

Legislative Assembly,

Wednesday, 23rd August, 1933.

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

QUESTION—LIEUTENANT-GOVERNOR.

Taxpayers' Responsibility.

Mr. MARSHALL asked the Premier: Does the present Lieut.-Governor receive any monetary reward whatsoever either in the way of a salary, allowance, or other remuneration of any kind, perquisites, honorariums, emoluments, or gifts of any kind, which will be a responsibility on the taxpayers of Western Australia to pay for his services as Lieut.-Governor? 2, If so, what will be the total amount or amounts combined per annum and under what heading, or headings, will it or they be paid? 3, If the taxpayers of Western Australia are legally compelled to pay for the services of a Lieut.-Governor, under what Act or Acts, or regulation or regulations thereto can this compulsion be found?

The PREMIER replied: 1, 2, and 3, Under regulations dealing with the salary and emoluments of the Governor of Western Australia, approved by the Governor in Executive Council on the 28th day of March, 1917, provision is made, under Regulation 5, for the payment of half salary to a Lieut.-Governor. No payments have yet been made to the present occupant of the office under this head.

QUESTION—ELECTRIC CURRENT.

Mr. LAMBERT asked the Minister for Railways: 1, What was the quantity of electric current used by Hadfields, Ltd., during the past five years? 2, Is it a fact that the price charged by the Electricity Department

does not represent the cost of fuel alone in the generation of the current? 3, When was the agreement made, and by whom?

The MINISTER FOR RAILWAYS replied: 1, £6,027,157 kilowatt hours. 2, No. 3, 10th September, 1918, and amended 10th June, 1931; by the Commissioner for Railways.

QUESTION—INCOME TAXATION.

Mr. HAWKE asked the Treasurer: 1, Has his attention been drawn to the statement recently made by Mr. L. E. Horne, secretary of the West Australian Taxpayers' Association, in which he advocates the consolidation of all State income taxation in the form of one tax? 2, Will he give consideration to the suggestion made, with a view to its adoption?

The TREASURER replied: 1 and 2, Yes.

QUESTION—ACTS CONSOLIDATION.

Mr. HAWKE asked the Premier: Will he endeavour to continue the policy of consolidating the State Acts of Parliament, on the principle of the Land Bill now before this House?

The PREMIER replied: Yes.

BILL—POLICE ACT AMENDMENT.

Introduced by the Minister for Employment and read a first time.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Read a third time and transmitted to the Council

MOTION—SITTING DAYS AND HOURS.

MR. HAWKE (Northam) [4.35]: I move—

That the House shall meet for the despatch of business on Tuesdays, Wednesdays, and Thursdays at 2.30 p.m., instead of 4.30 p.m. as at present.

First of all I desire to bring before the notice of members the hours of sitting in the other Parliaments of Australia as far as I have been able to obtain them; not so much

with the idea of suggesting that this motion should be adopted simply because of what is done in the other States, but rather for the purpose of showing that earlier hours of meeting have been operating in other States, and that the system of meeting earlier in the day carried out in several of the Parliaments of Australia has been found entirely satisfactory. Taking the Commonwealth Parliament first, they meet on four days in the week usually, and on three days of the week they begin at 3 o'clock in the afternoon, while on the Friday they meet at 11 a.m. and, I understand, have an hour at which the proceedings of the House cease in the afternoon. That, I am told, is done for the convenience of those members who desire to leave Canberra for the week-end. In South Australia, which is not perhaps the second most important Parliament of Australia, but which I place in the second position for the purpose of argument this afternoon, the hour of meeting is 2 p.m. That has been in operation for many years and has proved entirely satisfactory, and there has never been any suggestion that the hour of meeting there should be made later than 2 p.m. In Queensland the Parliament meets at 10.30 a.m. on three days in the week, and I am sure some members of this House will agree that the Parliamentary system of Queensland suffers not at all because of the fact that they meet at that hour in the morning. Also, members will agree that the administration of Government departments in Queensland does not suffer because of the fact that Ministers have to be in Parliament at 10.30 a.m. on Tuesdays, Wednesdays and Thursdays. In Victoria they seem to meet in a casual sort of fashion; on Tuesday, according to the rules of the House they meet at 4 p.m., on Wednesday at 3.30 p.m. and on Thursday at 10.30 a.m., and they meet also on Fridays. But on looking through the Victorian "Hansard" I did not find one day on which they met punctually at the time specified; thus instead of meeting at 4 p.m. they would meet at 4.10 p.m. or 4.15 p.m., and so too with the other hours of meeting. In New South Wales they meet on Tuesdays and Wednesdays at 11 a.m., and on Thursdays at 4.30 p.m. So it will be seen that in the majority of the Parliaments of Australia, the hour of meeting is much earlier than in this Parliament. It appears to me that 4.30 p.m. is altogether too late an hour at which to begin the deliberations of Parliament. Most of the day has gone, and

while the two hours that we spend before the dinner adjournment are perhaps valuable hours for the discussion of the business of the country, the hours during which we deliberate after the dinner adjournment are to my thinking not so valuable. It would be much better if the Parliament met earlier in the day, and so was able to give attention to the business of the country before reaching the late hours of night. We all know that, generally, after the dinner adjournment members do not settle down to the serious discussion of the business before them, and that as the hour moves on to 10 o'clock or 10.15 or even 11 o'clock, everybody is more or less unsettled and desiring to get away, with the result that the business is to some extent denied the serious and intelligent consideration which is necessary if beneficial legislation is to be passed. Why the hour of 4.30 p.m. for meeting has been fixed, I am not in a position to say. Some suggest it was fixed so late in the day for the purpose of giving Ministers ample time to deal with the administrative side of government; but I have a suspicion, which may or may not be well founded, that the late hour of sitting was fixed for the purpose of conveniencing a number of members, not perhaps of this Parliament, but of past Parliaments, who were interested in the conduct of commercial or other enterprises. I say that those members who are prepared to devote the whole of their time to Parliamentary duties should not be compelled to remain here all hours of the night simply for the purpose of conveniencing other members who give only half, or even less than half, their time to their Parliamentary business. As to the business of Ministers, it may be alleged that if this Parliament were to meet at 2.30 p.m. Ministers would be unable to give full consideration to many questions that come before them. I do not think that contention can be justified by logical argument. If we agree there is some logic in the argument, if we suggest that is the reason why Parliament cannot meet earlier than at 4.30 p.m., it seems to me we are admitting that the Ministers elected to carry on the Government of Western Australia are far less capable of doing their job than are Ministers elected to carry on the Government activities in other States of Australia. If Ministers of the Crown in South Australia are able successfully to discharge their duties when Parliament meets at 2 o'clock in the afternoon, I am sure Ministers here can do

the same thing in an equally successful fashion.

Mr. Stubbs: How long do they sit in South Australia?

Mr. HAWKE: That depends on the business before Parliament. There is no hour set down for the completion of a day's sitting. They may sit from 2 o'clock in the afternoon till 6 o'clock in the evening. That is what happens early in the session. It is usual during the first three months of the sitting of the House for the business of the day to be concluded at 6 p.m. There is generally no necessity to remain in the House after that hour.

Mr. Patrick: How late do they sit towards the end of the session?

Mr. HAWKE: They sit later towards the end of the session, but I make bold to suggest that except on special occasions they do not sit nearly as late as we do. It appears to me it is all to the good that Parliament should meet as early as possible and complete its deliberations at an early hour each day. We have everything to gain, and the country has everything to gain and nothing to lose from a commonsense alteration of the hours at which we meet. Members should take into consideration the fact that a late sitting of the House puts the country to a good deal of expense, and the officers of Parliament to the necessity for working late hours in order that the "Hansard" reports, etc., may be completed. A member has asked whether this motion will prevent late sittings. It will not do so. It would be difficult to frame a motion that would prevent late sittings, because these to a large extent are governed by the business before the House, and by the brevity or length of the speeches of members taking part in the debates. I suggest that if Parliament commences its deliberations each day at 2.30 p.m., it is only reasonable to assume that the House will not sit so late each day as might be the case with the usual 4.30 sittings.

Mr. Stubbs: Ministers say if we met earlier they would not be able satisfactorily to administer their departments.

Mr. HAWKE: I have already answered that point effectively. If Ministers in Queensland and South Australia are able to discharge their Ministerial duties to the satisfaction of Parliament and the country, meeting early as they do, I submit that we

have men in this State in our political life quite capable of measuring up to the standard of ability shown by Ministers in those other States. My strongest point is that we should give consideration to the position of the officers of Parliament. I do not say that is the strongest point I have put forward, nor that it is the strongest point that could be advanced in favour of the motion; but it is my strongest point because it appeals most to me. Even thus early in the session Parliament sat last night until almost 10.30, and it seems to me that before another three or four weeks have passed we shall be sitting until 11, 11.30, or as late as midnight.

Mr. Stubbs: And later on, all night.

Mr. HAWKE: That may be so. The sooner we meet earlier in the afternoon the less chance there will be of sitting until midnight or of sitting all night.

Mr. Sampson: The less possibility there should be.

Mr. HAWKE: I am sure that 99 per cent. of members have sufficient ballast to use the time of Parliament to the best advantage of the country. I do not suggest there is more than one member who would unnecessarily waste the time of the House merely to indulge in a late sitting or an all-night sitting.

Mr. Stubbs: You wait and see.

Mr. HAWKE: The point advanced by the member for Swan carries no weight. Most of the transport services in the metropolitan area cease to operate shortly after 11 p.m. When the House sits after these transport services have ceased to operate, the Government have to go to the expense of hiring private motor conveyances to take members home. We should give some consideration to that point of view. It may not be an important economy, although in my judgment every economy that is a real one, no matter how small it be, is worth an effort to secure.

Member: Are you Scotch?

Mr. HAWKE: I am not Scotch, but I have lived with Scotsmen for brief periods. That argument must weigh seriously with members. I feel that over a period of 12 months a good deal of money could be saved to the country by the change I have suggested. The fact that a change is involved in this proposal will probably be the strongest point against it in the minds of many members.

Mr. Marshall: It has been tried before, you know.

Mr. HAWKE: When any proposal is advanced to change anything, no matter how desirable the change may be, there is a tendency to think it is best to leave things as they are, that the old system has suited fairly well, and that it is unwise to adopt something else. The existing system has thus been allowed to roll on in the same old way. In this case prejudice against the change may not be restricted to one side of the House, as is usually the case.

Mr. Raphael: You are right there.

Mr. HAWKE: I hope every member will consider the proposal on its merits; will put out of his mind any prejudice against changes that may be there, and will look at it purely from the point of view of trying to do the best thing possible for members generally, and for the men and women associated with the work of Parliament. I also hope they will do the best thing possible from the point of view of having the business of the country dealt with in a commonsense manner. It may be urged that some country members will not be able to get through their business if Parliament meets at 2.30 p.m. I feel that every country member can get through his work if the hours are changed as I suggest. It may be said it will not be possible for them to see Ministers in the time allowed, and that they cannot have all the deputations that are deemed necessary. Members of Parliament are inclined—this will apply to me as well as to others—to go too often to Ministers in respect to matters that could easily be dealt with by departmental officials. I am inclined to suggest that the number of deputations that are taken to Ministers could be greatly reduced.

The Minister for Works: Hear, hear!

Mr. HAWKE: I include myself in this. I do not say that I keep away from Ministers any more than other members do, but I do seriously suggest that there is a strong and undesirable tendency on the part of the members to take up the time of Ministers on matters that are somewhat trivial and could readily be dealt with by departmental officials. A good deal could be achieved by correspondence, and just as satisfactorily as by deputations, which mean the wasting of much valuable time.

The Premier: As a matter of fact the art of correspondence has died out completely.

Mr. HAWKE: It would be advantageous to everyone if the art were resuscitated. Members should give consideration to that point. If they are not able to see Ministers as often as they could wish, or are not able to take deputations to them as often as they would desire, within the time provided, I am sure they could easily find a practical way out of the situation. Many members complain that the general public look upon politicians to-day as something of not very great importance or worth, and understand that generally speaking we are held more or less in disrepute by the public. To a large extent we may have lowered our own status through accepting all kinds of tiddlywinking responsibilities and duties which should never have been assumed by members of Parliament. We may be said to have become a sort of domestic servant for every Tom, Dick, and Harry in the country. I submit that if members want to economise in time, to reduce the number of manifold responsibilities and duties which they now carry out, they might give consideration also to that point.

Mr. Raphael: Have you ever heard of Bertie Johnston?

Mr. HAWKE: To those who complain they have not sufficient time in which to do this or that, I would make the reply of the Japanese philosopher, "They have all the time that there is." I have put forward the main points which appeal to me. I feel sure that every member could easily accommodate himself to the new circumstances that would be set up if the sitting hours were altered. I am also sure that Ministers of the present Government would find no serious difficulty in meeting Parliament at 2.30 p.m. on the three days in the week. I am confident that if the House passes this motion and we begin discussing the business of the country at 2.30 p.m., it will receive greater consideration than it does at present. Members would be in a better condition during the daytime to discuss the problems that come before them than when discussing the same problems at 10 or 11 p.m. in the evening. I put forward the proposal because I believe that it is a common-sense proposal, and that the change suggested is desirable and necessary in every shape and form. I trust, therefore, that every hon. member will give the proposal fair consideration, and not oppose it merely because it aims at bringing about a change in an existing custom.

MR. SAMPSON (Swan) [5.1]: I support the motion. When the mover stated that starting at 2.30 instead of 4.30 p.m. would make for earlier adjournments, I interjected that it should do so. Later the hon. member supported that view to some extent, because after stating "I have said all that I have to say" he reviewed the situation, re-stated the arguments in favour of his proposal, and thus committed the very offence which so often holds us in the Chamber for an unnecessary period. However, I feel grateful to the hon. member for bringing the matter forward. I believe absolutely that Western Australian Ministers, whether of the present or of past Governments, are quite as capable of carrying out their work within reasonable time as is the case with the Eastern States Ministers. I certainly think it unfair that Ministers and members should be held in this Chamber for the long periods they frequently are held here. It may be said that if there is any advantage to be gained, it is proper that we should remain here; but there is a great deal to be said against working long after the hours of ordinary closing. We know that in industrial life the majority of accidents occur towards the end of the day, when the mental and physical capacities are at a lower ebb.

Mr. Hegney: And that is when most of the accidents happen here.

