was, in fact, simply the result of a desire on Dr. Evatt's part to be perfectly frank, and not to deceive delegates, but to point out to them how difficult it is to define in exact words some of these proposed powers. Should these powers be subsequently con-

stitutionally challenged, the High Court will eventually have to determine the question.

I suggest to Mr. Mann that he should include in his amendment the following words:—"but so that no law made in respect of these matters shall authorise the compulsory acquisition of property." If the Committee proposes to agree to the amendment, this would have the effect of putting it into a reasonable form, because how can the Commonwealth regulate and control by the compulsory acquisition of property? Mr. Mann will probably find my amendment reasonable. Although Mr. Mann has quoted the opinion of a very eminent K.C. and has used it as an argument in support of his amendment, I point out that the Commonwealth at present has the power and authority compulsorily to acquire property. No Act which this Parliament might pass can limit that authority of the Commonwealth. We can refer to the Commonwealth additional powers, but we cannot take from the Commonwealth any powers which it now possesses. I hope that is clear. Assuming that the opinion quoted by Mr. Mann is correct and that these powers would only apply in those cases where the Commonwealth has power to legislate, I suggest that the Committee would give to the Commonwealth, under his amendment, power to legislate. Consequently there is no necessity for the words which he desires to include in this paragraph. They would be of no value at all; they would be futile. The hon. member should consider this point, even though he believes the opinion expressed by this eminent K.C. to be correct. I may say, however, that other constitutional authorities do not agree with it.

Hon. W. J. MANN: The Chief Secretary's suggestion certainly has some merit, but there is not a great deal of difference between it and my amendment.

Hon. H. S. W. PARKER: You will get an extra vote if you adopt it.

Hon. W. J. MANN: I would like to think the suggestion over, and in the meantime would ask some other members of the Committee to express their opinions on it.

Hon. H. SEDDON: If there is anything in the Chief Secretary's suggestion at all, it is that by the addition of these words we shall be passing an Act contrary to Federal law and it therefore could not prevail. This argument is leading us to the point that it

would be wise to strike out the paragraph altogether. I shall probably move along those lines.

Hon. W. J. MANN: I appreciate the Chief Secretary's suggestion. Although I do not like his phraseology, I am prepared to accept his words. If later on I feel I have made a mistake, I can move to recommit the Bill. It might be well to insert the word "permit." However, I think I shall stand by my amendment as it appears on the notice paper. Doubts have already entered my mind.

Amendment put and passed.

Hon. W. J. MANN: I move an amendment—

That the following words be added to the paragraph:—"Provided that this paragraph shall not apply—

(a) to trusts, combines and monopolies—

(i) whose operations do not unreasonably restrain trade and commerce, and are not to the detriment of the public; or,

(ii) which are conducted or carried on by the Government of the State or any public authority constituted under the State; or

(b) to monopolies lawfully granted by the State or the Government thereof or any semi-governmental or local governing body in the State."

I have not very much to say in regard to the amendment. There are quite a number of governmental and semi-governmental bodies and local governing bodies which are small monopolies. The remainder of the amendment should appeal to the Committee.

The CHIEF SECRETARY: In view of the other amendments the Committee has already agreed to, it would be futile for me to raise any opposition to this further amendment. It is becoming increasingly apparent that no matter what reasoning one might submit there is a determination on the part of the Committee to stick to its amendments as they appear on the notice paper, so I do not propose to waste time in discussing this amendment.

Hon. E. M. HEENAN: I do not think the amendment should be accepted. How any tribunal will be able to interpret the meaning of the proviso I do not know. I do not think the Government would have any intention of dealing with trusts, combines and monopolies that are of benefit to the community, and who is going to deter-

mine whether they unreasonably restrain trade and commerce and are to the detriment of the public?

Hon. H. Seddon: That would be the only reason for dealing with them.

Hon. E. M. HEENAN: Yes. I would not like to be a party to the insertion of such a foolish proviso.

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

Paragraph (f):

Hon. H. S. W. PARKER: I move an amendment—

That paragraph (f) be struck out.

This paragraph deals with profiteering and prices. I have no objection at all to the control of what are commonly called profiteers. It is right that drastic action should be taken against them, but I would like to know what is the meaning of the word "profiteering." It is a word coined during the last war and the only English dictionary in which I can find a definition of it was one published by a Sydney newspaper in 1936 and edited by responsible people from Oxford and Cambridge. A profiteer is defined therein as—

One who derives gain rapidly and easily, especially from Government contracts. Speculative dealing in commodities, etc., during the war of 1914-18; for example, to make excess profits.

I venture to say that we will obtain different definitions of profiteering according to the people we ask. Is it right to have a word such as that in a Bill? If a law of this kind is necessary let profiteering be defined. It might be said that in Western Australia we passed a Bill called the Profiteering Prevention Bill, but that was merely the name of the Bill. In the Act it is stated exactly what it is desired to prevent or control, but here it is a general word. In Clause 2 of the Bill we find the following:—

Subject to the limitations and conditions in this Act contained the following matters are hereby referred to the Parliament of the Commonwealth, that is to say:—

(f) Profiteering and prices (but not including prices or rates charged by State or semi-governmental or local governing bodies for goods or services).

What does that mean?

Hon. T. Moore: Is not the word "prices" definite enough? Why take two words out if you only object to one? Deal with the one word!

Hon. H. S. W. PARKER: I understand that the hon. gentleman who is so anxious to interrupt me is a great admirer of the Attorney General of the Commonwealth.

Hon. T. Moore: Who said that?

Hon. H. S. W. PARKER: I am glad he is not.

Hon. T. Moore: I did not say whether I was or not.

Hon. H. S. W. PARKER: I do not care whether he is or not.

Hon. T. Moore: You are taking a lot unto yourself.

Hon. H. S. W. PARKER: No, I propose to quote the Attorney General. In his original Bill he put it this way—

Prices of goods and services, including their regulation and control.

Hon. T. Moore: What is wrong with that?

Hon. H. S. W. PARKER: Nothing, except that the Commonwealth will have control instead of us. There is no real meaning of the word "profiteering." I venture to suggest that a different definition would be obtained from every judge. Some may confine it to its original meaning of making undue profit out of Government contracts. I have very vivid recollections of England during the last war when people were classed as profiteers. There was not the slightest question that they were profiteers and deserved to be dealt with. They were the ones who made extraordinary profits out of Government contracts. It is becoming a loose way of talking to say that any man making a profit is a profiteer.

The Chief Secretary: Excess profits.

Hon. H. S. W. PARKER: I think excess profits are meant but the Bill does not say so. Where does it begin and end? Take an eminent specialist in disease who charges a fee of 100 guineas, whereas another man who could give exactly the same remedy would charge one guinea! Is the specialist profiteering? Is he to be dealt with? One need not go to him unless one likes; one may go somewhere else. Were those who received £12 10s. a day for working on a salvage ship profiteering? Personally, I think they were. Are we going to hand over the control of all labour to the Commonwealth under this paragraph? If so, the Commonwealth could say, "Your Western Australian Arbitration Court has given a man £1 a day. That is profiteering. It should be 10s. a day." I strongly object to the word "profiteering." We have our own

Profiteering Prevention Act and that is only another name for price-fixing. I have no objection to price-fixing.

When we appointed a price-fixing commissioner for Western Australia the Commonwealth took him over, so that shows we are quite capable of governing ourselves irrespective of the fact that the sponsors of this Bill do not think we are. Our own Act will operate only for six months after the war in which we were then engaged, and that was with Germany because at that time Japan had not come into it. There is no reason why another Bill should not be brought down to implement that and make it permanent. It has been said that the Government is afraid that this Chamber will not pass such a law after the present war. If that be so it is a very good reason why we should not pass it now. This Parliament has extended its own powers against the will of some of the people, and in one way without authority. We are very different from each and every other State of the Commonwealth. We must make our own laws for price-fixing in Western Australia.

The CHAIRMAN: Mr. Parker has introduced a dictionary meaning of the word "profiteer." The Chairman also has a dictionary which gives this meaning—

Make inordinate profits out of the State's or the consumer's straits (especially of contractors and traders in wartime).

Hon. H. S. W. PARKER: Is that an English or American dictionary?

The CHAIRMAN: Mine has the hallmark of Oxford.

Hon. H. S. W. PARKER: I have another one, the Winston Simplified Dictionary, printed in Philadelphia in 1932. It contains this definition of the word—

One who takes unfair advantage of an unusual or difficult economic situation; especially to make undue profits in necessities:—v.i., to make excess profits by taking advantage of strained economic conditions, charging excessive prices, cornering commodities, etc.

We have three dictionaries and three different definitions.

Hon. T. Moore: Only two! The last definition coincides with that of the Chairman.

Hon. H. S. W. PARKER: I understand that Mr. Moore has some inside information to the effect that the Minister has a fourth definition.

The CHIEF SECRETARY: We are descending from the sublime to the ridiculous.

Hon. H. S. W. Parker: I agree.

The CHIEF SECRETARY: Perhaps we have to thank Mr. Parker for it. There is no need to introduce any particular dictionary to define the term "profiteer." I might, for once, quote from the proceedings of the Convention where Dr. Evatt said—

Profiteering is here used to mean the deriving of excessive or undue profit, to the detriment of the public, from the supply of goods and services.

Hon. H. S. W. Parker: Why did he not put it in his Bill?

The CHIEF SECRETARY: Because the hon. member knows that these things are not included in the Constitution.

Hon. T. Moore: Why does not Mr. Parker put it in if it is right?

Hon. H. S. W. Parker: I do not think it is right.

The CHIEF SECRETARY: I am surprised to hear Mr. Parker—

Hon. T. Moore: A legal man too!

The CHIEF SECRETARY: That is the point I wanted to make. He is one of the two legal men in this Chamber to whom we should be able to look for good advice. He must know that the Commonwealth can do nothing in this matter without introducing legislation. He also knows that when legislation is introduced it will be necessary to define in it what is meant by the word "profiteering" if it is used. We need not worry ourselves about what any dictionary says about the meaning of the word. If we took other dictionaries we would get further variations of the meaning. It will be necessary to have laws that will regulate, for instance, the production of all kinds of commodities. The change over from wartime to peacetime will be difficult. Civilian supplies will be shorter than they are at present. The Commonwealth will need wide powers. I would not like it to go abroad that this Chamber was averse to the Commonwealth having some power and authority over profiteering and prices. Mr. Parker apparently desires that we delete from this Bill any reference to profiteering and prices. What other construction can be put on his remarks? It is tantamount to this Chamber saying that we can look after our own interests in Western Australia, perhaps, but we are not going to allow the Commonwealth Government to have these powers—

Hon. H. S. W. Parker: Exactly!

The CHIEF SECRETARY: —although we do not mind it using them in wartime.

Hon. H. S. W. Parker: We have no option.

The CHIEF SECRETARY: I hope the hon. member has no option in peacetime, either. The Commonwealth Government has been compelled to take action and I believe it will take stronger action in the future. If profiteering of any kind is going on somebody should have authority to deal with it, and that somebody, to my way of thinking, should be the Commonwealth Government. When it comes to a question of prices, is it not possible that there may be necessity for the Commonwealth Government to have some such control in order that commodity prices do not decrease too quickly? It may be necessary to fix prices, but I shall not go into a mass of details. I admit it is possible for this State to pass legislation to deal effectively with some aspects of profiteering and price fixation, but we should not deny the Commonwealth Government the power it seeks. I wish members would appreciate the fact that conditions immediately after the war terminates will be so different and so serious that it will be necessary for the Commonwealth to have power enabling it to act immediately.

Hon. H. S. W. Parker: It did not act until we passed our legislation.

The CHIEF SECRETARY: I am not living in the past; I am looking to the future. If mistakes were made in the past, we should profit accordingly. I claim it is in the interests of the people of Australia as a whole that the Commonwealth shall have power to deal with matters that are vital to the vast majority, especially the workers.

Hon. L. B. BOLTON: I definitely agree that some control over profiteering is necessary, particularly in wartime. I would not oppose any such control in peacetime. The greatest bugbear of those engaged in industry—and more particularly does this apply to merchants and storekeepers—is price-fixing, which has been proved to be a most difficult proposition. In many instances the prices fixed are entirely unsatisfactory from the standpoint of both buyer and seller. What I am mostly concerned about is the portion of the paragraph that excludes from the application of this power State, semi-governmental or local governing bodies respecting the prices or rates charged by them for goods or services. That I regard as monstrous. Today

there is a steady tendency towards the increase of State trading operations and, notwithstanding what the Chief Secretary may say, there is a marked trend towards the nationalisation or socialisation of industries that will operate in competition with private enterprise. Now it is suggested that there shall be no control whatever over the prices charged by those that will operate in competition with private enterprise.