Mr. SAMPSON: Yes. The times when scenes of violence have occurred or threats have been uttered have been usually times when the patience of Ministers and members has been exhausted and they were unable any longer to preserve that attitude of tolerance and consideration which they would maintain if they were in a normal state of mind. So there is a great deal to be said in favour of the motion. Why should a man, simply because he is a member of Parliament, be expected to turn night into day? Why should he be expected, as by implication he is expected, to be a better man towards midnight, and I suppose best towards dawn?

The Minister for Works: What about 44 hours for Ministers?

Mr. SAMPSON: It all depends on how quickly a Minister does his work. Even Ministers err by bringing forward unneeded legislation which takes up a great deal of time. I need not dilate upon that aspect further. The mover referred to our late sitting last night. I believe that the health

of Ministers and members would be all the better if they exercised a right consideration in respect of this matter. Let any hon. member look at the photographs hanging upon the walls of the dining room. If he goes back for 10 years, he will find that probably 50 per cent. of the members who were here then are no longer with us.

Mr. Hegney: A good job, isn't it?

Mr. SAMPSON: Perhaps. Ten years hence, if the hon. member is no longer here, I shall be prepared to answer the question definitely. The motion does not imply any disregard for Ministers, but expresses a note of real commonsense, and I hope the Premier and those with him on the Treasury bench will support it. The time has gone for entertaining the stupid notion that one does good work only when one works late at night. Our work would be done better if we began, as the motion suggests, at 2.30 p.m., and gave to our labours here the best time possible, the day time. So far as I am aware, no member is unwilling to devote all the time that is necessary to the work of the country, and the best time is certainly the day time. Assuredly I should not allow my private business to come between me and my duties as a member of Parliament. I feel certain Ministers will be better able to do their work by starting at half-past two. In opposition to the motion it will be said that Ministers cannot carry out their administrative duties unless they can remain in their offices until about 4 p.m. I say that view is wrong. Again, it will be contended that Ministers are unable to do their work within ordinary hours. That may be so, but I am positive that if a Minister has a difficult task to do, he will not be able to do it in ordinary daylight hours. With a job requiring his closest concentration, the Minister will get further if he goes back to his office by himself at night. Perhaps that phase might be considered.

Mr. Raphael: Do you want Ministers to work overtime, and not ordinary members?

Mr. SAMPSON: I do not want Ministers to work overtime.

Mr. Raphael: That is what you are inferring.

Mr. SAMPSON: The hon. member interjecting gets such peculiar ideas. If I allow his interjections to remain unanswered, it may be thought that I am convinced by them. His present interjections are absolute nonsense. Ministers with difficult work

to do should go back at night. During my experience in this Chamber Ministers have been held up time and again.

The Premier: And there is no accommodation here for doing work.

Mr. SAMPSON: I have often felt a good deal of sympathy, not only with the present Premier and his Ministers but with former Premiers and their Ministers, in having to sit here hour after hour at a time when they should be home in bed recuperating for the next day. I agree with the mover that there are not many people in Western Australia who will not applaud that view. In business many men feel that they are making no progress unless they are stuck in their offices all hours of the night. As a rule, such men are the men who either fill an early grave or go into hospital. If we are to do good work, we must maintain our health; and if we are going to maintain our health, we must not work beyond reasonable hours. I trust the motion will be carried.

MR. NEEDHAM (Perth) [5.12]: I hope the motion will not be carried. At one period of my life I thought that Parliament meeting at an early hour might mean its closing at a correspondingly early hour. For my part I would prefer a motion declaring that Parliament should cease its labours at a certain hour of the night. That, I think, would be more effective. I feel confident that if the motion is carried and the suggestion given effect to, we shall not adjourn any earlier as a result. The House is the master of its own destinies. I have had considerable experience of another Parliament. There it was thought that meeting at half-past two in the afternoon, and at 11 a.m. on some days, would do away with late sittings. However, it did not prove to be so in the case of the Commonwealth Parliament. Week after week and month after month I have sat there till very late hours, and even all night, despite the early hours of meeting. On Fridays the House met at 11 a.m., and the proceedings were supposed to terminate at 4 p.m.; but still there was a proviso that if the House so ordered, there might be a continuance of the sitting. This could be done, and it was done. The Commonwealth Parliament also tried a limitation of the length of members' speeches.

Mr. Sampson: It would be a good thing to try that here.

Mr. NEEDHAM: I would be quite agreeable to such an alteration of the Standing

Orders, but I do not think it would either shorten the day's work or do away with all-night sittings. There was a time when in the Commonwealth Parliament, as in this Parliament, there was no time limit on speeches, and there were occasions when members held up the House for inordinate hours—once for 12½ hours. As a result the Standing Orders Committee limited the length of speeches to a maximum of 1½ hours. In the debate which led to the imposition of that limitation, it was asserted that as a result all-night sittings would disappear, and Ministers would spend less time in the legislative halls and more in their administrative chairs. That was the suggestion made at the time, but the move did not have any such result. Ministers were still in the House at midnight, and sometimes all night, despite the fact that a limitation had been placed on the speeches, and that the House met early in the afternoon.

Mr. Hawke: Then there is no hope!

Mr. NEEDHAM: If I thought the motion would achieve the objective the member for Northam (Mr. Hawke) has in mind—I am in sympathy with it—I would give it my whole-hearted support, but I say decidedly that if the motion be agreed to, we shall still be found sitting in this Chamber at a time when we have missed the last tram and the last train.

Mr. Hawke: That has not been so in South Australia and Queensland.

Mr. NEEDHAM: It has been so elsewhere.

Mr. Hawke: Where?

Mr. NEEDHAM: In the Commonwealth Parliament.

Mr. Hawke: It would not be fair to compare this Parliament with the Commonwealth Parliament.

Mr. NEEDHAM: The suggestion by the member for Swan (Mr. Sampson) could be given consideration. We might be less loquacious than we are. By curbing our efforts in that direction, we would assist appreciably. I am rather inclined to move an amendment, if I thought it would help, to request the Standing Orders Committee to go into the question of placing a limitation upon the length of members' speeches. I think that would be a better move than meeting a few hours earlier than we do. We know that every member can speak on any subject at any length he chooses, and, in Committee, as often as he likes. The time

they occupy—I do not say it has not been usefully done—has lengthened sittings, and if we desire to shorten the period we remain in this Chamber, and are genuine in our desire for Ministers to have more time at their disposal to administer their departments, the method suggested by the member for Northam is not the best way. In my opinion, the most effective way would be to ask the Standing Orders Committee to report to the House on the limitation of speeches by members, not only on the second reading of a Bill, but at the Committee stage as well. If ever there was a time in the history of the Commonwealth when Ministers of the Crown, charged with serious responsibilities, required time in their offices, it is now. It is not so much legislation that we require to-day as administration, and I believe that the time of Ministers would be much better occupied in their respective departments than is much of that which they have to allot to sitting in this Chamber. If I thought the carrying of the motion would give Ministers a chance to have more time in their departments, I would vote for it. I know, however, that, in practice, that will not be the effect. I am confident that the motion will not result in members leaving Parliament House at an earlier hour than in the past. If we get down to tin-tacks and desire to give reform of this description a trial, let us start with the limitation of speeches. I would support that, but I shall not vote for the motion.

MR. J. H. SMITH (Nelson) [5.20]: I oppose the motion. It is all very well for the member for Northam (Mr. Hawke) to advance such a proposal in his desire to reform the Parliament of this State. He told us what had been done in other States, and especially in South Australia. I wish he had continued his activities in that State. He suggested that if members decided to sit at 2.30 p.m., they would be briefer in their remarks. For my part, I do not know what would happen, in the light of our experience of the member for Northam himself. I have listened with great interest to his speeches but, in view of their length, I do not know what would happen if Labour were sitting in Opposition. As a representative of a country constituency, I find it almost impossible to do the work that is necessary within the time at my disposal under existing conditions, and if we were to meet at 2.30 p.m. instead of 4.30 p.m., as at present, many

matters would have to remain unattended to. Often we have a mass of correspondence to deal with and visits to pay to many departments. Very little time is left before we have to be at the House at 4.30 p.m. I am convinced that the motion, if agreed to, would prove of great inconvenience to Ministers. I am not one of those members who constantly buttonhole Ministers in the corridor. If I have a deputation to introduce to a Minister, I do not take up much time. Personally, I cannot see what good service would be rendered by the motion at all. The member for Perth (Mr. Needham) endorsed the suggestion of a limitation on the speeches of members. As an old campaigner, he knows that if anything of that sort were done, there are opportunities at the second and third reading stages for speeches, and during the Committee stage, members can speak on each clause a dozen times each if they so desire. They can go the whole night through, if they choose.

Mr. Needham: We could place a limitation on the speeches in Committee as well.

Mr. J. H. SMITH: If the motion would serve any good purpose, and the reform suggested would be of any advantage, I would be glad, but I am convinced that if we met at 10 a.m., we would still be in Parliament House at 9 o'clock or midnight, or 3 a.m. on occasions. I do not believe any such move would curb the loquacity of members, more especially if Labour were sitting in opposition. The effect upon country members would be detrimental to their interests. Often we have 30 or 40 letters to deal with, and eight or nine departments to visit. That happens almost every day in the week. It might be all right if Ministers would be prepared to meet members at night to deal with any business they desired to place before them on behalf of their constituents, but I do not think Ministers would be agreeable to that. Ministers in all Governments with which I have had any dealings, have always been most courteous, and if I have not been able to get satisfaction as a result of my interviews with heads of departments, the Ministers concerned have always been prepared to meet me and discuss my difficulties. The motion, if agreed to, would be of no value at all. The sittings of the House would not terminate one minute earlier. Of course, it might be all right for the member for Northam, who represents an old settled constituency, where there are many wealthy

people and where there are no requirements that call for his attention.

Mr. Marshall: Almost within walking distance of the city.

Mr. J. H. SMITH: Yes, with trains running backwards and forwards three or four times a day. I oppose the motion.

MR. McLARTY (Murray-Wellington) [5.35]: I, too, oppose the motion. As the representative of a country constituency, I can find plenty to do already between 9 a.m. and 4.30 p.m.

Mr. Marshall: And there is a lot we would like to dodge in the meantime.

Mr. McLARTY: The member for Northam (Mr. Hawke) is possibly right when he says that members of Parliament do quite a number of things they should not be asked to do.

Mr. Raphael: He had Bertie Johnston in mind, not us.

Mr. McLARTY: The system has grown up, and it seems to me that we have to accept the position. In times such as the present our electors look to us to assist them more than they did in the past. Then again, if our evenings were free, it would be rather a dreary prospect for country members, who would have so much time on their hands. For my part, I would prefer to be in my seat in Parliament, with something to occupy my mind. No doubt it would be very pleasant for metropolitan members, who would be able to go to their homes at 6.30 p.m., but the carrying of the motion will mean that country members will have to spend much more time in the city.

Mr. Hawke: And they might get into trouble.

Mr. McLARTY: Yes, although I did not take that aspect into consideration. It would mean that for at least six months of the year, we could not put in much time in our respective constituencies. I am positive that members would not like to be in their seats at 2.30 p.m. in the middle of summer. That is not an hour conducive to good work at that period of the year.

Mr. Thorn: Nor to good health, either.

Mr. McLARTY: It would be much more desirable to meet at 4.30 p.m., particularly in view of the approach of summer. One member interjected that the experiment of meeting at 2.30 p.m. had been tried in this Chamber.

Mr. Latham: At one time they met at 10.30 a.m.

Mr. McLARTY: I have been told by members who were in Parliament at the time, that the experiment was unsuccessful from their point of view.

Mr. Hawke: Unsuccessful from your predecessors' point of view only.

Mr. McLARTY: I do not endorse the view that we should place a limitation on the speeches of hon. members. On the other hand, they should have every opportunity to give utterance to what they intend to say, even if it should occupy a lot of time. I hope metropolitan members will extend to their country colleagues the consideration that they have a right to expect, and if they do, they will vote against the motion.

The Minister for Works: It was moved by a country member!

MR. LAMBERT (Yilgarn-Coolgardie) [5.29]: Most members will remember that this innovation was tried in 1922 or 1923, when the meeting of Parliament commenced at 2.30 p.m. The result was that Parliament House was here, but members of Parliament were not in their places. On many occasions the position was very awkward, and it was difficult to get a quorum. There are people who consider that Parliament should meet only one day in the week.

Mr. Withers: And one week in the year.

Mr. LAMBERT: Perhaps some think that if we did not meet at all, it would be conducive to the general welfare. There are some who consider we could conveniently meet at midnight and not carry on our discussions very long. Most thinking people, in contradistinction to those who consider that Parliament does not do sufficient work, realise that the less Parliament does, the more prosperous is the country likely to be. Generally speaking that is a truism. The more legislation we pass, the more restrictions we impose and the more we interfere with the activities of the people. Notwithstanding the experience of the Commonwealth Parliament, the South Australian Parliament and other Parliaments quoted, we have found the meeting hour of 4.30 p.m. to be reasonably convenient, having regard to the work members have to do during the day. Even if the motion were carried, I do not know that the hon. member would meet with much success. All said

and done, habit is all-important. Some people possess good habits and some bad habits.

The Minister for Mines: You do not know which you have cultivated.

Mr. LAMBERT: I will not attempt to place the Minister in his category; otherwise he may consider me rather harsh. To sit at 2.30 p.m. would occupy time that members give to attending to correspondence and departmental work. If the member for Northam concentrated on our obsolete Standing Orders, he would get farther. All non-contentious Bills, instead of being subjected to a full dress rehearsal, should be referred to a select committee, who could report to Parliament on their merits or demerits and they could then be adopted or otherwise. A Bill may possess merits and be introduced by a member without any backing and it may be thrown out without consideration. That is stupid. I remember the disgust of the member for Nedlands on being refused leave to introduce a Bill. Without attempting to conceal his disgust he picked up his brief and left the Chamber immediately. I cannot conceive of an ingress or egress from a law court ever having constituted a more dramatic or forceful protest than that of the hon. member on the occasion referred to. It is to be hoped that, as a result of the discussion, the Standing Orders Committee will find it convenient to meet once in the three years' life of the Parliament and provide Standing Orders whereby non-contentious legislation may be referred to a small select committee and their report adopted or rejected. If the member for Northam proceeded along those lines his action would result in the saving of money and he would be performing a very useful service. I oppose the motion.

MR. LATHAM (York) [5.35]: I oppose the motion. In 1911 the experiment of meeting earlier was tried. The House met at 10.30 a.m., and the "Hansard" for that session occupied no fewer than four volumes. Instead of the earlier sitting achieving what the member for Northam desires—the discouragement of long speeches—it evidently encouraged them.

Member: Good work was done in that session.

Mr. LATHAM: The late Hon. Frank Wilson was Premier at the time and his Government did very good work. If the hon. mem-

ber had moved to adopt a definite hour for adjourning and to impose a time limit on the speeches of members, he would probably have received considerably more support. The time has arrived when we should direct our attention to the serious business of the House, instead of indulging in much talking. By so doing we would accomplish what the hon. member desires. Ministers here cannot do the work as can Ministers in the other States, where they have rooms adjoining Parliament House. In the Federal Parliament Ministers have their own rooms and their own staffs at Parliament House, and they can retire to their rooms and get on with their business while the House is sitting. The same thing applies in New South Wales. Unless rooms were built at Parliament House to accommodate Ministers, it would be impossible for them to get their legislation ready. The Minister for Mines told us last night that he was waiting for certain Bills of his to be printed.

The Minister for Mines: That is not due to any fault of the printer. The Bills were sent to him only the day before.

Mr. LATHAM: Much time is required to prepare legislation. Ministers have to supervise the preparation of their Bills and see that they express the intentions of the Government, and unless Ministers and their staffs worked at night, we would not get very far. Other Parliaments have met at an earlier hour in the day, but their hours of sitting have been no less protracted than before. Members, carrying out the duties imposed upon them, should give the best of their time to the House and to the country, and I believe they do, but I do not think matters in that respect would be improved by altering the hour of meeting. Some people think that country members have a good deal of spare time on their hands, but that is not my experience. They have quite a lot of work to do for their constituents. They have to meet people arriving from the country, accompany them to departments, introduce deputations to Ministers, and assist in the transaction of business with the departments. I feel sure their time is fully occupied till 4.30 p.m. I do not like long sittings; there is no need for them, and they seldom happen except when stonewalling is indulged in. If we wish to prevent stonewalling, the remedy lies in our own hands. That remedy, however, is not to alter the hours of sitting. It could be provided for

under the Standing Orders—a matter that is within our own power.

Mr. Marshall: You stopped discussion last year without the aid of Standing Orders.

Mr. LATHAM: The Standing Orders were quite sufficient to meet the needs.

Mr. Marshall: I have here the gag produced on that occasion.

Mr. LATHAM: The hon. member had better present it to me as a memento.

Mr. Raphael interjected.

Mr. LATHAM: If any member should be gagged, it is the member for Victoria Park. I hope the motion will not be agreed to. Draft legislation needs the greatest consideration from Ministers, and I hope they will not be prevented from giving it that consideration by providing for meeting at an earlier hour. The administrative work is even more important at the moment than are the laws which we are amending.

MR. MANN (Beverley) [5.41]: I support the motion. I consider that the member for Northam has made a very wise move in tabling the motion. The present hours of sitting make the work much more tedious than it would be if we met at an earlier hour. A Minister often has a deputation at 10 o'clock in the morning and the House that day might sit till midnight. How in the name of goodness he can concentrate on his work during such a long spread of hours, I cannot understand.

The Minister for Works: I had a deputation at 8 o'clock this morning.

The Minister for Mines: I had one before I was out of bed.

Mr. MANN: Towards the end of the session Ministers are obviously worn out through working such long hours.

Mr. Latham: Because they used to keep us here all night.

Mr. MANN: If the use of the gag would obviate that, it might be used more frequently. I would prefer to have the House meet at 11 a.m. and adjourn at 6 p.m.

Mr. Hegney: Did you say 7 a.m.?

Mr. MANN: If the members consisted of farmers, I would approve of 7 a.m. The average business man in the city does not sit over his work half the night. Parliament is the supreme assembly in the State, the maker of laws, and yet the average member comes here at 4.30 p.m.—towards the end of the day—more or less worn out,

and instead of getting his best, we get his worst.

Mr. Latham: I have noticed that the Minister for Works is most active about 10 p.m.

Mr. MANN: The present system is wrong. I think the Minister for Works would appreciate getting home at 9 o'clock at night. It is disgraceful and, in a sense, scandalous that members should come here and attempt to make laws after having given the best of their time and ability to other work, possibly in their private capacity.

MR. WISE (Gascoyne) [5.44]: I support the motion. Perhaps the virtue of it is to be found in many of the arguments raised in opposition to it, but I shall say very little because the mover has covered the ground. It is understandable that those members with interests outside of Parliament can devote the time now at their disposal to their benefit and that that would incline them to oppose the motion. On the other hand it does not benefit their work of making laws for the State if, after they have done a day's work in their own profession or avocation, they come here and give the country merely what is left.

MR. RAPHAEL (Victoria Park) [5.45]: I intend to oppose the motion. Most of my time during the day is taken up with looking after the unemployed in my electorate, though on some occasions my own work takes up the full day. We have been told that some members cannot give due consideration to the subjects that are discussed when the House sits late at night but I have seen several members at the end of the sitting go out on a pleasure jaunt. Judging by the attendance of the public in the galleries occasionally, there is a considerable section who take an interest in the proceedings of the House and their opportunity to attend occurs only in the evening. For that reason, if for no other, we should continue to have evening sittings. I hope that the hours will not be altered.

MR. HEGNEY (Middle Swan) [5.47]: I support the motion because I consider it would be a good thing if the sittings began at an earlier hour. The first duty of members is to the country and their electorates, and the deliberations would not suffer

if the sitting hours were altered as suggested by the member for Northam. It has been pointed out that the sittings of the Queensland and South Australian Parliaments begin early in the afternoon, and I know that the New South Wales Parliament starts sometimes at 11 in the morning and sometimes at 2 o'clock in the afternoon. Later we could carry a motion fixing a definite hour for closing the sitting, just as is done in connection with ordinary avocations. I have no doubt also that most of the wives of members would prefer to have their husbands at home in the evenings, and those members themselves would prefer that, rather than, as the member for Murray-Wellington suggested, having to listen to speeches that are at times dreary. Further, if there were not so many evening sittings members could come into contact more frequently with their electors, if that was desirable. I intend to support the motion because I consider the earlier sittings would be a good move.

MR. BROCKMAN (Sussex) [5.50]: I intend to oppose the motion. As a country member it would be very inconvenient for me if the sitting hours were altered; it would mean that I would be obliged to live in Perth to attend the daily sittings of the House, as it takes me a day and a half to get to my home. I know, too, that there are other members who are similarly situated. It is all very well for the previous speaker to talk about getting to his home to sit by the fireside in the evening. He lives within easy reach of Parliament House. We whose home are far away from the city have a right to be considered. I intend to oppose the motion.

MR. GRIFFITHS (Avon) [5.51]: I am appalled to hear members describe the hardships they suffer by being asked to attend evening sittings of the House, and I am sure the public, too, sympathise with them for having to listen to what have been described as dreary speeches. I should imagine that under the proposed altered conditions speeches would be longer and possibly drearier. When I was first elected to Parliament I too held the idea that if we were to meet at an earlier hour a considerable amount of time would be saved, and that members would then be able to get away at a reasonable hour. Experience has shown that

nothing of the kind can happen. Looking at it from the point of view of Ministers, we must realise that it is difficult enough even now for them to find time to attend to their various duties, without asking them to be present here at an earlier time of the day. The new members who are in favour of the motion hold the views that I held when I was first elected, but I have found out as they, too, will find out, that there will be no saving of time by meeting earlier. I intend to oppose the motion.

On motion by the Minister for Works, debate adjourned.

MOTION—DAIRYING INDUSTRY.

MR. J. H. SMITH (Nelson) [5.55]: I move—

That in the opinion of this House, the Government should give urgent consideration to the position of the dairy farmers in the South West in their relation to the Agricultural Bank and more especially in the bank's relations to the group and soldier settlers.

I regret the unfortunate absence through illness of the Minister for Lands. I assure the Minister and the Government that anything I might say to-night will be said in an honest attempt to assist the Government to arrive at some solution of the difficult problems connected with the dairying industry. It will be remembered that last year I spoke about the disabilities suffered by dairy farmers in the south-western part of the State, and I also touched on the question of the Commission that was appointed to inquire into those disabilities. I do not propose to traverse the whole of that ground again. The member for Sussex (Mr. Brockman) was on that Commission, and he has a fund of information to place before the House. To-day the problem confronting us is a very difficult one, and it is the duty of Parliament to evolve ways and means whereby the position may be relieved. Unfortunately the position is gradually becoming worse. We are aware that a great deal of money, something in the vicinity of eight millions sterling has been spent in developing only one section of the Agricultural Bank activities in the South-West. There has also been spent a considerable amount of money on soldier settlement and other Agricultural Bank activities. We are aware that at the time the Group Settlement Commission was

investigating the affairs of the industry butter fat was realising 1s. 6d. Since that time on the recommendation of the reassessment board no less a sum than £3,160,000 has been written off, and later a further reduction of a million, on account of abandoned holdings. Thus, well over four millions of the taxpayers' money has been lost. At the same time I contend that that four millions has not gone altogether; it will be repaid a hundredfold in the years to come, since we have established the dairying industry and established it for all time. Instead of sending two millions annually to the Eastern States for dairy produce, we are meeting our own requirements and have actually reached the exporting stage. To-day our group settlement commitments are still 2½ millions, and we have to pay, roughly speaking, another £700,000 or £800,000 for accrued interest. To-day it is a physical impossibility for those engaged in the industry to make good. If necessary we could appoint a select committee to be chosen from every section of the House to investigate the matter at once, so as to evolve a way out of the difficulties. Although the Agricultural Bank has declared an amnesty, as it were, that does not go far enough. When the original agreement, in which the three parties—the Imperial Government, the Commonwealth and the State—were concerned, was entered into, we said that we were going to establish the farmers at a cost of £1,000. Since then, when I was speaking on the last occasion, the member for Guildford-Midland said that other agreements had been made. It is true that other agreements have been made, but that does not get us out of our contract, and in my opinion the Imperial and Commonwealth Governments are involved in the immense loss that has been made. If that is not so, the taxpayers will be loaded with it for all time. But even that position would not be so bad if we could give the settlers established on their holdings a ray of hope. However, we find that the best settlers we have on those holdings have become disheartened, have no ambition, no desire to get on, and can see nothing in front of them. Their interest has been accruing, and in consequence many of them to-day have a capitalisation of over £2,000. Every sensible man in the Chamber will realise that with the present prices of commodities it is impossible for those

people to live and be maintained. To-day they are scarcely existing, and they have grown-up sons and daughters practically naked and on the verge of starvation. We have to do something to alleviate that position, and it is to that end I have moved this motion. I suppose the members for Albany, Sussex, Murray-Wellington, Bunbury and Collie, all representing large sections of settlers, have all received numerous appeals pleading for some relief.

Member: Why did you not move this motion last session?

Mr. J. H. SMITH: I moved it last session, and I have moved it each session for years past, in an endeavour to draw attention to the condition of the group settlers, and indeed of the whole of the Agricultural Bank's clients in the South-West. I think everyone will agree that on the present prices of butter fat a man established on the 20-cow basis, if he had no interest whatever to pay, would find difficulty in making both ends meet; I do not think he could do it on the present prices, could not supply his super, maintain his machinery, shoe his horses, and provide medicine and the necessities of life. Yet we have down there in the South-West people receiving only a mere pittance of £4 per month on a 10-cow basis. I am not blaming the department, nor am I blaming the previous Government; I am blaming the economic pressure and the alarming drop in the prices of the commodities that we produce. But that does not get us over the problem. We are losing many of our settlers, who are leaving their holdings and coming to the metropolitan area, where of course they are put on a sustenance basis, and so get some food and perhaps a little clothing as well. Unfortunately, the best class of settlers contemplate leaving their holdings, and I can see nothing ahead if we fail to do something quickly to stop the drift. Recently I talked to the general manager of the Agricultural Bank, than whom no more capable man could be imagined. He said to me, "Can you offer any solution, any way out?" Personally, of course, I cannot offer any solution, but I believe the Parliament of this country should find a way out of the problem. Let us see if we cannot do something in that direction. I hope every member of Parliament will take advantage of the opportunity presented by this motion, seriously and conscientiously to discuss the

subject. Things are gradually going from bad to worse, and in every direction the settlers are grasping at straws. The Government are not attempting to collect bank interest to-day, and so that interest is accruing all the time. Only last year the department, when asked to supply superphosphate to the settlers, said in its wisdom that a man on a 15-cow basis ought to be able to supply his own super, but that the department would assist a 14-cow man in the purchase of superphosphates. The foolishness of that decision lies in the fact that one man with 15 cows may have a lot of scrubbers amongst them, while another man with only 14 cows has a nice little herd and so can earn much more than the man with 15 indifferent beasts, notwithstanding which, the man earning the larger amount is supplied with super, while the other is not. When, last year, the department granted super to a lot of settlers, they left the matter in the hands of their bank officials. I say the bank officials are entirely out of step with the settlers.

Mr. Wansbrough: Not in all instances.

Mr. J. H. SMITH: I say they are. Personally, I think the Minister should transfer the bank officials from one district to another, which would bring about a much better position. In many cases, as the member for Sussex (Mr. Brockman) says, they are not wanted. However, it is impossible to go on under the present conditions. Leaving the group settlements for a moment, let us turn to the position of the soldier settlers. The Minister for Lands met some of them not long ago and agreed that for the next five years he would not collect any interest, so as to give them a chance to rehabilitate themselves. Of course everything depends on the capital value of the holding. If we are going to let the interest accumulate, it does not make the position any easier, in fact it only aggravates it, for the holding over of the interest for five years will increase the capitalisation and so make the burden harder to bear. This takes away a man's ambition, and when you take that away, you take away his all. No man can be expected to do his best and endeavour to make good if he sees that, after years of toil, he is going to be still deeper in the mire. The capitalisation must be written down.

Mr. Wansbrough: Do you suggest this is the proper time at which to write it down?