I will give an instance, the facts regarding which I know to be perfectly true. State trading concerns here work not only for other Government institutions, but occasionally for private enterprise. The opportunity is appreciated by private enterprise seeing that at times work can be done better by the State trading concerns than by local manufacturers. Is it fair in regard to operations as between one Government department and another, that State enterprise should be allowed to charge any price it likes in order to bolster up its profits? I do not desire to open up an old sore, but it is a fact that for many years it was generally thought that prices charged to the State Shipping Service by the State Implementation Works were from 30 per cent. to 50 per cent. higher than private enterprise would have charged if given an opportunity to undertake the work. That practice helped to reduce the losses of that particular trading concern. Then we have the position regarding municipal bodies. The Perth City Council, for instance, sells gravel and may enter into competition with private concerns. Should not the council's prices be controlled? I think the suggestion in the paragraph is truly monstrous. If the paragraph consisted of the one word "profiteering," I would support it. With that end in view I move as an amendment on the amendment—

That in lines 1 to 4 the words "and prices (but not including prices or rates charged by State or semi-governmental or local governing bodies for goods or services)" be struck out.

Hon. Sir HAL COLEBATCH: I agree that this particular power is one that could be exercised by the Commonwealth Government only on an Australia-wide basis. Queensland and New South Wales have passed the Bill as it stands, whereas Victoria has passed it conditionally upon the other States also agreeing to its provisions. Tasmania has refused to have anything to do with it and South Australia has amended

the Bill drastically. Regarding this particular power the South Australian amendment reads—

The regulation and control of prices in connection with transactions occurring within three years after the cessation of hostilities and so that no law shall come into force unless approved by the Governor-in-Council.

It seems to me that whatever we do will be ineffective. If the Commonwealth Government desires this power, I think it will have to secure it by the usual way—a referendum. I shall vote for the excision of the paragraph as an expression of my personal opinion that so far as price-fixing is necessary it should be done by the State Parliament, which is familiar with local circumstances, rather than by the Commonwealth Government which necessarily will know little about those circumstances.

The CHIEF SECRETARY: That is a very narrow point of view to take. Surely one can visualise commodities of various descriptions coming to Western Australia from the Eastern States, over which we would have no power at all. I do not want to go into the pros and cons regarding the thousand and one different situations that may be created. I want the position dealt with on the basis that this Parliament agrees that the Commonwealth shall have power regarding profiteering and prices. Members can place their individual interpretations upon the words "profiteering" and "prices." I would not like it to go out that this Chamber was opposed to giving this power to the Commonwealth. Nothing affects the everyday life of the people more than do the prices they have to pay for the necessities of life. This Chamber has not been too helpful in the matter of legislating for the control of profiteering and prices. Even since the war began, many arguments have been advanced in this Chamber against proposals for legislation to deal with the matter. The bugbear of State enterprises and their profiteering does not carry much weight with me. True, we have a number of Government and semi-governmental enterprises operating, but I do not think anyone can argue that they can be placed in the category of profiteers.

Hon. J. A. Dimmitt: Then they should not object to coming under control.

The CHIEF SECRETARY: They are already controlled. Mr. Bolton has been a

member of a local authority for many years, and he knows how the operations of those bodies are supervised by the electors.

Hon. H. S. W. PARKER: When one alters a constitution, definite words that have distinct meanings should be used unless one desires to bring about chaos and litigation. That is why I object to a word which the Chief Secretary himself cannot define. We passed a Bill authorising the fixing of commodity prices long before the Commonwealth did. We had price-fixing legislation during and after the 1914-18 war, and I cannot see that this Government is so hopelessly incompetent that similar provision cannot be made on this occasion. The Commonwealth has taken power to fix prices during the period of the present war and for six months after the declaration of peace. Why should we at this stage throw ourselves over to the Commonwealth and empower it to order the whole of our existence? If we do that, we might as well close up and become a Commonwealth territory.

Hon. L. CRAIG: I understand that Mr. Bolton has moved to strike out all the words after "profiteering."

The CHAIRMAN: I took no notice of Mr. Bolton's amendment.

Hon. L. B. Bolton: That is a compliment to me.

The CHAIRMAN: I took no notice of it because I understood that Mr. Parker had already moved to strike out the whole of the paragraph.

Hon. L. CRAIG: I strongly oppose the deletion of the paragraph. At present the people have almost unlimited money and the volume of goods is small. If we are going to permit manufacturers an open go in regard to prices charged for farm machinery and other requirements after the war, a tremendous profit can be made because people will pay almost any price for what they want. Consider what is being paid for whisky in the black market—£5 per bottle! State instrumentalities should not be exempt from control. They are just as big profiteers as people operating in black markets. In making that statement, I am speaking from knowledge. We had occasion to get certain work done, under compulsion, by a State instrumentality, and the cost was almost double the usual price. Then for the use of a slip a rental of £45 per day was

charged. I cannot give details, but no ordinary trader would have charged anything like the costs charged by the State. It would be disastrous to eliminate, entirely, all control.

The CHAIRMAN: There seems to be a misapprehension as to Mr. Bolton's amendment on the amendment. Mr. Parker wishes to strike out the whole paragraph, and Mr. Bolton wishes the word "profiteering" only to remain. If the Committee agrees to Mr. Bolton's amendment, Mr. Parker will have to move the recommitment of the Bill in order to get rid of the word "profiteering." If Mr. Parker's amendment is agreed to, Mr. Bolton will have to move a recommitment for the purpose of getting the word "profiteering" in. If Mr. Parker would agree to withdraw his amendment and allow Mr. Bolton to test the feeling of the Committee, Mr. Parker would be able to submit his amendment on recommitment.

Hon. H. S. W. PARKER: I am afraid that in view of the remarks I have made I cannot withdraw my amendment in order to permit of the retention of a word occurring among other words, all of which in my opinion should be removed.

The CHAIRMAN: The alternative is to retain the words in the Bill. Then Mr. Bolton may recommit for the purpose of striking out all words except "profiteering."

Hon. J. G. HISLOP: If we pass Mr. Bolton's amendment, we shall force Mr. Parker to recommit the Bill should he so desire?

The CHAIRMAN: Yes.

Hon. J. G. HISLOP: Then we put the onus on Mr. Parker. If we pass the amendment moved by Mr. Bolton, it will be for Mr. Parker to move for the recommitment of the Bill.

Hon. G. W. MILES: I oppose Mr. Bolton's amendment, holding that the clause should pass as printed. The Commonwealth should have power to fix prices. In this morning's paper we find the Country Party asking to have the price of wheat fixed at 5s. 2d. per bushel. I do not agree with that. I acknowledge that eventually employers will have to ask for reasonable prices in order that they may pay their employees reasonable wages. The Commonwealth Government is being asked also to raise the price

of wool. Why all this tin-pot parochialism? Why not let the Commonwealth Parliament do it all? We keep on going cap-in-hand to the Commonwealth for assistance every day. It is outrageous that a non-party Chamber should commit itself before amendments are submitted.

Hon. H. S. W. PARKER: I cannot quite follow what will happen assuming that the Committee agrees to strike out all words after "profiteering." What would the retention of the word "profiteering" amount to then?

Hon. G. W. MILES: We want "prices" left in.

Hon. H. S. W. PARKER: I want to know what will be the effect of the word "prices" if we delete "profiteering."

Hon. Sir HAL COLEBATCH: What will be the position if the Committee votes against Mr. Bolton's amendment? Would it be that the paragraph is passed as it stands?

The CHAIRMAN: Yes.

Hon. Sir HAL COLEBATCH: It seems to me, subject to your better judgment, Mr. Chairman, that it would be much simpler if Mr. Parker's amendment were put, and then those members who support Mr. Bolton would vote against Mr. Parker's amendment, and Mr. Bolton would then be able to move his amendment.

The CHAIRMAN: Not in this Committee: not today.

Hon. Sir HAL COLEBATCH: Not if Mr. Parker's amendment was disagreed to?

The CHAIRMAN: No. The Committee would then have resolved that the words stand as part of the Bill. I have already pointed that out and suggested another alternative.

The CHIEF SECRETARY: Mr. Craig, who is prepared to agree to Mr. Bolton's amendment, raised the question of certain charges made by the Government or by a semi-governmental authority. I suggest to him that whatever price was charged for the use of the particular facility he mentioned, it would come within the category of prices. If the hon. member desires to give the Commonwealth power over matters of that kind, he should be prepared to give the Commonwealth power to deal with prices as well as with profiteering.

Hon. L. Craig: If undue interest on the capital cost were charged, that would come under the heading of profiteering.

The CHIEF SECRETARY: I am surprised that Mr. Craig quoted the instance he did. I know a little about the circumstances surrounding it and consider it is one of the worst examples he could have quoted. He would have been well-advised to leave it alone. However, that does not get away from the principle. If we give the Commonwealth power to deal with profiteering, we must also give it power to deal with prices, in other words, with price-fixing. Mr. Parker's suggestion, that if the paragraph deals with profiteering only it would not be of much use because profiteering cannot be defined, has been countered on numerous occasions, particularly by my own statement that it is impossible definitely to define the full scope of powers such as these. Sooner or later when an argument arises as to the meaning of a particular word and as to the action of the Commonwealth in regard to it, the point will have to be settled by the High Court. That is provided for in this measure, although it was not contained in the original Bill. For Mr. Craig's benefit, I may point out that some discussion took place before his arrival on the definition of the word "profiteering." The meanings given in a number of dictionaries all varied in some particular or other. I shall quote Dr. Evatt's definition, which is as follows:—

Profiteering is here—that is, in paragraph (f)—used to mean the deriving of excessive or undue profit, to the detriment of the public, from the supply of goods and services.

Hon. H. S. W. Parker: On what page does that appear?

The CHIEF SECRETARY: On page 173 of the proceedings at the Convention. It does not matter how we define the word, because when the Commonwealth Parliament introduces legislation on the subject, it will be necessary to define the full extent of the term in such legislation.

Hon. E. M. HEENAN: It would be inadvisable to leave out the word "prices." If both words are retained, no harm will be done. The phrase "profiteering and prices" is one of which we all know the meaning.

Hon. L. CRAIG: If Mr. Heenan wishes to know what is meant by the word "prices," he has only to consult the wartime regulations. Suppose a man's turnover was £1,000

in 1939 or 1941 and he made a profit of 10 per cent., that would amount to £100. Now, however, notwithstanding that his turnover has increased to £10,000 or £20,000, his profit is still limited to £100. It is a money, not a percentage, profit. If such action is not arbitrarily fixing prices, I do not know what is. It may be right in wartime, but not in peacetime.

Hon. G. W. Miles: That was done by regulation, not by an Act of Parliament.

Hon. H. S. W. Parker: That does not make any difference.

Hon. L. CRAIG: If the word "prices" is struck out, it will give the Commonwealth power to fix the price of any commodity, irrespective of whether the seller makes a profit or not. The word "profiteering" is defined as an undue profit. We all know what it means.

Hon. W. J. MANN: I would prefer the word "prices" to be struck out. Is it our intention to give the Commonwealth Government power to control prices for all time? Is it to peg prices for ever? I incline to the opinion that we should accept Mr. Bolton's proposal to limit this paragraph to profiteering. The question of profiteering cannot be dealt with unless the question of price is also considered.

Hon. H. L. ROCHE: Whether the word "profiteering" is to remain or not I suppose will be decided later. I am certainly of opinion that the Commonwealth should not have power to control prices. There seems to be considerable doubt as to whether the passing of this paragraph, in its original form, will confer power on the Commonwealth Government to regulate prices when its defence powers cease. Further on in the speech of Dr. Evatt that was quoted by the Chief Secretary, Dr. Evatt said—

As to prices, at any rate, some doubt exists as to whether the Commonwealth power will not be restricted by Section 92. If it is so restricted, an amendment of the Constitution would be necessary to make the use of this power fully effective. In providing for the reference of this power to the Commonwealth, the drafting committee decided to except prices and rates charged by State or semi-governmental or local governing bodies for goods or services.

So it seems to me that there is an element of doubt, and in view of the fact that a referendum will be necessary before we can be sure that price control will rest with the Commonwealth Government, the Committee

would be well advised to delete the reference in this paragraph.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	9

Majority for 7

AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. Sir Hal Colebatch	Hon. H. L. Roche
Hon. L. Craig	Hon. A. Thomson
Hon. J. A. Dimmitt	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. F. R. Welsh
Hon. V. Hamersley	Hon. G. B. Wood
Hon. J. G. Hislop	Hon. H. Seddon

(Teller.)

NOES.

Hon. J. M. Drew	Hon. G. W. Miles
Hon. E. H. Gray	Hon. T. Moore
Hon. W. H. Hall	Hon. C. B. Williams
Hon. E. M. Heenan	Hon. C. R. Cornish
Hon. W. H. Kison	

(Teller.)

PAYE.

AYE.	No.
Hon. H. V. Piesse	Hon. G. Fraser

Amendment on amendment thus passed.

The CHAIRMAN: To follow the correct procedure I should now put the amendment as amended. If that were agreed to it would mean that the word "profiteering" would be left out. That would be an absurdity. It would be a direct negative since the Committee has decided the word should remain.

Hon. G. W. Miles: Can you not strain a point and put it?

Hon. H. L. ROCHE: Might it not be that members voted for the retention of "profiteering" only as the lesser of two evils? There may be members who would prefer to see the paragraph go altogether.

The CHAIRMAN: Very well; I will adopt the correct procedure.

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

Paragraph (g):

Hon. H. L. ROCHE: I move an amendment—

That the words "production (other than primary production) and distribution of goods, and, with the consent of the Governor-in-Council, primary production" be struck out with a view to inserting the following words:—"rationing of goods of which the Parliament of the Commonwealth declares there is a shortage of supplies and the encouragement of production and of the establishment of new industries in lieu."

Hon. H. L. ROCHE: My object is to place some restriction on the Commonwealth's powers. In its original form, this paragraph would, or could, place in the hands of the Commonwealth Minister responsible for that department the authority to control the setting up of a licensing system and the right to give instructions to the individual as to the type of production and quantity of goods. The proposal provides that, with the consent of the Governor-in-Council, primary production can be included. The assumption is that otherwise it would not be included. I submit that the provision simply has the effect of conferring on the Minister concerned the right to make that decision himself, that there is no real control by Parliament, and that the State, of course, would not be consulted in any way. This portion of the Bill has the same fault that I find with other parts, namely that there is no suggestion of any co-operation with the States. The whole idea seems to be to centralise control in the hands of the Commonwealth administration. We have had more than sufficient experience of the Commonwealth's failure, if not indifference, to appreciate the circumstances in which it finds itself. We know how it dealt, under its defence powers, with gold and wheat; we know of its mismanagement of the butter and the meat production.

Hon. C. B. Williams: What about wool?

Hon. H. L. ROCHE: That mismanagement may result in the Government having to ration these commodities to the people. Its efforts, under its present power, at distribution have not been very encouraging to us. They have given us no warrant to have confidence that the powers suggested here would be exercised any better than are the present ones. I expect it will be urged that we should give the Commonwealth the right to establish new industries in Western Australia. It has had the necessary power to do that for the last three years, and we all know how our Minister for Industrial Development has had to struggle to get any industries started in this State. He has not met with a great measure of success, although some new industries have commenced. Rationing may be occasioned in the post-war period because of shortages, or the need to export foodstuffs and raw materials to countries deficient in these commodities, and this amendment will cover the position. At

Sitting suspended from 1 to 2.15 p.m.

the same time, it will put the Commonwealth in the position that it can, with the co-operation of the State, encourage the establishment of new industries.

The CHIEF SECRETARY: Here again we find a desire to limit to a large extent the authority of the Commonwealth Government in regard to what I might term the regulation of production. No one can prophesy with any degree of certainty what circumstances we shall have to meet after the war. The Commonwealth has very extensive powers today and it has exercised them to a large extent. While we, in this State, might have complained of the fact that the Commonwealth Government has not developed or encouraged industries in this State to the same extent as in other States, we must at the same time recognise that the surrounding circumstances have been such that perhaps it has not been possible for it to do more than it has done. In the post-war period we shall be faced with an entirely different set of circumstances. It will be necessary for the Commonwealth or some other authority to take into consideration the production needs of the Commonwealth as a whole with regard to all kinds of goods. Unless we provide the Commonwealth Government with the power suggested, we cannot expect this State to receive the consideration to which it is entitled. At present the Commonwealth by making finance available, has provided much assistance; but something more than that is required. We should be prepared to give that Government power and authority to determine what industries should be established in this State.

My view is that there has been too much centralisation in the past, and in the future decentralisation will be required. Unless the Commonwealth has the power envisaged by the paragraph under discussion it will not be able to take the necessary action. From time to time we have complained that, while this State possesses tremendous possibilities for augmented production, our population is not large enough to enable us to develop our natural resources to the extent desired. If we agree to the paragraph the Commonwealth will be able to do many of those things that members of this Chamber have urged as necessary, neither the State Government nor private enterprise in the past having been in a position to accomplish that end. It is all very well to say that we should give

the Commonwealth power to ration goods. After all, that is a minor consideration compared with the powers sought by the Commonwealth. The suggestion in the amendment that the central authority should be allowed to encourage production and the establishment of new industries does not amount to much. It has that authority at present and has exercised it by providing financial facilities to enable us to obtain machinery necessary for the establishment of new industrial undertakings, and in other directions. That does not go far enough.

Certainly the Commonwealth should have more power than is indicated by the amendment. It is not possible for me or anyone else to emphasise too much the fact that in the post-war period we shall be faced with most unusual conditions and the necessity will arise to deal with problems expeditiously. Unless the Government has the power sought there will be delay, uncertainty and trouble, leading to much dissatisfaction. The Committee would be most unwise to alter the power as set out in the paragraph. Here again it is a matter of compromise. The power set out in the paragraph differs greatly from that which the Commonwealth Government sought in the first instance, and also from what the representatives of the States desired at the outset. As a result of the discussion at the Convention, every member of the Drafting Committee was in agreement that the paragraph in the Bill would meet the situation. Why should we object to the Commonwealth Government having power respecting the production of goods in Western Australia? Is it not just possible that we may desire certain industries to be established here but which cannot be established without the authority of the Commonwealth Government? If we agree to the amendment, the effect will be to say to the Commonwealth that we are not prepared to give it that authority.

Hon. L. R. Bolton: But the paragraph would provide the Commonwealth with power to take over industrial concerns already in existence.

The CHIEF SECRETARY: I do not agree that that is so. It would be interesting to hear from Mr. Bolton some justification for that statement, seeing that the paragraph reads—

The production (other than primary production) and distribution of goods, and, with the consent of the Governor in Council primary

production, but so that no law made under this paragraph shall discriminate between States or parts of States.

Hon. L. B. Bolton: The important words are "production and distribution of goods."

The CHIEF SECRETARY: If it were a case of taking over some established industry, I believe the Commonwealth already has the requisite power under the Constitution, but this reference would empower the Commonwealth to provide facilities whereby an industry might be established. We ought to give authority to establish in this State an industry that is essential to the best interests of the Commonwealth. If we in Western Australia do not give that authority, the Commonwealth will doubtless operate in some other State that will give it. It would be a short-sighted policy to be fearful of the attitude the Commonwealth might adopt in a matter of this kind. This is another power the full scope of which it is not possible to define in exact language, but we may rest assured that the Commonwealth would not exercise its power in any way detrimental to the State.

Hon. L. B. Bolton: You do not know that.

The CHIEF SECRETARY: To say so is only commonsense.

Hon. L. B. Bolton: The Commonwealth does not always act on commonsense lines.

The CHIEF SECRETARY: That might depend upon the point of view. I desire to give the Commonwealth all possible opportunity to provide for Western Australia facilities in the way of production that otherwise we would not get. In the post-war period Governments will have to take action in directions never previously contemplated and, to make the best of our opportunities, we must give the Commonwealth this power.

Hon. C. F. BAXTER: I wish I could feel as optimistic as the Chief Secretary does regarding what the Commonwealth might do for this State. What has happened during the war period? What avenues have been exploited in this State to provide raw materials? In the other States are factories miles in length, but it has taken all the war period to erect a small place at Welshpool which is not even working full time. A little work has been doled out to some of the engineering shops, but practically speaking, in a period when there was every opportunity to assist this State the Commonwealth has done virtually nothing.

The amendment will give all that the Chief Secretary has asked for. We should not concede to the Commonwealth power over the production and distribution of goods. What authority have we to hand over such power to the Commonwealth? Almost every speech delivered in favour of the Bill on behalf of the State Government seems to have been permeated with the idea that we must hand over everything to the Commonwealth as quickly as possible. It would be interesting to know whether Cabinet is unanimous on the proposal to refer these powers to the Commonwealth.

Some people overlook the fact that the primary industries are the only source to which we can look to return the revenue with which to carry on the State. The amendment provides, amongst other things, for the encouragement of production and the establishment of new industries. What greater authority should the Commonwealth desire than that which is offered by the amendment? I was annoyed to find that Mr. Miles on Tuesday had gone out of his way to stress that the Commonwealth had provided our primary industries with assistance totalling £6,000,000 in the last 10 years. I will not dispute his figures, but the hon. member overlooked entirely what the Commonwealth Government had extracted from the State in the same decade. That is the point he ought to consider. He overlooks the benefits derived by the Commonwealth from the exports from this State.

Hon. G. B. Wood: He knows that, but he thinks we do not.

Hon. C. F. BAXTER: In 1928 economists not associated with Governments pointed out that the increased cost to primary producers on account of the tariff had been 15 per cent. Where did that money go? Into the Federal coffers, of course! That impost is crippling our primary producers, who are the one body that cannot pass on increased costs. The Commonwealth rake-off from beer consumed in this State is over £1,000,000 a year. The manufacturers of beer can pass on the increased cost—Mr. Miles is aware of that because he is interested in this line—but the primary producers cannot pass on one penny of the additional imposts being heaped upon them year after year. The excess paid on goods imported from the Eastern States is £2,000,000 annually compared with the price that would be paid if the goods were obtained elsewhere.

If we were permitted to purchase elsewhere, we would save those two millions of money. Apart from ordinary taxation, another imposition is the gold tax, which must amount to a very large sum indeed. The excess price of sugar here, over the price of sugar sold from Queensland, not the Java price, amounts to 30s. per ton, and has meant that the Western Australian people have paid five million pounds additional through that excess price—an amount nearly equal to the six million pounds quoted by Mr. Miles. Western Australian members of Parliament should not traduce Western Australian industries. The past 12 years have been very bad for the primary producers of this State. Now as regards the amendments. In South Australia—

Hon. G. W. Miles: I rise to a point of order. I have just been sitting at the back of the Chamber listening to a second-reading speech by Mr. Baxter. His remarks have nothing whatever to do with the paragraph before the Chamber. I shall reply to Mr. Baxter directly.

The CHAIRMAN: Second reading speeches have been the order of the day during this debate. It is hard to discriminate. The easiest way is to let members unwind themselves, each in his own fashion.

Hon. C. F. BAXTER: Evidently it hurts Mr. Miles to get something back after his windy arguments.

Hon. Sir Hal Colebatch: South Australia struck this paragraph out altogether.

Hon. C. F. BAXTER: Some authority should be given to the Commonwealth in this respect.

The Chief Secretary: The Commonwealth already has that power.

Hon. C. F. BAXTER: But this power is to continue after the war. What more ought to be given to the Commonwealth than the paragraph proposes? I hope Mr. Roche's amendment will be carried.

Hon. H. L. ROCHE: From the Chief Secretary's remarks it appears that he has a simple, abiding faith in Canberra's administration and its attitude to all the States of the Commonwealth, and that he is prepared to give Canberra the blankest cheque conceivable. My amendment endeavours to define the limits to which we are prepared to go. The Chief Secretary says we cannot prophesy what will be needed after the war. In a measure I agree with that remark.

But neither can we prophesy how far the Commonwealth may go if this becomes law. Point is lent to that opinion by an address of Mr. Villeneuve Smith, K.C., of South Australia, in the course of which he said—

The power is so wide that it seems to include every act of man in relation to goods from the forest, the land, or the mine—including breeding of sheep, horses and cattle—up to the hands of the consumer. It includes every form of transport, except purely human transport detached from goods. Further, though the language used professes to remove from its scope primary production, the power may nevertheless be made to operate upon primary production with the consent of the Governor in Council.

Then he proceeds to examine the meaning of that term. This Committee will be well advised somewhat to restrict this power which the Commonwealth Government has possessed to an extent far wider than that to which it has been used. I may refer to the establishment of the alunite industry in Western Australia, and the opposition encountered from Eastern States people interested in bauxite.

The Chief Secretary: That was opposition from private enterprise.

Hon. Sir HAL COLEBATCH: Mr. Baxter was mistaken in the statement he made about what the South Australian Parliament had done with respect to this particular paragraph. I have a cutting from the South Australian "Advertiser" of the 25th March, 1943. It states—

After a conference of managers of the Assembly and the Legislative Council early yesterday morning, an agreement was reached on the Commonwealth Powers Bill. The amendments agreed upon passed both Houses, and Parliament then adjourned until April 20. The proceedings were then reported in detail. This particular paragraph we are discussing was struck out by the South Australian Parliament.

The CHIEF SECRETARY: I desire to reply to Mr. Roche. I am aware that during the Convention particular stress was laid on the question of rationing. It is strange that the hon. member should have selected that one item for inclusion in his amendment. If I cared to use the same argument against him, I could ask, "Why not agree to something else being included?" Rationing was mentioned incidentally as being something over which the Commonwealth Government ought to have control, and it is only one of the many points involved in this para-

graph. Under the Commonwealth Constitution, the only power which the Commonwealth Government possesses in this connection is to give encouragement to production and to the establishment of industries by means of a bounty. We are aware of what the Commonwealth Government has done in recent years in the way of providing bounties, more particularly for our primary industries. Mr. Miles was good enough the other day to give us the actual figures over the last ten years.