Mr. J. H. SMITH: We often hear that cry, at all seasons of the year. I am not suggesting this is the proper time, but if it is not, then let us have the Government promise something definite in the statute-book. Let us say that the interest shall be waived for five years, and that at the termination of that period the holdings shall be revalued according to the productivity of the land. That is the only method by which the position can be improved. It is of no use going to the experts of the Agricultural Department, or any other department, for the value of the land is only what the land will produce. If we could have a committee appointed by the House and agree to do something like that, and if at the end of that period the holdings were revalued, it would give everybody in the dairy industry a ray of hope. The holdings of the soldier settlers have been placed on a very high value, some of them up to £25 per acre. Thus those men are encumbered for all time. The present Government and the preceding Government have treated the men fairly liberally, but still they have not a chance of ever making good under existing conditions. I believe the Minister will tell the House that up to £250 in interest has been wiped off various holdings. However that does not relieve the position, for the principal still stands, and the interest is accruing again. An old established farmer comes under Class D. Possibly if he could get some assistance he would be able to make good, but unfortunately the Agricultural Bank is in so sorry a plight that it cannot give any further assistance, and so our Agricultural Bank clients are stranded in every direction. Fruit growing has proved a wash-out this year, perhaps the worst in all our primary industries. Men have sent thousands of cases of prime fruit overseas, expecting 8s. or 9s. per case; one man sent 2,000 cases of the very finest apples, and received in return a debit note.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. J. H. SMITH: The fruitgrowers also come into the problem. They are in the same position as other producers in regard to their exports. I am not going to digress upon that matter, but I thought I would mention it because it is believed that the fruitgrowers have had a glorious time. I also wish to call attention to the newcomer on the land, the man who has been receiving practically no assistance from the Agricul-

tural Bank. Through being on the land, where he is endeavouring to carve out a home for himself and family, he is penalised in every direction. He cannot get assistance from the bank because of the shortage of funds there, and he can get no assistance from the unemployment board. He is not allowed to take on any work. He may have had a small loan of £20 or £50, or even £100, which has been advanced for clearing purposes. He has no stock and no machinery, and has been unable to secure any seed or fertiliser. He is on the verge of starvation, or is actually starving. He must forfeit his land before he can secure any employment under the sustenance conditions. Something must be done for men in such a position. There should be a general inquiry into the whole of the situation. It devolves on every member of the House to see that this is carried out. Of course, there will be some opposition to the motion, but when I have replied to the debate, I will, if the Minister will agree, move for the appointment of a select committee to go into the whole matter. The secretary of the Group Settlement Department, Mr. McCay, when giving evidence before the Group Settlement Commission, said that the average cow was capable of producing 160 lbs. of butter fat per annum, and based on the value of 1s. per lb., this represented an income of £8 from every cow. Actually, the monetary yield is far below that, seeing that the price of butter fat to-day is only 10d. or 10½d. per lb. If a man had 20 cows in the South-West on any Agricultural Bank property, he would have an income not exceeding £160. He cannot be said to have any other source of income. The progeny of his herd is of practically no value. After keeping the calves for 12 months, they only fetch from £1 to 30s. On the average, the progeny would not be worth more than, say, £9 a year to the farmer. In the case of the average property in the South-West, the income would not be more than £180 a year. Very little can be done with that when it is considered that the farmer must maintain his family and clothe them, pay for the upkeep of his machinery, shoe his horses, provide medicine and a dozen other things, and set aside £25 or £30 a year for fertiliser. There is no chance of the Agricultural Bank getting interest from its clients in the South-West, and the interest is therefore piling up. The worst feature of the whole business

is that many good men are leaving their properties, and some who have never tried to make good are remaining on the land because they are getting some small assistance. We are driving the good men off their holdings. I have no time for the man who will not try to help himself. In my electorate there are a few who will never make good, and who make no attempt to do so. It is our duty to help the man who is trying to help himself. Surely the 50 members of this House can evolve some way out of this difficult situation. No less than £3,000,000 has been invested in that part of the State, and there must be some way of getting it back. I am prepared to do anything to assist the Government to find a way out of the trouble. I am constantly receiving letters and telegrams asking what the Government intend to do. The only reply I can give is that Parliament will discuss the question, and that I feel sure something will be done to afford the necessary relief. It is understood some restriction will be placed upon the number of butter factories established. I hope the Government will be firm, and refuse to impose any such restrictions. There is also a move on foot for the passing of legislation to prevent farmers from selling their surplus butter. Settlers frequently make butter for the household, and get in a little ready money by disposing of the surplus. It is desired that the Minister for Agriculture shall prevent farmers from doing this.

Mr. McLarty: They made 2,000,000 lbs. last year.

Mr. J. H. SMITH: I hope they make 10,000,000, so long as it can be disposed of. The South-West Butter Company want some restrictions imposed. On the Address-in-reply debate the member for Murray-Wellington (Mr. McLarty) said he hoped the Government for the future would not allow any more factories to be built without first making strict inquiries. That is a remarkable thing for a member on this side of the House to say. I could easily understand such a remark coming from members opposite, for they believe in the nationalism of industry. It is part of their policy. It is very surprising, however, to find members on this side trying to restrict private enterprise, and desiring to create a monopoly for one section which is supposed to be co-operative, though I scarcely think it is. The company in ques-

tion has made a good deal of money, and has built its factories from the over-run in butter. I asked the previous Government if it was intended strictly to adhere to that Act, and I was informed that it had not yet been applied. Factories have been established in different parts of the South-West, and are paying higher prices for butter fat than other people. And yet the Agricultural Department appear to be going to restrict their number. Apparently some endeavour is to be made to prevent the factories from paying a better price than that fixed by a certain board. Why not permit the competitive spirit to govern the situation? The board in question is not made up of producers, but of sellers of butter.

Mr. Marshall: Is that not a Federal matter?

Mr. J. H. SMITH: It is likely to be a Federal matter. I hope the Minister for Agriculture will not listen to any attempt to discourage private enterprise. We know the butter factory in Northam was closed down, and a Government factory established in Busselton was also closed down. The factories now in the hands of private enterprise are doing a great deal of good. Producers are sending butter fat to them and are receiving better prices than they would get elsewhere.

Mr. McLarty: You are wrong about the Federal matter.

Mr. J. H. SMITH: The price of butter fat is based on the price of butter in the Old Country. The growers are receiving only between 9d. and 10½d. per lb. for butter fat. A pound of butter fat makes 1¼ lbs. of butter, and yet there is a difference of 4d. or 5d. between what the producer gets and what the consumer pays. Despite that, restrictions are to be placed upon the trade. I have pointed out that five millions of money have already been written off properties in the South-West, and this must represent an additional tax upon the people. Group settlers' holdings have been written down to the extent of over four million pounds, and accrued interest amounting to about £700,000 is owing. On a capitalisation of £1,700 per holding, there is no incentive to go on, and settlers do not know where they are. If the member for Albany (Mr. Wansbrough) were to suggest a

re-valuation of the properties, I would reply that that was not the point, but that we should waive the interest.

[Resolved: That motions be continued.]

Mr. J. H. SMITH: I do not wish to trespass further upon the time of the House. Hon. members have heard my arguments, and know the deplorable conditions under which dairy farmers and Agricultural Bank settlers in the South-West are labouring to-day. Something must be done. Things cannot go on as at present if those people are to remain on their holdings. I know that the pressure bears with equal weight on the wheat grower and the wool grower. Before the session closes, some action in the direction suggested by my motion must be taken. Personally I hold that Western Australia has a claim upon the Imperial and Federal Governments to meet half the losses incurred. Our taxpayers cannot and should not bear the entire burden. People were brought from 12,000 miles overseas on a promise to make successful farmers of them at a cost of £1,000 each. One result was that thousands of men came who should never have left their shores. Many former group settlers are an incubus on the State; in fact, they are on sustenance because they see no future. On the other hand, very many of the group settlers are good workers, but are looking for sustenance owing to the conditions prevailing on the settlements. After the motion has been debated and the Minister has had an opportunity of replying to my statements, I shall move for the appointment of a select committee to inquire into the ramifications of the dairying industry in the South-West and also Agricultural Bank operations there.

On motion by the Minister for Agriculture, debate adjourned.

MOTION—HEALTH ACT.

To disallow By-law.

Debate resumed from the 9th August on the following motion by Mr. Sampson—

That the new By-law No. 16a, made in Part VII. of the Model By-laws under the Health Act, 1911-1926, published in the "Government Gazette" on the 3rd February, 1933, and laid upon the Table of the House on the 19th July, 1933, be and is hereby disallowed.

THE MINISTER FOR HEALTH (Hon. S. W. Munsie—Hannans) [7.50]: While the mover was speaking I asked, by way of interjection, "Why waste the time of the House in moving a motion that cannot possibly be operative?" However, the mover continued. If the Chamber carries the motion unanimously, still it can have no effect whatever. The model by-law, of which the disallowance is moved, has no effect in law. The only effect of gazetting a model by-law is that any local authority desiring to do so may adopt that model by-law, which thereupon becomes a by-law of that local authority. It is the adopted by-laws which the hon. member should have moved to disallow, and not the model by-law. As regards any set of by-laws laid upon the Table and including the model by-law in question, any hon. member can move for disallowance. However, I do not wish to take advantage of the uselessness of the motion.

Mr. Sampson: The uselessness of the motion is a moot point.

THE MINISTER FOR HEALTH: When notice was given of the motion, the departmental officers informed me that it could not possibly have any effect; and the Crown Law Department have expressed exactly the same view. To-day I have laid on the Table two more of these by-laws which have been adopted by local authorities. The model by-law here in question was suggested by the Health Department, and was published in the "Government Gazette" of the 3rd February last so that all local authorities might be aware of it and, if they so desired, adopt it.

Mr. Sampson: You draw a distinction, but there is no distinction in the Constitution.

THE MINISTER FOR HEALTH: Yes, there is; and therefore the motion cannot possibly have any effect. If it were carried, another motion would have to be carried to disallow the by-law. Dozens of gazettals have taken place since the 3rd February; notifying actual adoption of the model by-law by local authorities. Before the adoption of the by-law by any local authority, its mere gazettal had caused some concern to certain people—principally auctioneers and agents at the Perth markets. They sent a deputation to me. I had received a legal opinion to the effect that the model by-law would render liable the auctioneers who sold the vegetables. That was never intended. According to legal advice, the model by-law makes the auctioneer liable.

Mr. Sampson: From that standpoint it is impracticable.

THE MINISTER FOR HEALTH: After hearing the views of the deputation, I decided that it was necessary to amend the model by-law so that auctioneers would not be liable. An amendment has been drafted, and is now in the hands of the Crown Law Department. Probably it will be gazetted next week. It will make an addition freeing any auctioneer selling vegetables from liability under the model by-law, which has been adopted by over 80 per cent. of the local authorities.

Mr. Sampson: Those adoptions have not been laid on the Table.

THE MINISTER FOR HEALTH: Yes.

Mr. Sampson: But there are 123 road boards in the State.

THE MINISTER FOR HEALTH: If the hon. member will look at the by-laws laid on the Table, he will find that there is an immense number of them. One Executive Council minute sometimes includes four or five by-laws.

Mr. Sampson: Up to the present, there are not 30.

THE MINISTER FOR HEALTH: Will the hon. member keep quiet, if it is possible for him to hold his tongue for a few minutes.

Mr. Sampson: I cannot allow a statement like that—

Mr. SPEAKER: Order!

THE MINISTER FOR HEALTH: The hon. member will have ample opportunity to reply later. If he had only waited until the various by-laws had been laid on the Table of the House, he would have had something to go on. I could sit down and simply let the House carry the hon. member's motion, because it would have no effect whatever. However, I wish to inform hon. members why the by-law was promulgated.

Mr. Lambert: The model by-law?

THE MINISTER FOR HEALTH: Yes. The reason was the attitude, at the first onset, of the Agricultural Department and its chemists in advising an analysis for the purpose of preventing vermin, grubs and so forth from destroying vegetable crops. The spray advised was one of arsenate of lead. In November last the attention of inspectors at the Perth City markets was drawn to cabbages and cauliflowers which were covered with a white substance. They did not know what that white substance was, and so decided to take a cabbage and have a

test made. The test was made, and the white substance was discovered to be arsenate of lead. As a consequence, the inspectors refused to allow vegetables so treated to be sold. A cabbage taken at random was sent to the Government Analyst, and analysis showed that in the outside leaves there was .56 of a grain, more than half a grain, of arsenic to the pound of cabbage. When it is realised that the regulations under the Health Act dealing with foods and drugs prohibit more than one-hundredth part of a grain of arsenic in foodstuffs, members will agree that the discovery of over half a grain of arsenate of lead on the outside leaves of a cabbage demanded that something should be done.

Mr. Thorn: That is not a fair comparison.

The MINISTER FOR HEALTH: Members will agree that it is time something was done to stop the practice. The officers of the Health Department do not desire to prevent men from growing cabbages or killing insect pests that affect their crops. All the regulation requires is that the gardeners shall not spray with arsenate of lead within four weeks of the marketing of the vegetables. The regulation goes further, and does not prevent the gardener from spraying the day before he markets the vegetables, provided that he washes them.

Mr. Ferguson: In that event, you could not tell when the vegetables had been sprayed.

The MINISTER FOR HEALTH: Probably in some instances, it would not be possible. In Queensland a similar by-law is in operation although with slightly altered wording. The Queensland by-law sets out that no arsenate of lead spray shall be used from the time the leaves start to curl inwards, the reason being that if the leaves were sprayed at that stage, the arsenate of lead would be impounded in the heart of the cabbage, lettuce or cauliflower when the leaves curled inwards. Instead of that, our regulation prescribes that the spraying must not be done within four weeks of the vegetables being marketed. Hon. members will realise that if the cabbage on which over half a grain of arsenate of lead were discovered, had been sold and used in a restaurant in Perth, where the people do not take much trouble about washing vegetables and, in some instances, chop them up straight away for soup, there would probably have

been a serious outbreak of arsenical poisoning. Fortunately that did not happen. Within the last few weeks, a child died in Melbourne from arsenical poisoning as a result of eating an apple that had been sprayed with arsenate of lead.

Mr. Thorn: That is rather remarkable.

The MINISTER FOR HEALTH: That emphasises the necessity for some action being taken, particularly in Western Australia, where we have many market gardeners who do not understand the English language very well. They are told what to do with the spray, but they have not much knowledge of the quantities to put into the spray.

Mr. Ferguson: They are pretty economical, and do not use too much.