Yet we find Mr. Baxter rather critical of the fact that the Commonwealth Government only provided £6,000,000 for the primary industries of this State! In support of his amendment, he said that in his opinion we had not received our just deserts so far as concerned the establishment of industries in Western Australia as part and parcel of the war effort. I realise that far more has been done in this respect for the other States than has been done for Western Australia, but I realise also that had the Commonwealth Government tried to do more than it did for this State in the early war period, it would have been criticised up hill and down dale by almost every member of this House. The circumstances that prevailed during the early part of the war period are entirely different from the circumstances that will prevail in the post-war period. In the early war period—it is no use shutting our eyes to this fact—there was a possibility of Western Australia being overrun by the enemy. Everybody is aware that this State was then, from the defence standpoint, in a parlous condition. To achieve the best possible results from our war effort, it was necessary to establish war industries in the more thickly populated States, where labour would be available for the purpose.

Hon. A. Thomson: Is not that likely to apply to the future?

The CHIEF SECRETARY: No, exactly the opposite.

Hon. A. Thomson: I hope you are right.

The CHIEF SECRETARY: I hope that when hostilities cease there will be a different spirit abroad so far as Australia is concerned.

Hon. G. W. Miles: There is need for it.

The CHIEF SECRETARY: There will have to be. My own view is that we will have to pay more regard to the defence of the outer States of the Commonwealth than we have done in the past. Industries

will have to be decentralised and provision made for the establishment of works to make munitions of war. As that policy develops, we shall find that Western Australia will receive greater consideration than perhaps we can now hope for. Decentralisation must come. We shall have to produce in this State many things not now produced here. Although we have not a local market that would make for the economical production of such goods, nevertheless it is not only desirable but essential that the Commonwealth should consider the requirements of this part of the Commonwealth. The Commonwealth should have this power and authority; if we give it to the Commonwealth, we can expect much more than the Commonwealth has done for us previously. Mr. Roche referred to the alunite industry. As a matter of fact, there has been co-operation between the Commonwealth Government and the State Government in regard to this industry, which I am hopeful will prove to be a great success. For the establishment of it we have to thank the pertinacity of the Minister for Labour. That industry will be able to supply the alunite requirements of the whole of Australia. Mr. Roche said that much opposition had to be overcome before it was possible to establish the industry, but that opposition was from private enterprise, which at the time had the ear of one or two Government departments. Fortunately, we were able to prove conclusively that the proposal was sound and before long we shall be able to furnish actual proof of that fact. That is all I have to say. I do not like this belittling of the Commonwealth Government.

Hon. C. B. WILLIAMS: I have listened carefully to this discussion and it seems to me to be politics played low down. This paragraph should pass without any trouble by a combination of the National and Labour forces. After all, we believe in production and the establishment of industries in this State. The Country Party members believe in free trade. It is playing politics low down if a paragraph such as this is amended and carried in the interests of free trade. The primary producers believe in everybody being down on their level and never rising to the height to which the people in the manufacturing centres rise. They never look to get up but always to have the other people down. That is what the amendment means. During 25 years the Labour Party

has governed the Commonwealth for only three years. With the exception of one term with Mr. Bruce, when they fell out, the Country Party has governed the Commonwealth. It is they who have brought the primary producers to that level, yet members talk this rotten tripe.

The CHAIRMAN: Order!

Hon. C. B. WILLIAMS: Well, what would you call it? Shall I say unripe tripe? There should be a community of interests between Nationalist and Labour members in this Chamber. Surely it is recognised that farming would not be in existence in Western Australia but for the Federation. Why do we have this playing at politics when the nation is in trouble? The aim of this legislation is to benefit Australia, to do something for the very men who want to keep themselves down. Australia has been kept back long enough by people oversea who did not want Australia to progress as it should. We want the wheatgrower and the woolgrower, but we do not want them to bring us to free trade. We do not want them to bring the rest of the State down to their level. We want them to be brought up to the level of the goldminers and the coalminers and the steel workers. I hope the National Party members will let politics go by the board and support what they know to be correct.

Hon. G. B. WOOD: I want to point out that in my remarks I did not lay blame at the door of the Labour Party. I said that I was not referring solely to the Labour Party. There are members of the Country Party and of the United Australia Party who are prepared to use this measure as a means of getting something they know they would not otherwise secure in a lifetime.

Hon. H. SEDDON: The need for decentralisation has been stressed, but it must be remembered that the whole object of this Bill is centralisation. It centres all control in the hands of the authorities at Canberra who will deal out to the States such powers as they consider necessary. The conditions with which we will be confronted when this war is over are such that very few will be able to forecast exactly what we will have to contend with, but we must recognise that this State will have to depend on the people who are acquainted with Western Australia, and who know the conditions here, more than on people who come here imbued with the

idea that the Eastern States are more advanced in their economic structure than are we. Anyone who has examined the difficulties confronting Western Australia must recognise the fundamental fact that the Eastern States have the tremendous advantage of cheap fuel, which is why their secondary industries have progressed to such an extent. If we could see any prospect of developing cheap fuel in this State so that we could reasonably compete with the Eastern States, there would be a possibility of Western Australia taking its rightful place in the economy of the Commonwealth. Until that has been discovered we are simply in the position of a poor relation. I want to see the people of Western Australia so filled with the necessity of depending on themselves that they will try to overcome their difficulties rather than wait for a centralised body 2,500 miles away to determine matters for them. This Bill should be viewed from the angle not so much of the handing over of power to the Commonwealth but of seeing that the sovereignty of Western Australia is retained and of keeping in our own hands the right of working out our own destiny. I hope the amendment will be carried. I see a need for continuing the rationing of goods until production has become more normal.

Hon. L. CRAIG: I am in a dilemma in regard to this paragraph. If I could place a true interpretation upon it I would know exactly what I was going to do. The interpretations I have heard this afternoon have differed. The amendment seems rather innocuous. When goods are short it will give the Commonwealth power to ration them, but this is not sufficient. If there is one thing primary producers have been asking for it is for the licensing of growers of certain commodities. The potato-growers have asked for a long time that there should be control over the production of a perishable commodity like potatoes.

Hon. G. B. Wood: What about the wheat farmers?

Hon. L. CRAIG: They are not faring so badly. I met one man who told me he had received a cheque for £700.

Hon. G. B. Wood: Is that a good thing from the State point of view.

Hon. L. CRAIG: It gives some authority to stop the growing of a commodity that is not required. There should be some authority to deal with the produc-

tion of certain goods. The future of this State is bound up with industry. If our future depends entirely on primary production we will never rank with the Eastern States. We must endeavour to build up our secondary industries. I believe the intention of the Commonwealth is to decentralise production.

Hon. H. Seddon: Did you say that a man got £700 for not growing wheat?

Hon. L. CRAIG: Yes. Where the wheat production has been limited the farmer gets 12s. for every acre below normal.

Hon. T. Moore: It is one-third of his acreage.

Hon. L. CRAIG: Yes. I do not quite know what to do with this paragraph.

The Chief Secretary: Support it as it stands.

Hon. L. CRAIG: No. If we commenced this paragraph with the words "with the consent of the Parliament of Western Australia" the Commonwealth could control the production of goods subject to this State giving permission. I do not know yet how I will vote.

Hon. G. B. WOOD: I am prepared to admit that what Mr. Craig said is correct, and that someone did receive £700 because of the compulsory restriction of wheat. That is all right for the individual farmer, but this State was singled out to give one-third of its usual production. That would be satisfactory for the whole of Australia if each State were dealt with in an equitable way. There should have been a restriction of wheat throughout the Commonwealth. It is no good for the State if one farmer gets £500 for not growing wheat. Our railways have suffered to the extent of one-third of the amount of wheat usually carried.

Hon. J. G. HISLOP: I am in the same position as Mr. Craig. What strikes me as being very hard in this amendment is that we are limiting the Commonwealth and giving it power to ration goods which are short. We should give it power to control those which are in surplus. I would suggest that the word "rationing" in the amendment be deleted and the word "control" substituted, and that after the word "shortage" the words "and surplus" be added.

The CHAIRMAN: The hon. member will have to wait until the words are deleted.

Hon. G. W. MILES: I am opposing the amendment. I did not intend to take any further part in this discussion and would not have done so but for the personal attack made on me by Mr. Baxter.

Hon. C. F. Baxter: It was in reply to what you said; it was not personal.

Hon. G. W. MILES: Mr. Baxter made a second reading speech. If he wants personalities I will give them to him. He referred to me as being connected with the beer trade. I am proud to be connected with that trade. The Commonwealth Price Fixing Commissioner fixes the price at which we sell our beer. Mr. Baxter said I was always opposed to the primary producer. Well, I have as much money invested in primary industry in this State as he has. I complained that the representatives of the primary producers had not given credit to the Commonwealth Government for what it has done for their people. Mr. Baxter quoted the Disabilities Grant of £6,000,000 that I mentioned and "the little Western Australian" argument that I raised.

Hon. H. S. W. Parker: What is the question before the Chair?

The CHAIRMAN: The debate has gone so far that I have difficulty in answering that question.

Hon. G. W. MILES: Mr. Baxter did not mention the grants made by the Commonwealth to the primary producers of this State. That contribution amounted to £7,700,000 and averaged £700,000 a year. As has been pointed out by Mr. Williams, the Labour Party has only been in power at Canberra for a year or so, and this Party, which we are told cannot be trusted, has handed to our primary producers £950,000 in one year. The reason for the restriction of wheat production was because we had a big surplus with no means of exporting it.

Hon. A. Thomson: Was there a surplus in any other State?

Hon. G. W. MILES: Not to the same extent as in Western Australia. That is just what annoys me; members know the position just as well as I do! They will not adopt the big view, but only the parochial outlook. If our primary producer members will take sufficient interest in the matter to read the report in "The West Australian," they will see what it is proposed to do in England after the war. The British Government intends to dictate to the farmers what they shall do with their land and graz-

ing country will not be used as in the past. I hope the Committee will agree to the paragraph and not allow little Australians to have their way. If we want to know anything more about these little Australians, we can see what is happening in this non-party House, which is sought to be dictated to by a caucus meeting with the Leader of the Opposition in another place as the head serang.

Hon. L. B. BOLTON: It seems to me that members are entirely missing the point in their consideration of the paragraph, which can mean one thing only—the nationalisation of the production and distribution of all goods. I agree with Mr. Williams that there are many Nationalists, of whom I am one, who are most anxious for the creation and development of industries in the Commonwealth. The only difference between us is that Mr. Williams and the people he represents are anxious that the Commonwealth Government shall undertake the task whereas my views are contrary to that. During my second reading speech I endeavoured to point out the great progress that had been made industrially in the two larger States compared with what has happened in Western Australia. I am satisfied that it is all leading towards nationalisation; and, if that eventuates, it will mean that almost all the development will be in the larger States and certainly not here.

Hon. A. Thomson: That must be so of necessity.

Hon. L. B. BOLTON: I gave figures to prove that for the three years ended the 30th June, 1942, the number of men employed in industry in Western Australia was exactly the same as at the end of June, 1939.

Hon. G. W. Miles: But you must admit that the work had to go to the States with the larger population.

Hon. L. B. BOLTON: Let us get more population in this State.

Hon. T. Moore: How do you propose to do that?

Hon. L. B. BOLTON: If we could do that, then we would receive more consideration. The increase I quoted of 1,400 in the last six months—from the 30th June, 1942, to the 31st December of that year—was mainly made up by the augmented employment provided by three large Government insti-

tutions—the Munition Works at Welshpool, the Midland Junction Workshops and the State Implement Works.

The Chief Secretary: Do you think those concerns should be under private enterprise?

Hon. L. B. BOLTON: I do not say that at all; I am merely pointing out that probably 95 per cent. of that increase in employment was provided by the three State concerns I mentioned. On the other hand, private enterprise has made very little progress. What I think will happen, if these powers are given to the Commonwealth, is that no new industries will be established here. I know of one huge industry that will be commenced almost immediately after the war terminates, and that concerns the manufacture of motorears. The industry was nearly started prior to the outbreak of war, and I am certain that in the future Australia will manufacture practically all the motorears required within the Commonwealth. Would any member suggest that that industry should be started in Western Australia? Of course not!

The Chief Secretary: You would not suggest it yourself.

Hon. L. B. BOLTON: No, but if the Commonwealth Government has control not only of labour but of all industries, most decidedly that work will be carried out in the Eastern States. The best of our artisans and skilled workmen will be taken from our midst, and they will be employed by the Commonwealth under conditions with which it will be impossible for this State to compete. All this means, in effect, the nationalisation of the production and distribution of goods. I appeal to members to reject the paragraph in its entirety.

The CHIEF SECRETARY: Mr. Bolton's remarks constitute another very interesting contribution to the debate. They may be regarded as part and parcel of a propaganda stunt for the next election. How a member could describe the paragraph under discussion as designed to provide for the nationalisation of all industries passes my comprehension. Mr. Bolton gave an instance that certainly did not support the point of view he desired to advance when he referred to the probable establishment of the motorear industry in the Commonwealth. Could one expect such an industry to be started in Western Australia? That would be too

ridiculous to contemplate. What market would we have in this State for motor-cars, if we were to establish it here? They would have to be turned out on a mass production basis. What facilities have we here for the manufacture of cars along those lines? I am afraid Mr. Bolton made use of a very bad instance in support of his argument.

Hon. L. B. Bolton: I did not suggest that the industry should be started here.

The CHIEF SECRETARY: The necessity for the Commonwealth to control and regulate industry in the future will be obvious, just as it has been essential for the Commonwealth to control and regulate the production of wheat during the past few years. I do not think anybody would contend that the Commonwealth should not have that right. What would be the use of producing millions of bushels of wheat if we could not dispose of it? Would it not be more advantageous to the State if we could divert the energy devoted to the growing of wheat to producing something else? Should not the Commonwealth have power to do that? After the war, large quantities of products will be required for various purposes and, if we are to have anything like an ordered economy, some authority must be invested with power to determine these matters. This is a power that the Commonwealth undoubtedly should have, and it should also be authorised to establish an industry. It is a power the Commonwealth is entitled to expect. Yet the amendment says that we do not want the Commonwealth to operate here.

Hon. T. Moore: And we ourselves could do nothing.

Hon. H. S. W. PARKER: The point at issue is clear and simple. Are we going to hand over the control of the whole production and distribution of goods to the Commonwealth? I think that we in Western Australia are quite competent to hand over such powers from time to time as we deem advisable instead of giving the Commonwealth carte blanche at this stage. If this measure is intended for electioneering purposes, what wonderful propaganda the inclusion of profiteering is.

The CHAIRMAN: Order! We have passed that paragraph.

Hon. H. S. W. PARKER: If we approve of the paragraph, the Commonwealth will have power at any time to make laws relating to the production and distribution of goods in this State. Such power, I maintain, should be given only as occasion arises.

Amendment (to strike out words) put and a division taken with the following result:—

Ayes	16
Noes	10
Majority for	6

AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. Sir Hal Colebatch	Hon. H. L. Roche
Hon. J. A. Dimmit	Hon. H. Seddon
Hon. F. E. Gibson	Hon. A. Thomson
Hon. E. H. H. Hall	Hon. F. R. Welsh
Hon. V. Hamersley	Hon. G. B. Wood
Hon. J. G. Hislop	Hon. H. Tuckey

(Teller.)

NOES.

Hon. C. R. Cornish	Hon. E. M. Heenan
Hon. L. Craig	Hon. W. H. Kilson
Hon. J. M. Drew	Hon. T. Moore
Hon. E. H. Gray	Hon. C. B. Williams
Hon. W. R. Hall	Hon. G. W. Miles

(Teller.)

PAIR.

AVE.	NO.
Hon. H. V. Plesse	Hon. G. Fraser

Amendment thus passed.

Hon. H. L. ROCHE: I move an amendment—

That the words proposed to be inserted be inserted.

Hon. Sir HAL COLEBATCH: I take it, Mr. Chairman, that members who are opposed to the inclusion of the paragraph will be in order in voting against the insertion of those words.

The CHAIRMAN: Yes.

Hon. J. G. HISLOP: I hope the amendment will be amended by striking out the word "rationing" and substituting the word "control," and by inserting after the word "shortage" the words "or surplus." The paragraph would then read—

(g) the control of goods of which the Parliament of the Commonwealth declares there is a shortage or surplus of supplies and the encouragement of production and of the establishment of new industries.

The CHAIRMAN: The hon. member will move his first amendment and, if he succeeds with that, he may proceed with the other.

Hon. J. G. HISLOP: I move—

That the amendment be amended by striking out the word "rationing" and inserting the word "control" in lieu.

Hon. H. L. ROCHE: I oppose the amendment on the amendment. If it were carried we would get pretty well back into the position in which we were before, and the only goods outside control would be those in respect of which the supply was even with the demand. All the objections raised to the paragraph apply with equal force to the amendment on the amendment. High hopes as to what is going to happen after the war are not built on any sure foundation. The State Governments in conjunction with the Commonwealth Government, provided there is genuine co-operation on the part of the Commonwealth, can do all those things which have been urged by members who supported the original paragraph, while we still retain to the States a certain measure of control. I am not enamoured of the Bill, nor even of my amendment; but if my amendment is carried the Bill will be somewhat less roxious.

Amendment on amendment put and negatived.

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

Sitting suspended from 3.45 till 4.5 p.m.

Paragraph (h):

Hon. J. A. DIMMITT: This paragraph can be divided into three parts; the control of oversea exchange, the control of oversea investments and the regulation of the raising of money. Oversea exchange has been pretty well controlled for the last dozen years or so. It has been controlled very much to the advantage of primary producers and of secondary industries, but probably greatly to the disadvantage of the Commonwealth and the State Governments, which have had to pay oversea interest, plus high exchange rates. Rather than give control of oversea exchange to a political body—the Commonwealth Parliament—we should give it to a financial institution, the Commonwealth Bank. The second heading, control of oversea investment, is so wide and such action could be taken under it as to have an exceedingly detrimental effect on companies which otherwise would establish themselves in Australia. We want to attract in the post-war period the investment of oversea capital in Australia.

We wish to induce companies to build factories and works in Australia. I am afraid, however, that this paragraph, which would

prevent the investment outside Australia of profits made in Australia, would have a most discouraging effect. Indeed, it would be a deterrent to companies seeking to establish industries in Australia. The third heading deals with the raising of money in accordance with such plans as are approved by a majority of the members of the Australian Loan Council. That looks very simple, but I desire to bring to the notice of the Committee that, should this part of the paragraph be struck out, the control of the raising of loans for governmental and semi-governmental projects will still remain in the hands of the Australian Loan Council. It is important that members should realise that fact. The wording of the paragraph suggests that the Commonwealth Government believes in the raising of money for private enterprise. I think every member of this Committee will be at variance with that opinion. It is a very dangerous thing to give control to the Australian Loan Council of funds other than for Governmental and semi-Governmental purposes. We have to encourage the development of industries, either primary or secondary, in the post-war period, and private enterprise should have the right to raise money in Australia without any control from the Loan Council. I move an amendment—

That in line 1 of paragraph (h) after the word "control" the words "by the Commonwealth Bank of the rate" be inserted.

The CHAIRMAN: If the amendment is agreed to, Mr. Dimmitt can then move to strike out the rest of the words in the paragraph.

The CHIEF SECRETARY: I am assuming that this is another case of the mover desiring to bring the paragraph into line with what has been done in South Australia, where this paragraph has been altered to read—

Control by the Commonwealth Bank of the rate of overseas exchange and rates of interest.—although Mr. Dimmitt does not mention rates of interest in his amendment. I do not know of anything more important than the control of finance. I do not know of any other subject that will be more important to Australia in the post-war period. There is no argument against the control of oversea exchange. The only difference between the amendment and the proposal in the Bill is that the one says that the Commonwealth Bank shall deal with over-

sea exchange and the other that the Commonwealth Government shall have that right. I do not think there is very much difference between the two, because I could not imagine the Commonwealth Government acting in a matter of this kind except after very close consultation with and having the advice of the Commonwealth Bank. At the same time, I do not see any reason why we should insert in the Constitution that the Commonwealth Bank should have the power. It is essential that we leave that power with the Commonwealth Government. With regard to the other points raised—that is the question of the investment of moneys oversea and the control of the raising of money in Australia—I think that they too are most important and that the very serious conditions with which we shall be faced, particularly from the employment point of view, are such that the Commonwealth Government should have control.

I can well understand that there should be a very decided move on the part of some people to protect vested interests—financial institutions and the like. I can well understand that there are quite a number of people who feel that there should be no restriction whatever on the activities of private individuals who desire to raise money, no matter for what purpose the money is raised. It seems to me that this is one phase of the question of post-war reconstruction about which many people will have to change their minds, the control of finance being perhaps the most important matter with which the Commonwealth Government will have to deal. If there were a proposal to raise £100,000 in Western Australia for a purpose of no benefit to the State but solely in the interests of certain individuals, and if that amount could be invested in another avenue which would be in the best interests of this State or the Commonwealth—although perhaps it would not produce the same return—I think there should be an authority to decide the matter and that authority should be the Commonwealth Government. These things would not be determined by the Government without its having advice tendered to it. Just as it is found necessary in wartime to control and regulate the raising of money, so it is going to be more essential to do so in the post-war period.

The question of oversea exchange is very important and apparently there is no very

serious argument in regard to it. On the other matters I think I can simplify my argument by saying that if it is necessary in wartime—and everybody is agreed that it is—it is also necessary in peacetime and there is only one authority to which we can possibly give control and that is the Commonwealth Government. Mr. Dimmitt made mention of the Loan Council. This question of the raising of capital is to be subject to the Loan Council, but not under the same conditions on which the raising of money for Governmental and semi-Governmental concerns is subject to the Loan Council. It is to be subject to the Constitution which would provide that the States would have equal voting power together with the Commonwealth, and not, as at the present time in connection with moneys raised for Governmental or semi-Governmental concerns, that the Commonwealth Government has two votes and a casting vote as well.

Hon. J. A. Dimmitt: That is, a majority of the members.

The CHIEF SECRETARY: That is so. In order to save time, I do not propose to raise any further argument on this paragraph. The issue is plain and simple, namely, whether the Commonwealth is to have in peacetime a power similar to that which it has now in wartime in regard to the raising of money by private enterprise. On the other hand, I must say, from my reading of what transpired at the Convention, that there is no intention to deal with the smaller items of money which might be raised by individuals or even by companies. This would only apply where the amount was substantial.

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

Ayes	15
Noes	7

Majority for	8
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AYES

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. Sir Hal Colebatch	Hon. H. L. Roche
Hon. L. Craig	Hon. A. Thomson
Hon. J. A. Dimmitt	Hon. F. R. Welsh
Hon. F. E. Gibson	Hon. G. B. Wood
Hon. V. Hamersley	Hon. E. H. H. Hall
Hon. J. G. Hislop	(Teller.)

NOES.

Hon. C. R. Cornish	Hon. G. W. Miles
Hon. J. M. Drey	Hon. C. B. Williams
Hon. E. H. Gray	Hon. T. Moore
Hon. W. H. Kitson	(Teller.)

PAIRS.

AYES.	NOES.
Hon. H. V. Plesse	Hon. G. Fraser
Hon. H. Seddon	Hon. E. M. Heenan
Hon. H. Tuckey	Hon. W. R. Hall

Amendment thus passed.

The CHAIRMAN: Before we resume, I point out that one member went out of the Chamber, but I am not sure whether he went before tellers were appointed. His action caused some confusion. No member can leave the Chamber after tellers have been appointed on any division.

Hon. J. A. DIMMITT: I move an amendment—

That all the words after the word "exchange" be struck out.

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

Paragraph (i):

Hon. G. B. WOOD: I move an amendment—

That before the word "air" the words "regulation of" be inserted.

The purpose of this amendment is to give the Commonwealth some sort of power to regulate air transport. It will not have the right to run or control the whole of the ramifications of air transport. As the paragraph stands, the Commonwealth could, after the war, put on many of the surplus large aeroplanes, at present being used for war purposes, to compete with private enterprise. That is not desirable, and I cannot understand this State Government approving of it. The State Transport Board was inaugurated to prevent competition with our State railways. If the paragraph is agreed to as it stands, the Commonwealth will be in a position to compete against the State railways, and I would not agree to that proposition. It is useless to talk about what the Commonwealth may or may not do. Why should we give it an opportunity to take any such action as I suggest? The temptation will be there if this power is referred to the Commonwealth. It will be able to use transport planes for services all over the continent. Rather than do that, the Federal authorities should hand over those planes to private enterprise or else subsidise air transport services.

The CHIEF SECRETARY: I oppose the amendment, the effect of which would be to tell the Commonwealth Government that we do not mind what regulations it may

impose upon air transport, but we will not allow it to take part in that activity. The Commonwealth Government has already issued regulations dealing with air transport, and we have included the Commonwealth regulations in our State legislation. The paragraph would certainly give the Commonwealth Government the right to establish air services if it wished to do so. I hope the time will come when it will inaugurate them because I can visualise, mainly as a result of the war, air transport making a tremendous forward jump in the future. I see no reason why the Commonwealth Government should not be allowed to engage in those operations as it does in connection with its railway services. It does not necessarily follow that the Commonwealth will adopt any such course.

Hon. V. Hamersley: If it does, it will make the State railways sit up.

Hon. T. Moore: That will apply particularly to the Midland line.

The CHIEF SECRETARY: I shall not be too critical, but what a narrow point of view some of us express! We are afraid that the Commonwealth Government will act the big bad wolf in regard to Western Australia and deal with all and sundry of our activities, including the railway system that Mr. Hamersley has so often criticised trenchantly. Rather should we take a broad national outlook and move with the times. The progress in air transport is the biggest development that has taken place in recent years, particularly during the war period.