The MINISTER FOR HEALTH: The fatality in Melbourne was caused through the child eating an apple, skin and all, and the arsenic was located near the stalk. I believe the health officials have acted correctly in endeavouring to prevent anything of the sort from happening in Western Australia. The medical authorities say that, for medicinal purposes, arsenic can be taken in doses varying from one-sixty-fourth to one-fifteenth of a grain, and the poison must be taken very carefully and spread over considerable periods. Yet over a quarter of a grain of arsenic was found in 1lb. of the outside leaves of a cabbage! If the officers of the Health Department, in view of that discovery, had done nothing, and had allowed vegetables in that condition to be marketed, they would not be worthy of their positions. It was their bounden duty to prevent it, and that is all they have done. I shall not say much more because I am wasting time, seeing that if the motion be agreed to, it cannot have any effect. Someone would have to move to disallow the whole by-law before it could have effect. If members have that in view, I suggest that before doing so, they get together those who desire action taken regarding the by-law, and that they confer with the officers of the Health Department, with a view to framing a by-law that will be acceptable to all concerned. I urge them not to consider the cancelling of the by-law so as to allow vegetables in the condition I have indicated to be marketed to the danger of the public. It has been said that no vegetables or fruit will be grown if the regulation remains in force. A similar regulation

remains in force. A similar regulation has been in force in Queensland for 2½ years, and the growers there are still producing fruit and vegetables. I have three cuttings from a Queensland newspaper, two of them respecting notifications from the Chief Secretary, who is in charge of the Health Department in that State, and the other deals with a statement made by the Premier himself. These statements refer to objections emanating from Melbourne on account of apples from Victoria having been condemned in Queensland because they were covered with arsenate of lead. The Queensland Government, so far as I know, have no intention of relaxing the regulation and all apples that are sent to Queensland must be in a condition that complies with the Queensland regulations. I desire to refute one argument that has been raised. I know that the officers of the Agricultural Department are opposed to the by-law in question, and they say it will prevent them from spraying to combat the fruit fly. Such a statement is sheer nonsense! The regulation will not have that effect at all. Even if it did, and the officers of that department cannot regulate the quantity of arsenate of lead in spray for fruit fly so as to protect the health of the community, then that effort should be stopped as well.

Mr. Lambert: Can you enforce the peeling of apples by way of regulation?

The MINISTER FOR HEALTH: No, and if I saw the hon. member eating an apple, I would see to it that it was peeled because I do not desire to lose his company. I have quoted from the report submitted to me by the Government Analyst, and my statements are in accordance with facts.

Mr. Needham: What is the effect of the amended by-law that the Minister has tabled?

The MINISTER FOR HEALTH: It will exempt from any blame all those who handle or sell in the markets.

Mr. Ferguson: It saves the agent and hits the producer.

The Minister for Works: It hits the man who does the job.

The MINISTER FOR HEALTH: There is the man who produces vegetables for sale at the city markets and every agent or auctioneer knows where the vegetables come from and who is the grower. The

Health Department require, under the regulation, that, should an inspector trace an overdose of arsenic on vegetables submitted for sale at the markets, the agent or auctioneer shall advise the name of the grower. Those concerned are willing to co-operate to that extent. I do not care who the grower may be, but if any grower sends in to markets vegetables each of which is covered on the outside with half a grain of arsenate of lead, he should be stopped, in the interests of the health of the community, from growing vegetables.

Mr. Sampson: The Minister would not take action against all?

The MINISTER FOR HEALTH: I do not want all the members of the Nationalist Party to be wiped out: there is no personal feeling on my part at all. My job is to protect the health of the public, and I applaud the officers of the Health Department for taking steps to cope with this difficulty before any serious epidemic occurs. They would have been lacking in their duty had they not taken the necessary action. I again suggest that before any action is taken, those concerned shall confer with the officers of the Health Department with a view to the framing of a regulation that will meet all requirements.

MR. LAMBERT (Vilgarn-Coolgardie) [S.13]: I do not know whether we need be concerned about the merits or demerits of the regulations that the Minister has laid on the Table. The member for Swan (Mr. Sampson) has moved to disallow certain model by-laws which, I presume, have been drafted under the provisions of the Health Act. Section 36 of the Interpretation Act, which deals with such matters, reads—

(1) When by any Act it is provided that regulations may or shall be made and—

(i) it is provided that such regulations may or shall be made by the Governor; or
(ii) it is not provided by whom such regulations may or shall be made,
any regulation made under or by virtue of such provision—

(a) shall be made by the Governor;
(b) shall be published in the "Gazette";
(c) shall, subject to subsection (2) hereof, take effect and have the force of law from the date of such publication, or from a later date fixed by the order making such regulation;

(d) shall be laid before both Houses of Parliament within 14 days after such publication, if Parliament is in session, and if not, then within 14 days after the commencement of the next session of Parliament.

Subsection 2 of Section 36 deals with the disallowance of regulations by Parliament. It is competent for any member to move that a regulation be disallowed.

The Minister for Health: I have said that all along.

Mr. LAMBERT: The Minister said more than that; he said that the model by-laws have not the effect of law.

The Minister for Health: And I still say it.

Point of Order.

Mr. Lambert: Then I submit that the motion is out of order. The only regulation for the disallowance of which the hon. member could move is one that would stand and have the force of law. I should like your ruling, Mr. Speaker, as to whether the motion is in order. If the Minister for Health is right, the motion is not properly before the House and should not be discussed.

Mr. Speaker: The hon. member asks for a ruling?

Mr. Lambert: Yes, in view of the Minister's statement that the regulation would have no effect.

The Minister for Health: What I said was that the allowance or disallowance of the motion of the member for Swan would have no effect.

Mr. Lambert: On a point of order, I ask whether the motion is properly before the House.

Speaker's Ruling.

Mr. Speaker: Under Section 295 of the Health Act, 1911-26, the Governor may cause model by-laws to be made. Such by-laws may be adopted by any local authority by resolution and such resolution shall be published in the "Government Gazette." No provision is made that those resolutions shall be laid before Parliament. The Act provides for regulations and by-laws. Subsection 5 of Section 36 of the Interpretation Act stipulates that the term "regulation" includes rule and by-law. Section 298 of the Health Act provides that all regulations and by-laws shall be laid before both

Houses, and Section 299 provides for disallowance by resolution. If it is claimed that model by-laws cannot be disallowed, then Parliament has no control over that form of legislation. I am not in a position to say whether a model by-law comes within the scope of Parliament or not, but certainly no provision is made under the Act for the laying of model by-laws on the Table.

Mr. Sampson: Would not by-laws include model by-laws?

Mr. Speaker: In my opinion the interpretation of "rule and by-law" does not include model by-law. If a ruling is required, I should say that the motion is not properly before the House, because we have no jurisdiction, so far as I can see, over model by-laws.

Mr. Lambert: I take it for granted you will rule the motion out of order?

Mr. Speaker: My ruling would be that the motion is out of order, but I am prepared to hear discussion.

Mr. Sampson rose to speak.

Mr. Lambert: On a point of order, I submit that the member for Swan has no right to speak unless he moves to dissent from your ruling.

Mr. Speaker: I propose to rule the motion out of order, but I am prepared to hear discussion before formally giving my ruling.

Mr. Lambert: Would not that establish a dangerous precedent?

Mr. Speaker: It is proper to discuss a ruling of the Chair.

Mr. Lambert: Only on a motion that the ruling be disagreed with.

Mr. Latham: May I direct attention to the notice in the "Government Gazette" of the 3rd February, 1933, page 193, as follows:—

The Health Act, 1911-1926.

Amendment of By-laws.

In pursuance of the powers vested in me by Section 16 of the Health Act, 1911-1926, I, Everitt Atkinson, Commissioner of Public Health, do hereby make the following amendment to the model by-laws as made by the Governor on the 8th day of April, 1927, under Section 295 of the said Act, and adopted by me with modifications on the 9th day of May 1927, and published in the "Government Gazette" of the 3rd day of June, 1927, to the intent that such amendment shall be read as one with the by-laws so adopted by me and shall take effect on publication in the "Government Gazette."

I submit that the by-law comes under the Interpretation Act quoted by you. The notice then proceeds to state that Part VII. is amended by the addition of a new by-law, not a model by-law.

Mr. Speaker: The motion of the member for Swan is to disallow a model by-law. That is all we are discussing.

The Minister for Health: I have the following opinion—

Under the provisions of the Health Act, Section 295, model by-laws may be made and published in the "Government Gazette," but these model by-laws merely as such have no legal effect whatsoever. They are not effective unless a local authority adopts such, and the resolution adopting a model by-law has the effect of making that a by-law of the local authority. Therefore the disallowance of a model by-law by Parliament also has no legal effect, and if the House desires to disallow any or all of the by-laws made by numerous local authorities on the lines of the model by-law on the subject, then it would have to disallow the by-laws adopted by the various authorities. The model by-law in question was published in the "Government Gazette" on the 3rd February, 1933, and since that date a considerable number of local authorities have adopted it, and their resolutions, which have the necessary legal effect, have been published in the "Gazette." It is the subsequent gazettal that should be annulled if the object aimed at by Mr. Sampson is to be achieved.

The hon. member is moving to disallow a model by-law, which motion would have no effect whatever.

Mr. Speaker: It may facilitate discussion if I formally rule the motion out of order. Then some member can move to dissent and the discussion can proceed. It is a very intricate matter.

Dissent from Speaker's Ruling.

Mr. Latham: I move—

That the House dissents from the Speaker's ruling.

I consider that there has been an evasion of the Interpretation Act, whether rightly or wrongly, I do not know. Section 295 of the Health Act begins—

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

They were placed before the Executive Council on the 3rd February, and the very fact of their being presented to the Gov-

ernor-in-Council brings them under the Interpretation Act. There is no reason why the Commissioner of Health, or any officer authorised by Act of Parliament to do so should not submit by-laws and have them gazetted for adoption, but I claim that as they were sent to the Governor-in-Council, they become exactly the same as by-laws provided for under the Interpretation Act, namely, they become a law. Whether they are put into operation or not is immaterial. A mistake was made, I think, by the Commissioner of Health, in submitting them to Executive Council. All he has to do is to have them published in the "Gazette." The fact of his having sent them to the Governor-in-Council makes them binding under the Interpretation Act.

The Minister for Health: How about the provision that they must be adopted by the local authority in whole or in part?

Mr. Latham: The Commissioner was not expected to send them to the Governor-in-Council, and the fact of his having done so brings them under the Interpretation Act. I contend that the by-laws were made by the Governor-in-Council, and the fact of their having been made by him, published in the "Gazette" and laid on the Table fulfils the requirements of the Interpretation Act. The officials have been over-zealous in their work in submitting them to the Governor-in-Council when they need not have done so. Having been so submitted, however, they have the effect of law. I believe that the Commissioner himself could enforce them without asking the local authorities to do so. Perhaps the Minister will answer this question. In a great deal of territory there is no local government authority, the Health Act being administered by the Minister himself. Cannot the by-law framed by the Commissioner of Public Health be enforced in such territory without any further notification, or is it necessary for the Commissioner of Public Health to gazette a statement to the effect that he accepts his own by-law?

The Minister for Health: The Commissioner of Public Health would have to publish his intention to apply the by-law in a certain district.

Mr. Latham: I do not think so. If the Commissioner had merely framed the by-law and gazetted it, it would have had no force in law; but, having been submitted to the Governor-in-Council, it has the force of law.

For that reason, Mr. Speaker, I disagree with your ruling.

Mr. Sampson: When the by-law had gone before Executive Council and had been gazetted, it became law. I submit that wherever the Commissioner of Public Health is the authority, this by-law would ipso facto become law. Various local authorities have by resolution adopted the model by-law.

The Minister for Health: Yes, and it becomes a by-law immediately they do so. It is not a by-law until then.

Mr. Sampson: For what purpose are by-laws approved by the local authorities laid on the Table of the House? On the Minister's argument, the proceeding becomes farcical, no service being rendered by it to anyone. If your ruling, Mr. Speaker, were upheld, it would mean that the laying of these papers on the Table did not confer upon members any opportunity to move disallowance. I fail to understand the fine distinction which the Minister has attempted to draw. I take it the word "by-law" includes model by-law. Whenever a by-law is laid on the Table of the House, the duty of a member desiring to have it disallowed is to move to that effect.

The Minister for Health: I ask the Leader of the Opposition and the member for Swan how it is possible to move to disallow a by-law that is not in existence. The model by-law was only adopted as a model by-law on the 3rd February, 1933. At that time no local authority in the whole of Western Australia knew anything about the model by-law. Only the Commissioner of Public Health knew about it.

Mr. Sampson: But as regards the area over which the Commissioner has jurisdiction—

The Minister for Health: Even there it would not come into force except by a further gazettal. What was gazetted on the 3rd February last was merely the model by-law which local authorities might adopt. Every one of the by-laws laid on the Table is of subsequent date. The section of the Health Act empowering the Commissioner to frame model by-laws provides distinctly that he must submit them to the Executive Council.

Mr. Latham: Section 295 does not say that.

The Minister for Health: Let the hon. member look at some of the other sections. I have no doubt, Mr. Speaker, that your ruling is correct. The mover of the motion can obtain the dates of the by-laws laid on the

Table and move that those by-laws be disallowed, if he wishes to take action in that direction. If no local authority had adopted the model by-law, no by-laws would have been laid on the Table. The hon. member can now give notice to move disallowance of the by-laws I laid on the Table to-day; as regards the others he is too late.

Mr. Ferguson: Was there not a prosecution under the by-law as regards the cabbage which has been mentioned?

The Minister for Health: If there was a prosecution and a fine, the hon. member interjecting is the only man in this State who knows it. There was no power to prosecute then, no by-law under which to prosecute. The cabbage was seized because it was believed to be infected with arsenate of lead, and it was in fact found to be so infected.

Mr. Sampson: Would the model by-law become law only in those districts that adopted it?

The Minister for Health: Yes.

Mr. Sampson: That, I say, is what makes the by-law so immoral and wicked.

The Minister for Health: Every by-law made by the Health Department has been made in exactly the same way as this one. The member for Swan was Minister for Health over a period of 12 months, and I venture to say he laid on the Table fully a dozen by-laws made in exactly the same way as this one.

Mr. Sampson: Then the system should be altered as soon as possible, because there is differentiation.

The Minister for Health: It is remarkable that the hon. member did not find that out while Minister.

Mr. Speaker: Order! Hon. members are discussing a ruling of the Speaker, not a question of law.

The Minister for Health: I am sure the House will support your ruling, Sir. No other ruling could be given. This House has no right to waste time in discussing a motion which can have no possible effect.

Motion (to disagree to the Speaker's ruling) put and negatived.

MOTION—DOUGLAS CREDIT PROPOSALS.

Debate resumed from the 16th August on the following motion by Mr. North:—

That this House urges the Government to explore fully the means of escape from our present trouble indicated by Major Douglas—

and on the following amendment by Mr. Tonkin:—

That all words after "to" be struck out and the following inserted in lieu:—"inquire into the mechanism of the economic system in order to discover whether our present trouble is due, as Major Douglas asserts, to a discrepancy between the price of goods and the purchasing power issued against them, or to the unequal distribution of income."