Hon. G. B. WOOD: I am prepared to admit that the future will see great strides in air transport services, and the question arises as to who shall run them. I say that private enterprise should do so. It should be sufficient to give the Commonwealth Government the power to regulate the services.

Amendment put and a division called for.

The CHAIRMAN: Before the tellers tell, I desire to intimate that I shall vote with the "noes." My reason for doing so is that the words proposed to be inserted are redundant and mean nothing at all.

Division resulted as follows:—

Ayes	..	..	..	13
Noes	..	..	..	12
				—
Majority for	..	..		1
				—

AYES.	
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. A. Thomson
Hon. Sir Hal Colebatch	Hon. H. Tuckey
Hon. J. A. Dimmitt	Hon. F. R. Welsh
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. H. L. Roche
Hon. J. G. Hislop	(Teller.)
NOES.	
Hon. J. Cornell	Hon. W. H. Kitson
Hon. C. R. Cornish	Hon. G. W. Miles
Hon. L. Craig	Hon. T. Moore
Hon. J. M. Drew	Hon. H. S. W. Parker
Hon. F. E. Gibson	Hon. C. B. Williams
Hon. E. H. Gray	Hon. W. R. Hall
	(Teller.)
PAIRS.	
AYES.	NOES.
Hon. H. Seddon	Hon. E. M. Heenan
Hon. H. V. Plesse	Hon. G. Fraser

Amendment thus passed; the paragraph, as amended, agreed to.

Paragraph (j):

Hon. E. H. H. HALL: I move an amendment—

That paragraph (j) be struck out with a view to inserting a new paragraph as follows:—“(j) the conversion of any railways of the State to a uniform Australian gauge on terms approved by the Parliament of the State.”

There should not be much difference of opinion as to the need for the amendment. Nobody would debar the Commonwealth from assisting a State to the utmost in the matter of unifying railway gauges but, while we have self-governing rights, the State should have some say in the matter.

The CHIEF SECRETARY: I prefer the paragraph in the Bill and will oppose the new paragraph. Even at present the Commonwealth could, with the consent of the State, carry out the conversion of gauges, so that the amendment really means nothing at all. The paragraph in the Bill would authorise the Commonwealth to go ahead in any way desired to bring about a uniform railway gauge throughout Australia.

Hon. A. THOMSON: Early in the session I asked whether an estimate had been made of the cost of continuing the Transline from Kalgoorlie to Perth and Fremantle, and the reply was that the estimated cost was £5,500,000. I have another estimate, which has been checked, showing that to link up Kalgoorlie and Fremantle with a 4ft. 8½in. gauge line via Kondinin, Brookton and Armadale, the cost would be about £2,500,000. In view of that difference, it is essential that the State should have an opportunity to discuss the matter. The alternative route would open up much territory which today has no railway faci-

ties, heavier loads could be hauled, and there would not be as much interference with the existing system as if the new line were constructed parallel with the present Kalgoorlie line.

The CHIEF SECRETARY: This question is too big to be allowed to develop into a battle of routes. Section 51 (xxxiv) of the Commonwealth Constitution reads—

Railway construction and extension in any State, with the consent of that State.

The proposal in the Bill is to give the Commonwealth the right, if it so desires, to unify the railway gauges throughout Australia, which, of course, would include Western Australia.

Hon. H. Tuckey: Did you say that the Commonwealth may construct railways with the consent of the State?

The CHIEF SECRETARY: Yes.

Hon. A. Thomson: Then why the necessity for putting it in this Bill?

The CHIEF SECRETARY: Because it will give the Commonwealth power that it has not got at present.

Amendment put and a division called for.

The CHAIRMAN: Again I shall record my vote with the “noes,” because the amendment would leave the States in the same position as at present. The fact that additional power, without qualification, is necessary may be found in the experience when New South Wales and Victoria objected to the conversion of the Port Pirie-Broken Hill line, which would have been of great assistance during the war.

Division resulted as follows:—

Ayes	13
Noes	12

Majority for 1

AYES.	
Hon. C. F. Baxter	Hon. H. L. Roche
Hon. L. B. Bolton	Hon. A. Thomson
Hon. Sir Hal Colebatch	Hon. H. Tuckey
Hon. J. A. Dimmitt	Hon. F. R. Welsh
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. J. G. Hislop	Hon. V. Hamersley
Hon. W. J. Mann	(Teller.)
NOES.	
Hon. J. Cornell	Hon. W. H. Kitson
Hon. C. R. Cornish	Hon. G. W. Miles
Hon. L. Craig	Hon. T. Moore
Hon. J. M. Drew	Hon. H. S. W. Parker
Hon. E. H. Gray	Hon. C. B. Williams
Hon. W. R. Hall	Hon. F. E. Gibson
	(Teller.)
PAIRS.	
AYES.	NOES.
Hon. H. Seddon	Hon. E. M. Heenan
Hon. H. V. Plesse	Hon. G. Fraser

Amendment thus passed.

Hon. E. H. H. HALL: I move an amendment—

That the new paragraph proposed to be inserted, be inserted.

Amendment put and passed; the new paragraph agreed to.

Paragraph (k):

Hon. L. B. BOLTON: I move an amendment—

That before the word "national" the words "construction of" be inserted.

We do not care, so far as I see, to have any definition of "national work." The power would be exercised in conjunction with the power relating to unemployment. The words proposed to be inserted are clarifying, and possibly also limiting as regards the power. We can have no notion what interpretation would be given to the term "national work." There might be overlapping State and Commonwealth authorities in this respect. The Commonwealth Government simply says, "Trust us!"

The CHIEF SECRETARY: I do not know that the inclusion of the proposed words would have any great effect, other than possibly in some respects to limit the power of the Commonwealth Government.

Hon. L. Craig: Or cloud the interpretation. That is the main thing.

The CHIEF SECRETARY: Yes. Here is another attempt to define in exact language the scope of the particular words in the paragraph. If the Commonwealth Government wished to undertake a national work in Western Australia, surely we should not obstruct it. However, I am only beating the air, as many experiences today have shown that those supporting the amendments have the numbers. I do hope, though, that this amendment will be defeated.

Hon. L. CRAIG: I rather hope the Committee will not include the words. Does the word "construction" include maintenance, carrying-on and extension? The safeguard is that permission must be given by the State before any national work can be begun. The requirement of the State's consent is our safeguard.

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

Ayes	..	..	..	12
Noes	..	..	..	12
				—
A tie	..	..	..	—
				—

AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. H. L. Roche
Hon. Sir Hal Colebatch	Hon. A. Thomson
Hon. J. A. Dimmitt	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. F. R. Welsh
Hon. V. Hamersley	Hon. G. B. Wood

(Teller.)

NOES.

Hon. C. R. Cornish	Hon. J. G. Hislop
Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. F. E. Gibson	Hon. T. Moore
Hon. E. H. Gray	Hon. C. B. Williams
Hon. W. R. Hall	Hon. H. S. W. Parker

(Teller.)

PAIRS.

AYES.	NOES.
Hon. H. V. Plesse	Hon. G. Fraser
Hon. H. Seddon	Hon. E. M. Heenan

The CHAIRMAN: The voting being equal, the question passes in the negative.

Amendment thus negatived.

Paragraph put and passed.

Paragraph (1):

Hon. J. G. HISLOP: I desire to make one or two comments on the amendment I am about to move. The formulation and operation of national health plans is something which I believe the Commonwealth should undertake. The words "in co-operation with the State" really mean very little; legal opinion is that they have little force or effect. Those words, therefore, should be deleted, for the reason that I think it unwise to have two health departments in a State. We now have the Commonwealth Health Department, which looks after quarantine and other matters. We also have our State Health Department. Whether such a department is administered by the State or by the Commonwealth is of minor importance, as long as the work is done well. In my opinion, the department should be administered by the Commonwealth. With the increase of speed in travel, diseases may be brought to Australia which otherwise are not likely to be introduced.

Diseases are likely also to be introduced here as a result of the war, and we shall have to deal with them in a way not previously attempted by us. After the 1914-18 war, forms of dysentery were brought to Western Australia which previously had not existed here. While such diseases as malaria do not affect more than a small proportion of the people of Australia at present, we may find that steps will have to be taken to prevent their spread after the war. Consequently, I believe the formulation and operation of national health plans should be in the hands of a central body, otherwise we may get into difficulties. I really do not mind whether

the State or the Commonwealth controls this work, so long as we do not have an indefinite duplication of departments. I believe nationalisation of the medical and nursing professions will come. It may come more quickly than most of us expect.

The Chief Secretary: Let us hope so.

Hon. J. G. HISLOP: I do not think it is something that should be rushed upon the Commonwealth without considerable thought. Throughout Australia the medical profession, as well as the public, have been giving serious thought to the problem of the nationalisation of the medical, nursing and allied professions. It can truly be said that there is a division of honest opinion on the matter that is based primarily on whether the service to the patient will be improved by nationalisation. My view is that some problems in this State cannot be adequately solved under our existing medical practice. Whether nationalisation takes the form of complete nationalisation, or whether a salaried service is inaugurated to be run in conjunction with private practice—

Hon. L. Craig: By nationalisation, do you mean salaried doctors?

Hon. J. G. HISLOP: No. Nationalisation may mean the entire nationalisation of the profession without the right of private practice. That has been suggested and is still receiving serious consideration. A salaried service would have its problems. It would be difficult to organise the profession as it exists today; certainly, there are difficulties in the way of organising a salaried service, but some change must take place. There is no reason to hurry.

If nationalisation of the medical and allied professions is to take place, it should first be discussed by this State's Parliament in order to make sure that any nationalisation plans will be for the benefit of the sick in Western Australia. We have our own problems and I believe the Commonwealth Government realises that fact. At present, a commission comprising men well versed in matters pertaining to the profession is examining the hospital services, particularly the maternity hospital service, of our State. A plan, in brief outline, for a salaried service has been drawn up. Whilst it may prove satisfactory to some of the other States, it does not possess all the characteristics that would be desirable for a salaried service in this State. I am not opposing nationalisation for a moment, because I be-

lieve there are some aspects of the treatment of the sick which cannot at present be adequately dealt with. All I ask is that plans for nationalisation, as they affect this State, should be brought to this Parliament for discussion before being put into effect. I move an amendment—

That the following words be added:—"but so that no law for the nationalisation of the medical or nursing professions shall have any force or effect until approved by the Parliament of the State."

The CHIEF SECRETARY: This, again, is an attempt to limit the scope of the power to be referred to the Commonwealth, although on this occasion we have had advanced an argument somewhat different from those which have been put forward up to date. In support of the amendment, it is contended that the Commonwealth can do something for Western Australia better than we can do it ourselves. I understand the Commonwealth Government had no desire, when it asked for this power, to duplicate existing departments. The Commonwealth's power over health is almost entirely limited to quarantine and one or two other minor matters, whereas in this State, as in other States, we have a very extensive organisation controlled by the Health Department. It seems to me that notwithstanding the viewpoint of Dr. Hislop that is the right department to deal with matters of a kind which are envisaged in the power to be referred to the Commonwealth by this Bill. There is bound to be a lot of detail in connection with matters of this kind that could not be included. There may be an amendment such as we are considering or even perhaps another Bill, so it is perhaps necessary that we agree that the power should be somewhat wide and not exactly defined.

The power that is asked for in the Bill is "national health in co-operation with the State." It is one of the two powers in which co-operation with the State is definitely set out. If we read the preamble I think we get from that the idea that was in the minds of the delegates who attended the Convention. The hon. member says he is not particular whether the State or the Commonwealth Government controls these matters, so long as there is no duplication. Although he has put up the argument that he thinks the Commonwealth the best authority to deal with such matters, I prefer the paragraph as it appears in the Bill. Let us have

co-operation from the Commonwealth Government with our present State departments in matters of this kind. With regard to the nationalisation of the medical services, I think that when the Commonwealth Government is in a position to introduce something of that kind into the Commonwealth Parliament all States will have been consulted in more ways than one, and the power which that Government will have to bring about the nationalisation of those services will undoubtedly be well defined. I oppose the amendment.

Hon. Sir HAL COLEBATCH: I prefer the paragraph as it appears in the Bill to the first portion of the amendment. If Dr. Hislop thinks there is any danger of its being used for the purpose of nationalising the profession I would support the second part of his amendment, because I think that is a matter the State should have a voice in deciding. National health in co-operation with the State is better than the formulation and operation of national health plans.

The CHAIRMAN: I could re-state the amendment to read—

That the following words be added to the paragraph:—"but so that no law for the nationalisation of the medical or nursing profession shall have any force or effect until approved by the Parliament of the State."

Hon. J. G. HISLOP: I do not know that I am going to raise any great cry against the suggested alteration of my amendment as it appears on the notice paper, because when I started today I made up my mind that I would not allow anything I said here to be a criticism of the State Health Department. I do not think this is the place to do it. I might criticise certain things very heavily, but this is purely a question of whether the State or the Commonwealth in the future shall look after these plans. I believe that with Commonwealth control the officers controlling the plans throughout the States should be Commonwealth officers. It will be necessary to have organisations in the States but, if they are State organisations and if they are going to allow any State ideas to conflict with Commonwealth ideas, I am afraid the health of the nation will suffer. While I appreciate there must be an executive office in the State, I think it should be controlled by the Commonwealth officers. The Commonwealth will undoubtedly have plans and the Commonwealth authorities are the only ones with money.