MR. LATHAM (York) [8.43]: I do not know, Sir, whether you will confine me entirely to the amendment?

MR. SPEAKER: Yes.

MR. LATHAM: That makes the position very difficult for me.

MR. SPEAKER: I regret it, but I can only apply the Standing Orders.

MR. LATHAM: In addition, it is difficult to distinguish between the motion and the amendment. I wish to discuss the assertions of Major Douglas.

MR. SPEAKER: I shall inform the hon. member when he is out of order.

MR. LATHAM: The investigation which the House is asked to make would be extremely wide. An investigation would be far easier if our economic troubles were confined to Western Australia, but unfortunately they are not only Australia-wide, but Empire-wide. Consequently it will be difficult to follow the investigation to its logical conclusion. Further, I doubt whether there is in Western Australia any person whose qualifications are equal to those of men who have already investigated the question. On the 5th November, 1929, a committee was appointed by the House of Lords to investigate the matter. The personnel of the committee embraced eminent men, including Lord MacMillan, Sir Thomas Allen, Lord Bradbury, Hon. R. H. Brand, Professor Gregory, Mr. J. M. Keynes, Mr. Lennox B. Lee, Mr. Cecil Lubbock, and the Right Hon. Reginald McKenna. While hon. members may disagree with the views of some of those men on the ground that they are orthodox economists, I think it will be admitted that we have no one in this State capable of carrying out an inquiry, such as is suggested in the amendment, who could possibly submit a report such as the Macmillan Committee were able to compile.

MR. NORTH: But it was an inquiry on banking.

MR. LATHAM: The committee inquired into practically every phase. It is useless

for the member for Claremont (Mr. North) to make such a statement, because it merely gives me an opportunity to tell the House what the scope of the committee's inquiries amounted to. They were called upon to inquire into "banking, finance and credit, paying regard to the factors both internal and international which govern their operations, and to make recommendations calculated to enable these agencies to promote the development of trade and commerce and the employment of labour."

MR. NORTH: That is not what my motion means.

MR. LATHAM: I am not discussing the hon. member's motion at the moment, because I have to confine myself to the amendment. It is useless for the member for Claremont to keep on interjecting and suggesting that the inquiry was confined to banking. I should say that the references of the committee covered all the ramifications possible. They were as wide as the world in respect of the problems the committee inquired into. There is no doubt they had an opportunity to cover not only the matters mentioned in the amendment, but those dealt with in the motion as well. The MacMillan Committee submitted a report in 1931, so that practically two years were occupied in the inquiry. A large number of prominent men were called to give evidence, and I would like members to know who some of them were because it will afford the House some idea of the extensive inquiry that was conducted. I propose to refer to some of those who were called to give evidence. I find they included the following—

MR. J. R. BELLERBY; **MR. EDWARD BERKELEY**, representing the National Union of Manufacturers; **MR. W. H. BOLTON**, representing the Economic Freedom League; **PROFESSOR A. L. BOWLEY**; **MR. W. H. CATERALL**, representing the Federation of Master Cotton Spinners' Associations, Ltd.; **MR. COLIN C. CLARK** and **PROFESSOR HENRY CLAY**; **COLONEL SIR GEORGE SOUTHOPE** and **MR. C. DAMPIER-WHEATHAM**, representing the Central Landowners' Association; **MR. T. G. DAVIES**, representing the Joint Parliament Committee of the Co-operative Congress; **MAJOR CLIFFORD HUGH DOUGLAS**, M.I.Mech.E., M.I.E.E.; **MR. T. DRIVER**, representing the Federation of Master Cotton Spinners' Association, Ltd.; **MR. R. H. FOA**, **MR. R. G. GLENDAY**, representing the Federation of British Industries; **MR. E. A. GOLDENWEISER**, **DR. JACOB GOLDSCHEIDT**, **MR. F. C. GONDENOUGH**, of Barclay's Bank, Ltd.; **SIR W. H. N. GOSCHEN**, of the National Provincial Bank, Ltd.; **SIR W. GUY GRANET**; **PROFESSOR HALL**, of the Joint Parliament Committee of the Co-operative Congress; **MR. S. S. HAMMERSLEY**,

of the Federation of Master Cotton Spinners' Associations, Ltd.; Sir Ernest Musgrave Harvey, of the Bank of England; Sir Richard Hopkins, of His Majesty's Treasury; Mr. Frederick Hyde, of the Midland Bank, Ltd.; Sir M. W. Jenkinson; Sir Otto Neimeyer; the Right Hon. Montagu C. Norman, of the Bank of England.

Mr. Marshall: Was their evidence for or against?

Mr. LATHAM: There was no such thing as "evidence for or against"; it was merely a matter of investigation and these gentlemen gave evidence.

Mr. Marshall: What was the nature of their evidence?

Mr. LATHAM: I shall not weary the House by dealing with the whole of the evidence. If I did I would be longer in my remarks than members would desire.

Mr. Marshall: Those witnesses may have been prejudiced.

Mr. LATHAM: It will be admitted that the MacMillan Committee had an opportunity to make a far more thorough investigation than would be possible for any Commission in Western Australia.

Mr. Hawke: What was the substance of the committee's report?

Mr. Cross: What did they recommend?

Mr. LATHAM: No doubt the member for Northam (Mr. Hawke) has studied the Macmillan report. It is an extensive document and I shall not weary the House by going through the committee's recommendations. I shall have something to say about what Major Douglas said when he gave evidence before that body. I shall not read the whole of his testimony; Major Douglas gave both written and oral evidence. I shall deal merely with a few things that he had to say.

Mr. North: You will take certain selected passages.

Mr. LATHAM: No doubt the member for Claremont (Mr. North), when delivering his speech to which I listened with great pleasure, dealt with certain phases of the Douglas credit proposals to suit him in the case he was endeavouring to make out. Major Douglas, as I have already pointed out, gave both written and oral evidence. In question 4389 the chairman of the committee (the Rt. Hon. Lord MacMillan) said—

We have all read your diagnosis of the position, but I confess I should like to take advantage of your being here to-day to hear from you what is your practical remedy. We, as a

committee, have got to make practical recommendations. If you can imagine yourself in my unhappy position, as the person who is presiding over the body which has to make the recommendations, what would your practical recommendations to the country be to give effect to your view, and remedy this inherently wrong position?

To that Major Douglas replied—

Well, I am afraid my training and experience as an engineer make me want to hedge on that point. I should say that what I should first want to do would be to examine the situation very closely—more closely than in my position I am able to do.

Mr. North: That does not sound like a crank, does it?

Mr. LATHAM: I did not suggest it did. I do not like the hon. member's interjections, because I will be charged with having said that Major Douglas is a crank. I could not possibly say that about him. I have had no opportunity of knowing him, except through reading his books. I would not dare to suggest, from my knowledge gained from the reading of those books, that Major Douglas was a crank. If the member for Claremont will be as quiet as I was while he was speaking, we will get through much more quickly. The report of the evidence shows that Major Douglas replied to questions put to him by the chairman as follows:—

4390. We are in that very process of examining the position, and we would like your help?—Broadly speaking, I have a very clear idea of what has to be done.

4391. Will you tell us what your clear idea is?—You have to equate the available purchasing power of the community to the collective prices of the goods for sale.

4392. That is, of all the products of industry?—Yes, of all the products of industry which are available for sale.

In the answer to the next question Major Douglas proceeded to explain what could be done if some existing mechanism could be used to lower prices without the results that usually follow, and concluded with the following statement—

If you can lower prices and leave the money in the pockets of the buyer you will produce exactly the same result of equating the purchasing power to prices without the evils of inflation.

Professor Gregory asked Major Douglas how he proposed to do it, and Major Douglas replied—

How do I propose to do it? Well, I should again repeat the caveat that I entered first of

all, that if I were a dictator, I should want to examine the situation a little more closely, but it is quite possible to use the powers of creating credit in aid of a reduction of prices.

Mr. Brand asked him in what way he meant, and if it were by bank credit, to which Major Douglas replied—

Yes, the basis of and the justification for bank credit is the fact that you immediately improve credit.

Major Douglas set out a table in a simplified form to indicate what he actually meant. In answer to a question Major Douglas said he had worked out a scheme but that it was not final. In his answers to questions 4437 and 4438, Major Douglas explained how his scheme would work, by referring to the purchase of a motor car in the following terms—

Suppose that you sold a motor car for £100—we will make it an easy figure to keep it in mind—the consumer would pay £100 as at the present time and receive an account for it. He would be given a receipt for the £100. He might conceivably turn that receipt into the bank, which would credit his account with, let us say, £25. The bank might collect the whole of those consumers' credits at a suitable period and hand them over to some Government department like the Treasury, which would credit the bank with the amount that it had credited the consumer. That would finish the transaction so far as the mechanism was concerned, and the result of that would be that you would have credited to the consumer a proportion of the general credit of the country which, by hypothesis, is his already, but not credited to him. The result of that would be the lowering of the price of the motor car in that case by 25 per cent. and there would be an increased sale of the motor cars, or, let us say, an increased sale of all goods because he would have £25 more to spend on other goods.

Major Douglas agreed that he advocated the creation of communal credit against bank credit and Mr. Lubbock, reverting to the purchase of the motor car, asked questions, to which Major Douglas replied as follows:—

4532. I would like to be quite clear about the £100 motor car, the concrete instance. As I understood it, at the end of it, the purchaser of the motor car, had a credit in my bank for £25, and my bank had a credit in the Treasury books for £25?—Yes.

4533. Can the bank draw that from the Treasury if it wishes to do so? Would you allow the Treasury to print notes and issue them to the bank and the person with the credit to get them from the bank?—If it were required. Of course, the number of notes required would depend upon the volume of business which was conducted.

4534. I, having the credit in the bank, might wish to withdraw notes from the bank to make a purchase?—If you wanted, you could have the notes.

4535. So really, in effect, I should have bought the motor car for £75 of my own money, and £25 supplied by the Treasury via my bank?—Yes, and that £25 is the general credit of the country.

That means that Major Douglas suggested that the people would be able to buy an article worth £100 for £75, the difference being made up by the Treasury.

Mr. Wansbrough: Where would the Treasury get the money from?

Mr. LATHAM: The Treasury would print notes. I hope, before I have concluded my remarks, to show that, in my opinion, the Douglas theory represents nothing but inflation of the worst description. This is the only time I have been able to trace any record of Major Douglas having been secured to give evidence before an inquiry. For the benefit of members sitting on the Government side of the House—I have no doubt they have read the article to which I shall refer—I shall point out that the Labour Party in the House of Commons conducted a very searching inquiry into the Douglas proposals and the executive prepared a report that has been published.

Mr. North: When was that?

Mr. LATHAM: In 1928 or 1929. The executive appointed a committee consisting of Messrs. Sydney Webb, R. J. Davies, Frank Hodges and F. B. Varley, all of the National Executive, together with Messrs. G. D. H. Cole, Hugh Dalton, J. A. Hobson, C. M. Lloyd, R. H. Tawney, and Sir Leo Chiozza Money. The committee had the advantage of the active co-operation of an experienced banking official. I do not think the member for Claremont will regard Mr. Cole, for instance, as an orthodox economist. In the course of a report that was published regarding the Labour Party's inquiry, there appeared the following:—

The financial crisis has been a Godsend to the monetary cranks. Even the Douglas credit enthusiasts are once more becoming a bit of a nuisance. Unfortunately the report on the subject issued by the Labour Party some years ago is now out of date ("Labour and Social Credit"); and while we grudge the space, the following extracts from the report will probably be useful to those who are being pestered.

That statement was published in the Labour paper in England. The following paragraph sums up what they had to say about it:—

The constructive proposals based upon this theory seem to us as unstable as the theory itself. Simply expressed, they are as follows:—All consumable goods (or, if the scheme is introduced gradually, as its supporters claim that it could be, those to which the scheme is to be applied) are at the outset to be sold below their cost of production. How much below cost this price is to be fixed, depends upon how far total national production exceeds total national consumption. This is to be statistically determined from time to time by authority, and prices are then to be fixed in accordance with the formula—

$$\frac{\text{Price}}{\text{cost}} = \frac{\text{total national consumption}}{\text{total national production.}}$$

Thus, if we were, as a nation producing (including in production capital appreciation and imports) twice as much as we were consuming, prices would be fixed at one-half of cost. Manufacturers are to be recompensed for the difference between the prices which they receive from consumers and their total costs by an issue of Treasury notes from the Government.

In our view this whole conception is not only impracticable, but also based on a series of fallacies. We can see no reason why selling prices should be fixed below actual cost of production, merely because the whole community finds itself consuming less than it is producing. It may be expedient for the community to accumulate some of its product for future enjoyment; for instance, to store a surplus crop of wheat in national granaries against a lean year; but the introduction of the proposed price-fixing ratio would, if it were effective, make this very difficult.

Nor can we understand how the aggregate surplus of production over consumption of the whole nation can be computed. It is impossible to add together yards of cotton, tons of coal, gallons of milk, and additional cottages, schools and factories, otherwise than in terms of money; and the money valuation is itself dependent on the price to be set upon each of the different commodities.

We gather that Major Douglas suggests that the fact that the nation has, this year, produced more than it has consumed, indicates that the nation's "potential productive capacity" for future years has been increased; and increased precisely to the same extent. We do not see that the actual measure of excess of production over consumption in any particular year affords any necessary index of the "potential productive 'capacity' of future years." It may have nothing to do with it, as in the example of the surplus crop of wheat due to exceptionally favourable weather.

The proposal to compensate every manufacturer (for having to sell his products at an authoritatively fixed percentage of actual costs)

by the Government paying him Treasury notes for the balance, seems to us to be equivalent to a continuous flooding of the nation with paper money, which would rapidly sink in value. This would inevitably take the form of a rise in prices, which no authoritative fixing could prevent.

Major Douglas denies that this issue of paper would inflate prices, on the ground that it is issued against "real credit" or a "potential productivity." But first let it be noted that no provision appears to be made for cancelling any of these notes, which would therefore increase indefinitely. Secondly, the people who receive those notes will presumably wish to spend them, and in the last resort, to spend them on buying goods. In the result, either prices must go up in face of the abundant purchasing power and limited supply of consumable goods, or if all prices could be rigidly controlled by law, the money demand would far outrun available supplies. Short of a bureaucratic rationing system, some parts of the country and some consumers would find themselves with no goods at all. In fact, we should be back in the worst experiences of the war—in soaring prices, inadequate supplies, queues, and the rest of it—only very much more so.

In the face of these fundamental objections to the price-fixing scheme, it is hardly worth while to mention further difficulties which would by themselves be fatal to the practicability of the scheme.

Let me read the final clause of the report of that committee appointed by the Labour executive in England, as follows—

In our judgment the Douglas-New Age scheme is theoretically unsound and unworkable in practice. For the reasons already adduced, it is out of harmony with the trend of Labour thought, and is indeed fundamentally opposed to the principles for which the Labour Party stands.

Mr. Hawke: The devil can quote scripture for his own purposes.

Mr. LATHAM: The hon. member is pretty well versed in that. In addition, Canada has investigated this scheme; indeed there is no country in the world suffering from our economic troubles which has not attempted to give consideration to any and every proposal, and for that reason I wish to be generous to Major Douglas and those who support him. The "New Scotsman" in an article by D.G.H., a radical economist, describes the scheme as mostly nonsense, and says the reason for it is the complexity of the world-wide problem. In more recent times New South Wales decided to investigate the Douglas Social Credit System, and appointed the Government Statistician of New South

Wales to carry out the investigation. I doubt whether anybody would question the credentials of that gentleman, for Australia can boast that its statisticians stand pretty high in the world and have so stood ever since Coghlan's time in New South Wales.

Mr. Tonkin interjected.

Mr. LATHAM: Such charges as that are bound to be made if we appoint a committee to investigate this scheme. I have been told that the reason why this inquiry did not present a favourable report was because the investigator was a civil servant. I understand that the gentleman who asked for an inquiry last year suggested the President of the Arbitration Court for the purpose, and I think it was also suggested that the inquiry should be made by a judge of the Supreme Court. A judge, of course, is trained in legal matters and is able to sift out evidence, and to find on the evidence submitted to him. But could he investigate the intricacies of a system like this? He would require to be an actuary and have with him men who completely understood figures. And if he had with him the Government Statistician, or some actuary of repute, the charge would be made that he had been influenced by his assistant, and so the inquiry was not satisfactory. But New South Wales treated the Douglas credit proposals very well. Mr. T. Waites, the Government Statistician, was appointed to inquire. Here is the letter he sent to the Douglas credit people, asking them to come along and give evidence—

Having been requested by the Government to investigate and report upon the Douglas credit system, I have pleasure in inviting you to place before me the official views of your association and to expound the system. Alternatively, your association might prefer to nominate a small committee of, say, not more than three members for the purpose mentioned. I would suggest that you might meet me at my office early next week at an hour that could be arranged by telephone. If it would meet your convenience, I could be available on Monday at 7.30 p.m. For your guidance and information, I append the following:—(a) Copy of the letter of the assistant treasurer, dated 18th November, 1932, requesting me to proceed with the investigation. (b) Outline of matters with which I should like to deal at our first discussion. (c) A list of the books and pamphlets which are in process of being examined on this subject. I should like to devote our first meeting to obtaining an accurate description of the Douglas Social Credit System, and at later meetings to consider your proposals for its practical operation. There-

after I will examine the expressed views of critics of the system. If you desire to make any representations in writing prior to our meeting, I should be very pleased to receive them. Yours faithfully, (Sgd.) T. Waites, Government Statistician.

The Douglas credit people wrote to Mr. Waites and sent him a copy of the "New Economics" in which was reprinted a tentative scheme for Scotland, drawn up by Major Douglas; and recommended him to add to the literature to be studied, "Social Credit" by Major Douglas, and "Credit Power and Democracy." But one can imagine the disappointment felt by Mr. Waites when, a few days later, he received this letter from Mr. W. G. McReaddie, the State President of the Douglas Social Credit Association—

With reference to your letter of the 22nd ult., after due consideration by the State Council of the Douglas Association of New South Wales, it has been decided that no good purpose would be served by our offering evidence for the investigation you have been asked to carry out on behalf of the Government of New South Wales. The New South Wales association, therefore, begs to inform you that it will not offer evidence, nor take part in the inquiry.

If this House did agree to the proposed inquiry, we would want an assurance from the member for Claremont that we would not be treated in the same way. The only works Mr. Waites had to guide him were the publications of Major Douglas, and anything he could pick up from their journal. He went very thoroughly into the question, and in an extensive report he sets out pretty clearly his conclusions. In referring to the report of the MacMillan Committee, he said—

The MacMillan Committee made no direct reference to Major Douglas's ideas in their report. The most obvious thing about the tentative ideas put before the committee by Major Douglas is that they are unsound in principle and lacking in essential details. But it should be noted that he informed the committee in answer to question 4511, "My primary object in coming here is not to put forward any specific scheme. It is to make the point . . . that the real difficulty is lack of purchasing power . . ." adding "I am perfectly certain that the combined abilities of this country can get out a scheme which will increase effective demand to any amount required."

So he was going to throw the responsibility on the people of the country to provide the remedy. Now let me read from page 21 of Mr. Waites' report, a comment on the sub-

sidary provisions of the scheme for Scotland as follows—

According to the reprint in the official organ of the Victorian Douglas Credit Movement, the scheme was published as an article, signed by Major Douglas, in a Glasgow evening paper of 11th March, 1932, and it was there described as follows:—

“Major C. H. Douglas . . . has written the following article as a sequel to W.A.’s exposition for the plain man of the Douglas escape from the economic impasse that afflicts the world to-day.

“His contribution, which takes the form of a plan for introducing social credit into Scotland, prescribes the actual steps to be followed in effecting the change involved. His statement, being a plan, is confined to the technique of the new policy.”

In the “New Economics” it is introduced with the words, “The following is Major Douglas’s draft scheme of reconstruction for Scotland on the lines of social-credit policy.”

I take it then as a considered statement by Major Douglas as to a method of applying his proposals and (though it is not necessarily intended to apply to Australia in detail) it is an indication of what Major Douglas regards as necessary and practicable steps in applying his system.

A commentator on the scheme in “New Economics” goes the length of saying:—“The Scottish Plan can, with slight adaptation, be made into an Australian plan. All that is required is special provision for payment of our overseas debt, and for proper marketing of our surplus primary produce, both of which are simple matters of technique and nothing more. With suitable amendment to that effect, the plan is ready to hand for the immediate solution of the economic problems of the Australian people.”

On page 22 Mr. Waites gives his conclusions on Major Douglas’s proposals for a national dividend and an assisted price scheme. He says—

The central feature of the Douglas social credit system is to create and give away credits. In the scheme for Scotland, money is to be created by the Treasury or credit authority and given away, partly on the basis of equal shares to every man, woman and child born and resident in the country whose individual income for personal use does not exceed an amount fixed, and partly in proportion to the amount spent by consumers on things they buy for personal use. But Major Douglas does not provide any means of preventing a continual increase in the outstanding amount of money created by the Treasury. The Treasury debt to the credit authority continually increases while the scheme is in operation. The scheme, in fact, necessitates that there will be an increase in outstanding money credits with every sale of goods to final consumers. Beyond that, there would be very large

issues of gifts of new money as national dividend. Major Douglas, in some of his statements, seems to believe that he has provided for cancellation of credit at the appropriate time. The forms of cancellation to which he alludes are not full cancellations, but only transfers or partial cancellations.

As shown by his evidence before the Macmillan Committee, Major Douglas realised the need for preventing disorders due to excessive credit inflation. But just as he was unable to show the committee how such disorders could be avoided if his proposals were applied, so, in this scheme, he did not provide any mechanism to prevent it. The reason is that the essence of Major Douglas’s credit scheme is credit inflation on an astounding scale, and if he provides any means of avoiding the consequences the scheme itself is destroyed.

On page 26 Mr. Waites sums up as follows:—

I have based my conclusions on Major Douglas’s proposals upon an analysis of his works and on matters of fact and recorded experience. They are not based in any degree upon a disbelief in possibilities for betterment in existing conditions through the adoption of a constructive policy to that end. There is probably more need than ever before for those concerned to keep an open and receptive mind on new theories. As is but natural, a large number of “solutions” for present troubles are being constantly put forward for examination, and many mutually conflicting schemes are advocated with equal enthusiasm.

Numbers of the most eminent economists and financial leaders with wide training and practical experience are working upon the world’s problems, and signs are not lacking that there is much conscious planning to promote recovery. The matter is, however, difficult because of its complexity. Emphasis is frequently laid upon the limitations of action possible by individual nations and upon the need for a greater degree of international agreement and co-operation. It would seem that the lines upon which international co-operation might be beneficial have been worked out in advance of agreement between the nations as to the measures they are prepared to adopt in concert.

It is a matter for deep regret that proposals which have been so widely advocated as those of Major Douglas contribute little or nothing of real value to the solution of the problems that confront us. And it is a matter for greater regret that by teaching fallacious doctrines in regard to credit, they constitute some impediment to the dissemination of sound conceptions of its functions and to the adoption of such a line of monetary policy as may moderate the troubles that recur in the economic system. While it is all to the good that such problems are being studied, more harm than good must result from Major Douglas’s erroneous analysis of facts and advocacy of proposals based on credit inflation of the crudest kind.

It is hardly necessary to add that the Douglas social credit system, which is based on the idea of giving away money derived by inflation, is quite different in principle from proposals for expansion of repayable credits either on a national or an international basis for the purpose of promoting recovery. The merits or demerits of such proposals are not involved in discussion of Major Douglas's proposals.

That report bears the date of 30th March, 1933. The people I have quoted made a thorough investigation and I believe they are as highly qualified or more so than anyone in the State to express an opinion on the Douglas credit proposals. I do not know whether they have given any thought to the position of the primary producer—the man who produces a great deal more than we in this State can consume and who pays the debts of the nation overseas by the export of his goods. If I were a manufacturer or if I were interested in a business and desired to be selfish, I probably would adopt the proposals if I thought I could make use of them long enough to amass wealth. There would be no difficulty in manufacturing goods if one could sell them at their face value and get a credit of 25 per cent. afterwards from the people as a whole. Let us examine what Douglas means when he says that a person buying a motor car for £100 is to receive a credit of £25. Does he think that someone foreign would find that £25? Either there must be complete inflation of worthless money or the people as a whole must make the contribution.

Mr. North: Unused factory capacity.

Mr. LATHAM: I believe that Mr. Waites has taken pains to ascertain the estimated value of the assets of Australia. Eventually they would be used up and what would the hon. member suggest should then happen?

Mr. North: Consumption is wealth.

Mr. LATHAM: The pound as we know it will now purchase only 12s. 6d. or 13s. worth of goods, but under the Douglas credit proposals, in a little while, the pound would purchase only 1s. worth of goods. Surely that is not a sound system. I quite believe that there is ample scope for investigation. I do not suggest that we have not in this State people capable of investigating the proposals, but as yet the qualifications of such people, if we have them, are unknown. I do not say that we should sit down and do nothing. We have to do our share towards trying to effect reconstruction. I disagree with the member for Claremont when he

says that Major Douglas alone of all the world is trying to find answers to the economic problems.

Mr. North: He is.

Mr. LATHAM: Everyone who has any thought for the future is doing it. Britain is doing it; so is every country in the world. The best brains of the Labour movement are attacking the problem. We may not always agree with the theories advanced, but to maintain that Major Douglas is the only person in the world who is doing anything is rather an exaggeration that I hope will not influence members of this House. It might be well to point out what is meant by the A plus B theorem. Explained as follows, it is very simple:—

Briefly, in the A plus B theorem Major Douglas states that factory "payments may be divided into two groups:—Group A, all payments made to individuals (wages, salaries and dividends). Group B, all payments made to other organisations (raw materials, bank charges and other external costs)." Now the rate of flow of purchasing power to individuals is represented by A, but since all payments go into prices, the rate of flow of prices cannot be less than A plus B. Since A will not purchase A plus B, a proportion of the product at least equivalent to B must be attributed by a form of purchasing power which is not comprised in the description grouped under A.

The statistician considers the meaning of this statement is confused by symbols, and substituting Major Douglas's words for his symbols A and B, presents it in this form. The rate of flow of purchasing power to individuals is represented by all payments made to individuals, but since all payments go into prices, the rate of flow of prices cannot be less than "all payments made to individuals" plus "all payments made to other organisations."

Since "all payments to individuals" will not purchase all "payments made to individuals" plus "all payments made to other organisations," a portion of the product at least equivalent to "all payments made to other organisations" must be distributed by a form of purchasing power which is not comprised in "all payments to individuals."

Mr. North: Do you dispute that statement?

Mr. LATHAM: No, except that I consider he is wrong when he says the only purchasing power comprises wages, salaries and dividends.

Mr. North: What else would you add?

Mr. LATHAM: It is made up of other things such as bank interest. If a person earns interest from an investment, it is circulated. Payments made to the men who operate the railways that carry goods are

circulated. Everything is in circulation. It is an extraordinary doctrine to declare that the price of goods shall be fixed on the salaries, wages and dividends paid towards the manufacture of the goods and that the cost of raw material and everything else should be borne by the Treasury. If those conditions were applied, I venture to say we would soon find our level. I cannot for the life of me understand how some of the business men of this city can advocate a scheme like this. I understand from the member for Claremont that this need not be an international scheme; as a matter of fact it need not be State-wide. It could have its own small geographical bounds. That being so, I suggest that he should get his friends together and try it out. Years ago a man named Dowie went to America and amassed a large amount of wealth. He took people there, provided work for them and paid them with a currency of his own. The goods that they manufactured or produced were interchangeable. He was the only man who secured real wealth. The goods he sold outside his dominions represented real wealth, but the goods sold inside were paid for with spurious currency.

Mr. Patrick: That was "Elijah" Dowie.

Mr. LATHAM: Yes, the hon. member might remember that he came to Australia with boxes of gold. I ask the member for Claremont whether it would not be necessary for the Government first of all to take possession of everything.

Mr. North: Have you read Major Douglas's books?

Mr. LATHAM: Would it not be necessary to have a thoroughly socialistic scheme? I venture to say that some of those men associated with the movement to-day would drop it like a hot cake if that was suggested. But how otherwise would the scheme be possible? How could it be policed? It is suggested that there should be price-fixing.

Mr. North: There would be no price fixing.

Mr. LATHAM: I say definitely that provision is made for price-fixing.

Mr. North: By regulation, which is quite different.

Mr. LATHAM: It is a matter of words. Of course the scheme would have to be policed and prices would have to be fixed. The hon. member himself spoke of five articles being required and only three being avail-

able, and he demonstrated that it would be necessary to fix a price to ensure that an unfair price was not charged for the three articles when five were demanded.

Mr. North: Have you read Major Douglas's works?