They have already shown during the war that they have a broadness of vision with regard to health, and it appears that the medical profession can look forward to the future with a good deal of hope. I want to stress that I think the question of control is a Commonwealth matter. I am not saying anything about the State officers or the methods adopted, because this Bill deals with the future. How it is worked out I do not mind. If Sir Hal and other members feel this is a better opening to it, I am quite agreeable.

The CHIEF SECRETARY: I do not know why we should single out the medical and nursing professions. If there is going to be nationalisation of these professions one can well understand there will be a tremendous lot of negotiation before anything is done in the matter. So far as I can see there is an increasing body of opinion which approves of the nationalisation of the medical services. That will be purely a matter for the Commonwealth Government, and I do not know that anything we can say will prevent that Government from going on with a scheme of that kind if it so desires. I do not think we should limit this power by adding these words.

Hon. J. G. HISLOP: I am going to ask that they be inserted. We have seen the effort by members to protect private enterprise and the interests of private individuals. All that I am asking is not that rationalisation of the profession be ruled out, but before nationalisation is adopted this State shall see to it that the plans are in the interests of this State.

The CHIEF SECRETARY: Members will now see what a very bad example they have set during this debate. They have indicated very clearly that they have been actuated by a desire to protect private enterprise. Now we have another member anxious to protect private individuals. Dr. Hislop suggests that because this Committee has done it so effectively he should go a little further and give to the medical and nursing professions protection not available to other sections of the community.

Hon. H. L. ROCHE: I am supporting the paragraph as printed because it does provide for certain action in co-operation with the State. The other paragraphs on

which I have spoken have lacked any such suggestion. I am not a bit concerned about private enterprise. I do not like the Bill nor the circumstances under which it was conceived. I think we will have a bit more Government control after the war than we did before, but that is not the point. An attempt has been made by the Federal authorities to foist this Bill on the States.

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

Ayes	10
Noes	13
Majority against	3

AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. Sir Hal Colebatch	Hon. A. Thomson
Hon. J. A. Dimmitt	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. F. R. Welsh
Hon. J. G. Hislop	Hon. V. Hamersley

(Teller.)

NOES.

Hon. C. R. Cornish	Hon. G. W. Miles
Hon. L. Craig	Hon. T. Moore
Hon. J. M. Drew	Hon. H. S. W. Parker
Hon. F. E. Gibson	Hon. H. L. Roche
Hon. E. H. Gray	Hon. C. B. Williams
Hon. W. R. Hall	Hon. G. B. Wood
Hon. W. H. Kitson	

(Teller.)

PAIR.

AYE.	NO.
Hon. H. Seddon	Hon. E. M. Heenan

Amendment thus negatived.

Paragraph put and passed.

Paragraph (m) put and passed.

Paragraph (n):

Hon. C. F. BAXTER: I move an amendment—

That before the words "the people" the words "financial assistance to the State to enable such plans as are agreed upon by the Commonwealth and the State to be carried out by the State for the protection and betterment of" be inserted.

The paragraph as it stands hands the aborigines over lock, stock and barrel to the Commonwealth Government. That will mean centralisation of their control in Canberra and uniform laws for their control. How will that work out in a continent of this size? This State has dealt with the problem in a most satisfactory way. The present Commissioner came right out in the open and said that we should retain State control. He is the man who is able to give us the best advice. Had the responsible Minister, Hon. A. A. M. Coverley, been free of Cabinet control he would have been in the opposite camp. His experience of the natives is such that he would not support handing them over to the

Commonwealth Government. It is essential for the Commissioner to be on the spot and able to get in touch with his Minister in a few minutes. This paragraph will mean that the controlling body will be 2,000 miles away. My experience has been that six or eight weeks elapse before a reply can be received, even on matters of policy.

When self-government was given to this State it was charged with the care of aborigines, and an amount of £10,000 was found by the Imperial Parliament. The Western Australian Government is, I think, still in receipt of that £10,000 towards the upkeep of the natives. We have not as many half-castes as the Eastern States where the position is more difficult. New South Wales has 11,000 half-castes, Queensland 7,000, and Western Australia 5,000. I endorse the attitude adopted by the Commissioner of Native Affairs, and the Committee could well follow his advice. He is in favour of securing the assistance and co-operation of the Commonwealth Government, but is opposed to handing over the control of our natives to the central authority. The natives have proved exceedingly useful to the pastoralists, although that is not so pronounced today as at an earlier stage. In the interests of the pastoral industry, the control of the natives should not be handed over to the Commonwealth Government, more particularly as the pastoralists will be increasingly dependent upon the native labour in the future. I certainly hope we shall retain control over our own natives.

Hon. L. CRAIG: I agree with what Mr. Baxter has said in nearly every respect, but I differ from him regarding the wording of his amendment. Rather than seek financial assistance from the Commonwealth, I think the obligation should be imposed upon the National Government to look after the natives. The State has not the funds necessary to do what is required in the interests of the native population.

Hon. C. F. Baxter: We could not impose that obligation upon the Commonwealth.

Hon. L. CRAIG: Yes, we could. I think if we provided that the Commonwealth should act in co-operation with the State regarding this matter, the position would be covered. The truth is that we are not extending to our natives treatment that compares favourably with that received by the negroes in America. The time has arrived

when our natives, including the half-castes, should receive adequate educational facilities, including manual tuition. It is certainly not enough merely to ask the Commonwealth Government for financial assistance. The whole problem must be dealt with nationally. Different plans are required for dealing with the natives in the Northern Territory and for those in the North-West, and still more so regarding the natives in the south. Different plans are required respecting the full-blooded natives compared with what is necessary for the half-castes and quarter-castes. Then again the natives of Queensland are of a different type from those of our North-West, the former being much more intelligent.

Hon. C. F. Baxter: If we hand the natives over to the Commonwealth there will be uniformity in treatment. That will not get over the difficulty you mention.

Hon. L. CRAIG: The problem must be dealt with on a national basis instead of each State fighting for its proportion of Federal financial assistance. It should be an essential responsibility imposed upon the Commonwealth Government to look after the natives. Why should a poor State like Western Australia, because of its geographical position and the greater number of natives it has compared with those to be found in any other State, be required to supply all the money necessary to cope with the control and education of its natives? Surely that should be an Australian obligation. Why should one State merely because it happens to be centrally situated and its small native population has almost wholly disappeared, be relieved of the obligation to share in the care of the native population that is to be found in Western Australia? We should adopt a determined attitude on this question and should place the responsibility upon the Commonwealth by giving it all the power necessary to enable it to deal with the problem, and we should not merely ask for financial assistance as is suggested.

The CHIEF SECRETARY: I was pleased to hear the point of view expressed by Mr. Craig. I have never been able to understand why the original Convention excluded from the Commonwealth Constitution the question of dealing with the aborigines of Australia. Section 52 of the Commonwealth Constitution includes in placitum (xxvi)—

The people of any race, other than the aboriginal race in any State, for whom it is deemed necessary to make special laws.

Thus it is that ever since the inauguration of the Commonwealth, the national Government has been able to make special laws to deal with natives of other countries, and yet it has not had the power to pass laws dealing with the natives of Australia. Western Australia has been placed in a somewhat unfortunate position in that it has had such a large native population and so small a white population, with the result that it has never been possible for the State to provide as much for the Department of Native Affairs as those associated with the department would like to have at their disposal. Nevertheless, in recent years the funds provided by the State Government have increased by about 100 per cent.

Hon. L. Craig: And still it is not enough.

The CHIEF SECRETARY: That is so. During the last few years the cost to the State has risen from between £26,000 and £27,000 to between £50,000 and £60,000.

Hon. J. A. Dimmitt: To deal with how many natives?

The CHIEF SECRETARY: The number is estimated at 14,000, which includes a large number not subject to civilised control.

Hon. C. F. Baxter: They would be what are described as "bush natives."

The CHIEF SECRETARY: Yes. Mr. Baxter's amendment will not alter the present position. There is nothing to prevent the Commonwealth from providing financial assistance to the State for the aborigines but, if we ask the Commonwealth to make available considerable sums of money for the purpose, we must concede the power asked for in this Bill. The preamble sets forth that in relation to all these powers the Commonwealth will seek the co-operation of State departments and organisations, and I feel sure that if we, after having granted this power, could persuade the Commonwealth to provide additional money, it would be averse to setting up another organisation. We have a very effective department, and only lack of money prevents its doing all that we should like to do for the natives. If members approve of the amendment, they might as well delete the power from the Bill because it will not alter the existing position.

Hon. Sir HAL COLEBATCH: I support the amendment in what I firmly believe to be the best interests of the aborigines. The Royal Commission on the Constitution received evidence on this question, and most of

the people connected with associations having the interests of the aborigines at heart favoured the transfer of the power to the Commonwealth but always for the reason that the Commonwealth had more money to spend. On the contrary, the evidence strongly suggested that the States did the job very much better. Ten or 11 years ago, during the time the Commonwealth has had control of the aborigines in the Northern Territory, regulations were promulgated setting out the wages and conditions to be paid by employers for the services of the natives. Those wages and conditions were made very high, not in the interests of the aborigines, but in order to prevent their being employed and so that the station-owners would be compelled to employ white people. I believe that regulation was disallowed by the Senate. Thus the Commonwealth at that time was not so solicitous of the welfare of the aborigines.

The Chief Secretary: Why not delete the paragraph?

Hon. Sir HAL COLEBATCH: It would not make very much difference.

Hon. J. G. HISLOP: I support the paragraph. The State has never been able to do for the natives what we as white people should have done. Possibly this was due to lack of finance. Mr. Moseley, as Royal Commissioner, made certain recommendations as to how the aborigines should be treated, but the State has not made very great efforts to carry out his recommendations.

Hon. C. F. BAXTER: The Chief Secretary said that the expenditure had been doubled.

Hon. J. G. HISLOP: My statement is founded on fact. Mr. Moseley said—

In framing my recommendations I have endeavoured, in view of the continuing unsatisfactory state of finance, to deal only with those matters that appear to me to require immediate action. The department has in the past received a very meagre vote with which to carry on its activities, and the following comparative table dealing with the year 1933 may be of interest:—

State.	Native population.	Cost to Govt. £
Queensland ..	16,957	41,128
New South Wales ..	9,724	53,124
South Australia ..	3,407	23,000
Western Australia .	29,021	28,340

Thus, while South Australia spent £7 per head, Western Australia spent less than £1 per head. The reason was that we simply could not afford to spend more. If we are desirous of giving the natives what we should,

we must have the matter treated on a national basis. Following the Moseley Commission, I made it my business to visit the Moore River settlement. Mr. Moseley had expressed very definite views about the settlement and he considered it so urgent that he made representations before finalising his report. He said that the Moore River settlement was a most unsatisfactory place and would never make a proper place for aborigines. That was in 1935, and in the ensuing eight years we have not done very much because the Moore River settlement still exists. One of his comments was that, if there was a productive farm alongside Moore River, we might be able to carry on some training of the aborigines.

Recently when I visited the settlement I made inquiries about the fruit and vegetable supply, and found that, even though there was quite a number of superintendents, attendants and nurses, the only way they could keep their fruit and vegetables was in a Coolgardie safe. These commodities arrived once a week and, I concluded, butter also. Even for the white people looking after the aborigines, there was no refrigerated space. When I asked whether the farm was in production, recalling the time since Mr. Moseley had reported, I was told that as yet it did not produce anything. If one looks upon the land on which the Moore River settlement is situated, one realises that it will never be a place to do any good. The Commissioner recommended that the site should be changed. His report contains many interesting things. When we visited Moore River we realised that there were two aspects of the settlement to be considered. One was the treatment which the aborigines there received, and the second the treatment of those who were looking after the aborigines. I suppose I shall be regarded as highly critical if I make the biting comment that we should not ask people who look after our aborigines to live at much the same standard.

Let me draw attention to the fact that there is a trained nurse second in charge of the hospital, and that she has her dining room and bedroom in the same block as the sick natives; that is, in the same hospital block. Across the corridor, from an open ward where there are sick aborigines, the nurse enters into a small sittingroom-and-diningroom, and she and her husband, who also works on the place, live in this small

room; and from that room they lead off into their bedroom. This woman is actually living and working in the place where there are sick aborigines. I asked whether there was accommodation for any nursing staff to assist her, and was told that there was a lean-to room also situated in that same block. I want members to realise that those people live in this settlement about eight miles west of Mogumber, which is about 20 miles west of the turn-off from the road, and that they cannot get very many amenities in the way of living or enjoyment outside the native settlement. The major part of their time must be spent in the settlement, and they must get their enjoyment in that settlement. I shall not go into all the details that I noted at Moore River, as I do not like very many of them; but I do appreciate that those who are looking after the natives, from the head of the department down, realise the difficulties.