Mr. LATHAM: I have had a headache for several days after studying some of them. They have not impressed me; on the other hand they have convinced me that of all the wild forms of inflation of which I have read, there is nothing worse than this one. Notes must be issued and there is no provision for cancellation. Consequently a second lot would have to be issued almost immediately until eventually the end of the total wealth of Australia would be reached. Then how would this wonderful scheme operate? I am sorry the hon. member has brought up the matter. I have no objection to an inquiry. If the inquiry turns out to be against these enthusiasts, a charge will doubtless be laid against the persons making the inquiry. We have seen the same thing happen in New South Wales.

Mr. North: What happened there?

Mr. LATHAM: I have read what has taken place there. I know how displeased some of the local enthusiasts are. I have not met any members of the executive, unless the member for Claremont is one of them. He certainly is the spokesman in this House, and has doubtless given the matter a great deal of attention. If business men were to interest themselves in this sort of inflation, it would be a very bad thing for Western Australia. What we want to do is to re-open our channels of trade, get our goods in circulation, and create a spirit of co-operation between nations. That would remedy our defects quicker than anything I know of.

The Minister for Works: It will take a long time to remedy things if we wait for that. There will be a good many wars before you bring that about.

Mr. LATHAM: I admit the red war was a bad one, but this economic war is even worse than any other form of war. It is the worst form of warfare I know of.

Mr. North: Whom do you blame?

Mr. LATHAM: I blame those nations which are trying to be self-contained, which are closing their ports against the importation of goods.

Mr. North: That is the effect, not the cause.

Mr. LATHAM: It certainly is the cause. Practically every nation is doing that. I

am a secessionist because I hope that Western Australia has men public-spirited enough to enable them to begin trading in our surplus goods with nations that are prepared to exchange their goods with us.

Mr. Tonkin: Every nation is trying to sell to other nations.

Mr. LATHAM: That is true. There are difficulties, and we ourselves cannot remedy them. Conferences are held and those who make up the conferences speak different languages. They are talking to each other across the table, but difficulties are ever present. If they could talk man to man, I believe a spirit of co-operation such as is absolutely necessary, would be created, and our problems would then be solved. The Douglas theory is not going to help Western Australia, or any part of the world. It is built up on fallacies and upon inflation in the very crudest possible form. No Treasurer could agree to any scheme of that sort. It would mean ruination to the country. If I were in business and got enough out of it, I might, adopting the selfish attitude, become a convert. From the national point of view, however, the scheme is utterly impracticable. It is not worth while this State giving any consideration to it. Let other parts of the world test it out. I do not care where else it is tried. I know of no persons more qualified to investigate these proposals than the people I have referred to. The Labour Party has investigated it, the House of Lords has done so, the New South Wales Parliament has done so. Canada has also made an investigation. No one has spoken in favour of it. The amendment is a different matter. I know what the hon. member is suggesting, for I know the policy of the Labour Party.

Mr. Tonkin: You have refrained from discussing that aspect of the matter.

Mr. LATHAM: It would take too long to do so, and neither side would be satisfied when the discussion was over. That, after all, is only a political matter. The situation is more serious than mere politics. Possibly politics may help to alleviate it. The problem is more domestic. It is found in every home, and in every House of Parliament.

Mr. Griffiths: What is aimed at is the better distribution of wealth.

Mr. LATHAM: I know plenty of supporters of the theory. We would probably have to take in some outside territory, be-

cause we would be too limited in our finances to satisfy the friends of the hon. member.

Mr. Tonkin: The Leader of the Opposition is under a misapprehension. The suggestion is that the income of the country should be equally distributed.

Mr. LATHAM: Human nature always asserts itself. The man who is the better business man will accumulate wealth amongst his fellows. There are many who would doubtless like to occupy the position of the hon. member in this House, but he has got his position ahead of them. The same thing applies to wealth. The business ability of a man determines that. I should like to feel that one could go into any part of our city knowing that in every household existed all the requirements of the people within.

Mr. Tonkin: That is possible, too.

Mr. LATHAM: I have my doubts about that. I know of countries which have tried socialistic schemes. The self-interest of the individual always asserts itself. The Dowie scheme was one of these. Dowie certainly got all the money.

The Minister for Works: Do not class socialism with the Dowie scheme.

Mr. LATHAM: He had a little colony of socialists, who were all working for him, but he got the benefits of their work.

The Minister for Works: He had no colony of socialists.

Mr. LATHAM: He made them all work. They were to share and share alike, apart from the money Dowie got. Of course it was a great idea. Immediately the hon. member sets out to provide the means whereby he can carry out his ideas, he will find himself opposed by other forces, and will be obliged to revert to the old system. We make our laws as perfect as we can. We hand them on to the public, and our lawyer friends show how easy it is to drive through them in all sorts of ways. The same thing applies to the great ideal the hon. member reveals in his amendment. If an inquiry is held, I want the people who are asking for it to be sporting enough to give credit to those who are making the inquiry.

MR. WISE (Gascoyne) [9.40]: I am of opinion that the amendment affords an opportunity to seek information for the relief of the present days of degradation and despair. If these conditions are due to the

unequal distribution of money, or an insufficiency of it, there is no doubt that time is ripe for the fullest investigation. It may be that there is no agreement in the assumptions of the radical economists referred to by the Leader of the Opposition, the orthodox or unorthodox economists. If the matter is ventilated and probed, there may be a possibility of obtaining some relief for the unfortunate under-dog, whether he is a producer by his own hands, or a producer in any other sense of the word. In either case he is entitled to consideration and relief from the present position. In a booklet recently written by a Nationalist candidate at the recent elections, Mr. Sleeman of Whim Creek, a man who has given a great part of his life to the study of these problems, I find set out in plain language very much of that which I desire to bring before the House. This is a pleasing feature of the subject under discussion. It is interesting the minds of people of all callings, of all creeds and of all political beliefs. Mr. Sleeman in his booklet on "The Unnecessary Depression and the Way Out," makes these remarks in the preface—

What is this palsy that to-day afflicts mankind? What invisible power is preventing willing and competent people from working and producing, from rendering service to others, and receiving in return goods and services that they in turn require and that others desire, and are able to render them? Such are the questions that all should be asking, if not for reasons of self, then for reasons affecting others, and affecting them cruelly. At first sight, the phenomenon may appear to be cloaked in mystery. Why should a paradoxical, inconsistent and stupid condition exist? And why should it exist at one time and not at another? But on examination we find no mystery; that the cause of the malady is simple—so simple as to create wonderment that it is not universally realised. Briefly, it is that means of exchanging goods and services are short of requirements. Money is that means of exchange. But to perceive the cause of a disease is useless unless a cure can be found. The cure is, in principle, equally simple. It is to create money to the extent that there is sufficient of it to do all the work of exchange that man requires.

It would appear that if every commodity that man uses and needs for his own requirements can be produced by him in quantities sufficient for his demands, but that the supply of money at his command is insufficient to enable him to purchase his requirements, the logical conclusion to arrive at is that he should manufacture the medium of exchange in quantities sufficient for his needs.

By probing this question along the lines outlined by the amendment, we shall certainly come to that conclusion. There is need for very quick action. It is no use being like the monks of old, who hid themselves in monasteries, prayed hard for the sick and weary world, but left the world very carefully to the devil. That is what is happening in most cases in this instance. The time is ripe when every avenue should be probed for the relief of the despair and hopelessness of outlook in countless thousands of people. In tracing the history of money in this booklet, Mr. Sleeman points out that the sufficiency of money is that volume of it that permits of the full, free and unhampered exchange of all the goods and services that man is capable of producing and rendering, at a money value not higher than that to which he has at the time concerned adapted his affairs. It is quite within the power of man to make up that sufficiency. Following on the history of money from the very earliest days when no money or tokens were used as a medium of exchange, he mentions the civil disturbance in South America caused in 1809 by a sudden decrease in specie supplies. He goes on to say—

Population and production of wealth were increasing, and increased money was needed. Specie supplies fell short of requirements, though discoveries in Russia in 1823 augmented them. Europe went into a state of acute depression. Money shortage intensified and price levels fell until 1848. The suffering was intense. The gap between rich and poor widened—a very few rich and the mass of the people sunk in poverty and degradation. Discontent was widespread—expressing itself in riots and insurrections. In England the last decade of the half century was known as the "Hungry Forties."

The suggestion made a few moments ago by the Leader of the Opposition that this matter should take its own course is surely not the right method to adopt. We certainly do not want a recurrence of the "Hungry Forties" as mentioned in this booklet.

Mr. North: It would be a very dangerous course.

Mr. WISE: Mr. Sleeman continues—

Before proceeding to later history, it may help to a fuller understanding to cite two examples which show that the benefits of money sufficiency can be applied to individual countries acting alone, regardless of their size.

Mr. Sleeman proceeds to outline the Pennsylvanian money policy—

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

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

Thus the State made its money to suit its requirements, with the result that it enjoyed prosperity unparalleled at that time. Not only was the community prosperous as a whole, but the prosperity was well diffused. Industry flourished; wages were good and employment general and adequate. But these conditions were not to the liking of the money interests in England, and these agitated for the suppression of this paper money—for the enforced use of metal money.

Mr. North: They wanted to go in for "sound finance."

Mr. WISE: Yes, so-called. Mr. Sleeman continues—

In spite of the strenuous opposition of the colonies, and of such men as the great Benjamin Franklin, a law was passed in 1761 to restrain these colonies from issuing paper legal-tender money. Pennsylvania was exempted from this Act, but in 1764 an Act was passed to prevent the issue of such money in any of the colonies, and to cancel the legal-tender qualification of all such money as was already in circulation. Apparently neither Act produced as complete results as were desired, and in 1773 a more stringent Act was passed.

Students of English history will remember "Peel's Bill." The measure, which was passed in 1819, enforced resumption of gold payments within three years.

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

Prosperity does not come merely because of the issue of gold, for the simple reason that gold, when it has been produced, too often finds its way into the vaults and thus again becomes unproductive. It is not the issue of money, or of gold as money, which causes productiveness and progress, but the fact that money was issued, or that gold was issued. Prosperity came because money was increased, not because gold was increased. That is a point too often overlooked. In passing may I mention one of

the greatest of Australian-born statesmen of our time—I refer to Theodore. All of us remember how his suggestions were howled at, how he was almost called a rebel to English tradition for suggesting certain monetary reforms and applying them to Australia. But, the proof of the pudding being in the eating, Theodore was proved to be right. In almost every particular have the lines of monetary reform advocated by him been adopted since, and not a word has been heard in opposition to them. Now I should like to refer to the early prosperous pioneering settlement of outback Australia for the purpose of bringing to the attention of hon. members the monetary policy and the currency used there in those days. I have here an interesting little chit, a relic of the chit system, which to-day has considerable value as a relic. It is a promissory note, or shinplaster, issued by Burns Philp & Co. in Queensland during 1892. On the lines adopted by that firm in printing money of their own, that system prevailed right across the north of the Australian continent. It may be news to some hon. members that the system is still in vogue in our North-West. I have here several shinplasters, which is their name in common usage. They are simply promissory notes, but promissory notes with more backing than the pound note used in Perth to-day, which promises that on demand the bearer shall be paid in bullion the sum of £1 sterling—and this we know is not correct. I would like hon. members to have a look at some of these shinplasters. They are issued in all denominations. One I have here is for 10s., and here is one for 3s., and here is another for £10. The wording is—

On demand I promise to pay by order on my bankers the sum of ten pounds sterling.

Mr. Doney: That is on the security of Burns Philp.

Mr. WISE: No; on the security of a publican.

Mr. Latham: Would you accept it?

Mr. WISE: Certainly. It is legal tender. These documents are stamped. Passing through that country less than 20 years ago, one could not obtain a £1 note or a 10s. note; but these shinplasters were legal tender there. If a man working on a station went in with a cheque to cash, he received the goods he needed and perhaps half a barrel of these shinplasters, according to the denomination.

Mr. Latham: They are not different from cheques.

Mr. WISE: Much different. Pound notes were not recognised in that country for two good reasons, one being that a note might have spent its life in the toe of an Afghan's boot and therefore had best be got rid of as speedily as possible. But these shinplasters in that particular locality always have their face value. The £10 shinplaster which I have here is printed by a storekeeper with a gallon license in a remote district of Australia, and it is worth £10 to anybody who produces it in that locality. Many outback men have seen no other form of money. A story is told of a man born in outback Queensland who lived all his life there until he traversed the north of the continent and came to the Western Australian coast. He had never seen any other money than these shinplasters. He visited the saloon of the "Bambra" when she was in port at Derby a few years ago, and having called for drinks for himself and his mates he tendered one of these shinplasters. The steward took exception, saying, "That is not money." "But," the man returned, "it is the only money I know. What do you mean?" A tourist sitting by became quite interested in the conversation, and offered to buy some of this peculiar money from the Queenslander, tendering a sovereign in payment. The old wayback looked suspiciously at the sovereign, turned it over, and said, "Well, it may be all right. I can recognise John Forrest on the one side. But who is the blighter riding the goanna?" The story shows that this form of money has rendered very great service indeed to the pioneers of outback Australia. I go so far as to say, that if money printed by a storekeeper or a publican or a producer in that part of Australia can be utilised to his benefit and to the benefit of the community, then money so printed and used by the Government could well support the production of exportable commodities from this country. If to-day's emergency were war—the Leader of the Opposition said that this depression was a worse malady than war, and I agree with him—and if money were instantly required for war purposes, money would be produced in abundance. Therefore I contend it is quite feasible to produce money for the present emergency, which is admitted to be quite as grave as

war. I have much pleasure in supporting the amendment.

On motion by Mr. Wilson, debate adjourned.

House adjourned at 9.58 p.m.

Legislative Council,

Thursday, 24th August, 1933.

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

QUESTION—FINANCIAL EMERGENCY TAX.

Hon E. H. HARRIS (for Hon. H. Seddon) asked the Chief Secretary: What amount is estimated to be still outstanding under the Financial Emergency Act, 1932?

The CHIEF SECRETARY replied: £9,250 was outstanding on assessments issued at 30th June, 1933, and further assessments amounting to £6,218 have since been sent out. It is not possible to say how much of this money has been collected by the Taxation Department, and some assessments still remain to be issued. It is estimated, however, that the total amount to be collected since 30th June on assessments will not exceed £20,000. It is always the case that some tax assessments are not issued in time for payment to be made before the end of the financial year. Under the Bill now being considered it is anticipated that the carry over from this year to next would considerably exceed that from last year to this.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 1).

Report of Committee adopted.