When discussing the subject with some of those in authority, I was always met with the remark that there was a limit to what the taxpayer could afford. There must be such a limit but surely there cannot be any limit to what you, Mr. Chairman, and I are going to ask the State to contribute to the people, who go out to a place like that and look after aborigines there. They, surely, need some amenities! There are teachers in the school and superintendents in the place, and I believe that since I was there arrangements have been made for some of the superintendents to be used should extra nursing assistance be required. But during epidemics there are sometimes as many as 30 or 40 natives in the hospital at the same time, and the utmost difficulty must be experienced in persuading anybody to go to that hospital to help. One must get people of the missionary type to stay there. What do we do? We give them nothing at all in the way of amenities, and I suppose relatively little in the way of financial compensation. This is a position which we as a State cannot afford. We cannot afford to go on spending less than £2 per head on our natives while other States are spending double and treble that amount. The matter should be handed over to Australia as a national measure, and we should ask that the Commonwealth not only looks after the natives but also sees that those who spend their lives in looking after the natives get all we can give them.

Hon. G. B. WOOD: Dr. Hislop has used Mr. Moseley's report in support of his arguments, but one of the main features of that report was its advocacy of decentralisation. Mr. Moseley recommended that there should be three native commissioners—one for the North, one for the Middle North, and one for the South-West. I agree with Mr. Moseley that the native problem is not only one for States, but one for parts of States. I am not in favour of handing over the natives to the Commonwealth Government. I agree that more money should be spent on them. I have often criticised the Department of Native Affairs, but I believe it is owing to lack of funds that there has been room for criticism. There should be a per capita grant from the Commonwealth for every native in Australia. In Tasmania there is only one native, and that State should receive only one unit—whatever it might be. Western Australia should receive 29,000 units, New South Wales 15,000 and so on. I believe that would be the solution of the problem. I support the amendment.

Hon. C. F. BAXTER: The whole point is decentralisation. It is impossible to achieve uniformity in financing the native race. In fact, there must be differentiation even between parts of States. How, then, can the same treatment be obtained for all the natives? As one result of Mr. Moseley's report, the Government of Western Australia doubled the annual allocation of money for the natives. The native is not accustomed to all the amenities that Dr. Hislop spoke about. Many natives are taken away from their accustomed surroundings and settled in a confined place. It would be most difficult for Western Australia, so far from Canberra, to get proper administration for its natives from the Federal capital. One result probably would be to disable the native from earning his keep. Native servants in the southern part of the State are good servants, and get low pay. In the North, natives are receiving £3 a week; but of course in the North the class of work is entirely different from that in the South. Even then, native labour cannot be obtained in the North. To hand over our natives to Commonwealth Governments would be a great mistake.

Amendment put and a division called for.

The CHAIRMAN: Before tellers are appointed, I give my vote with the noes.

Division resulted as follows:—

Ayes	12
Noes	12
A tie	—

AYES.

Hon. C. F. Baxter	Hon. H. L. Roche
Hon. L. B. Bolton	Hon. A. Thomson
Hon. Sir Hal Colebatch	Hon. H. Tuckey
Hon. J. M. Drew	Hon. F. R. Welsh
Hon. V. Hamersley	Hon. G. B. Wood
Hon. H. S. W. Parker	Hon. W. J. Mann

(Teller.)

NOES.

Hon. J. Corneli	Hon. E. H. H. Hall
Hon. C. R. Cornish	Hon. W. R. Hall
Hon. L. Craig	Hon. J. G. Hislop
Hon. J. A. Dimmitt	Hon. W. H. Kitson
Hon. F. E. Gibson	Hon. G. W. Miles
Hon. E. H. Gray	Hon. T. Moore

(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

Amendment thus negatived.

Hon. L. CRAIG: I move an amendment—

That at the end of the paragraph the following words be added:—"in co-operation with the State."

The amendment will ensure that State departments will continue to function.

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

New paragraph:

Hon. J. G. HISLOP: I move an amendment—

That a new paragraph be inserted as follows:—

(c) formulation, financial support, and supervision of national educational plans.

I make no apology for moving to insert a further paragraph, dealing with education, because in my opinion education cannot be separated from health. We are not reaching a final conclusion by passing this Bill, but are simply giving the Commonwealth our opinions on certain plans. Notwithstanding that the Select Committee was of opinion that we should not give the Commonwealth more than was asked by it, I think we should deal seriously with the question of education, for this reason. I have been approached by many people, whose interest is education, with the object of ascertaining whether we could give the Commonwealth greater power over education. It was felt that the Commonwealth should take more active interest in the subject and share in the expense. I shall quote from a journal

entitled "Education," so that members may know that even our own Western Australian people are desirous of taking some concerted action. When the Australian Teachers' Federation met in annual conference at Sydney on the 4th and the 5th January last, the New South Wales delegates asked that education be handed over entirely to the Commonwealth. The request was opposed by the Western Australian delegates, who were not agreeable to unified control of education. In order to make their views clear, they laid before the conference a suggested plan, which I am satisfied is the majority view of those who take an active part in education in our State. I quote the following paragraphs from the plan:—

(1) A Commonwealth Board of Education shall be established, of which the administrative head shall be directly responsible to a Cabinet Minister.

(2) The Board shall appropriate for distribution the money annually provided for education by the Federal Parliament. In distributing the money, the Board's object shall be to equalise educational opportunities, which are disparate because of differences of distribution of population, and to stimulate spending on education by the States. The money shall be apportioned between the States on a basis to be determined partly by the State distribution of population and partly by a uniform percentage calculated on the annual expenditure per head on education of each State Education Department.

What follows is important, as it gives a clue to the organisation which the educationalists of Australia are seeking:—

The Board, without taking direct control, which is a matter for the States, shall exercise supervision over the education provided by the States so as to ensure an effective minimum standard of education and promote educational progress.

The remainder of the details of the plan is really of a machinery nature. It can be seen that behind this is a desire to progress along the lines of modern thought. We might quite well have said to ourselves 15 or 20 years ago that our State was the foremost in the world in education, but I do not know that that can be said today. I believe we can say that we do not stand there today because of the fact that we have rather tended towards a unified or central control of education. I do not know that I altogether blame the Education Department. I rather think that the whole scheme came into being for more than one reason. The first is that any department which is dependent upon regulations or Orders-in-

Council will tend naturally to grow into a big centralised organisation seeing that its plans are carried out. The second is that the average individual in the State has learned long ago to look to the State to care for almost every aspect of his welfare. The third is that I believe the average individual in the State has not that quest for education or interest in education, rather leaving it to the centralised control of the State to carry it on. From a work by Prof. E. P. Cubberley I give the following quotation:—

It ought to be essentially the business of the State to formulate a constructive policy for the development of the education of the people of the State, and to change this policy from time to time as the changing needs of the State may seem to require. This may involve more than the mere regulation of schools, and may properly include such educational agencies and efforts as libraries, playgrounds, health supervision, and adult education. Instead of being a passive tax-gatherer and law giver, the State should become an active, energetic agent, working for the moral, intellectual, and social improvement and advancement of its people. The formulation of minimum standards for the various forms of public education, the raising of these standards from time to time, the protection of these standards being lowered by private agencies, and the stimulation of communities to additional educational activity, is a fundamental right and duty of the State. On the other hand, to find what can safely be left to local initiative and control, and then to pass this down, ought to be as much a function of proper State school administration as is removal from community control of matters which communities cannot longer handle with a reasonable degree of effectiveness. Unity in essentials and liberty in non-essentials, as high minimum standards for all as is possible, constant stimulation to communities to exceed the minima required, and large liberty to communities in the choice of methods and tools and in the extension of educational advantages and opportunities, ought to be cardinal principles in a State's educational policy and in its relations to its subordinate governmental units. There is a very great difference between the education of America and the education of Australia. The education of America started actually on the basis of local governing bodies, and it has been said of Australia that we have never really known local governing bodies to function to their fullest extent. America has begun to realise that, whilst these local governing bodies have done excellent work, some centralisation or supervision of their work is essential. Australia started more or less from the other way round, realising that there were not the opportunities for local governing bodies.

Point of Order.

Hon. Sir Hal Colebatch: Before Dr. Hislop proceeds I wish to ask whether the proposed amendment is in order. This is a specific Bill to deal with matters referred to us by a Convention.

The Chairman: The hon. member approached me and asked whether his proposed amendment was within the scope of the subject-matter of the Bill. I said that I doubted it, but that I would allow him to outline his case without interference from the Chair unless some hon. member raised the question of the relevancy of the amendment to the Bill. Sir Hal has raised that point. Standing Order 191 states—

Any amendment may be made to any part of the Bill provided the same be relevant to the subject-matter of the Bill, and be otherwise in conformity with the Standing Orders. The Standing Orders define "subject-matter" as follows:—

"Subject-matter of Bill" means the provisions of the Bill as printed, read a second time, and referred to the Committee.

The 14 paragraphs of this clause are definite and the issue Dr. Hislop raises is definite also. It includes education, which is not contained in the subject-matter of the Bill. Therefore I rule the proposed amendment out of order. The hon. member has a remedy. The Committee can, if it desires, disagree with my ruling.

Committee Resumed.

Clause, as amended, put.

The CHAIRMAN: Nobody having voted "aye" and nobody having voted "no" I declare the clause, as amended, passed.

Clause, as amended, thus passed.

Point of Order.

Hon. L. B. Bolton: I thought you said, Mr. Chairman, that when the voting was equal the question passed in the negative.

The Chairman: It passed in the affirmative.

Hon. L. B. Bolton: Before, when the voting was equal, you ruled that a question had been decided in the negative.

The Chairman: That was a division.

Hon. L. B. Bolton: I wanted you to be consistent; that was all.

Committee Resumed.

The CHIEF SECRETARY: I desire to report progress, but before doing so I would intimate that I propose that we meet at

11 o'clock in the morning with the idea of finishing the Committee stage of the Bill by lunch time. I hope we shall be able to do so. There is not very much of the Bill left to be dealt with.

Hon Sir Hal Colebatch: There is not much of the Bill left at all!

The CHIEF SECRETARY: I think that with proper application we shall be able to conclude our deliberations by lunch time. If any member desires to re-commit the Bill I shall be glad if he will place his proposal on the notice paper and ask for leave tomorrow so that we may complete the measure in every particular at the next sitting. I move—

That the Committee report progress and ask leave to sit again.

The CHAIRMAN: Before I put the motion, I point out that the Chief Secretary's object is to have the third reading of the Bill agreed to next Tuesday. If it can be re-printed that will be done. If any member wants to re-commit the Bill the idea is that he shall ask leave at the report stage tomorrow to do so.

Motion put and passed.

Progress reported.

House adjourned at 6.20 p.m.

Legislative Council.

Friday, 9th April, 1943.

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The PRESIDENT took the Chair at 11 a.m., and read prayers.

BILL—COMMONWEALTH POWERS.

In Committee.

Resumed from the previous day. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

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

Clause 3—Act not to be repealed or amended without approval of electors:

Hon. C. F. BAXTER: I will deal with the amendments I have on the notice paper as a whole. If the clause is read carefully it will

be seen that it needs something more binding than what is in it. This Parliament stands on very flimsy ground at the present time. It has taken on itself the right to extend its life for two years. We are assuming responsibility for this Bill, but when it is completed we must take a referendum of the people on any alteration. Why should that be done in view of the fact that we have taken such a strong stand already without reference to the electors? One good argument in favour of that is that this is not the time to hold referenda, and I agree with that. Previously it was not the time to hold State elections. I will move the amendment standing in my name.

The CHAIRMAN: Order! The hon. member will have to move his amendment in stages.

Hon. C. F. BAXTER: I move an amendment—

That in line 2 of Subclause (1) after the word "manner" the words "as hereinafter" be inserted.

The CHAIRMAN: Clause 3 speaks for itself. Mr. Baxter wishes to delete the provision for a referendum if it is desired to repeal or amend this Bill later, and substitute for it the absolute majority of the members of both Houses of Parliament. I will allow general discussion on the whole amendment.

The CHIEF SECRETARY: I have no objection to the particular amendment now before the Chair, but I must oppose the subsequent amendments if we agree to this. The clause was placed in the Bill in this form for purely legal reasons. Mr. Baxter's desire is that we should substitute for a referendum an absolute majority of both Houses of Parliament. On the other hand, there is an amendment on the notice paper in the name of Sir Hal Colebatch.

Hon. Sir Hal Colebatch: I am satisfied that this is a reasonable compromise. I will not move my amendment.

The CHIEF SECRETARY: I see! Had the Committee agreed to Sir Hal's amendment all that would have been required would have been a simple majority of either House. That leaves only Mr. Baxter's amendment to be dealt with. If his argument was sound when he suggested that we are attempting something we are not strictly entitled to do on account of the prolongation of the life of Parliament, I should have thought he would have been more prepared