

the clause, because I think he will find that in two places the year intended is omitted after the words "thirtieth day of June."

Progress reported.

House adjourned at 10.31 p.m.

Legislative Assembly,

Thursday, 21st June, 1928.

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

QUESTIONS (2)—ROAD MAKING.

Main Roads Board Charges.

Mr. E. B. JOHNSTON asked the Acting Minister for Works: 1, What is the cost of the work performed by the Main Roads Board to date on the Perth-Albany and Chidlow-York roads? 2, What amounts have been levied on the various roads boards and municipalities who are alleged to have benefited from this expenditure? 3, Is he aware that all the local bodies concerned have objected to the claims made? 4, Is it the intention of the Government to introduce legislation to relieve the local governing bodies from the present and future claims and charges for any expenditure by the Main Roads Board? 5, If not, why not?

The ACTING MINISTER FOR WORKS replied: 1, Perth-Albany road, £114,028 9s. 8d.; Chidlow-York road, £22,351 5s. 2, The amounts levied against authorities in respect of works carried out to 30th June, 1927, are set out in attached statement. 3, Yes. 4, The matter will be considered. These

charges are made under a section of the Act which was inserted in the Legislative Council on the motion of the Hon. H. Stewart. 5, Answered by No. 4.

Name of Local Authority whose District is deemed to be benefited.	Contribution of each Local Authority.	Annual Payment under Subsection 5 of Section 30.
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PERTH-ALBANY ROAD.

Road Boards of—	£	s.	d.	£	s.	d.
Canning	989	5	3	64	6	1
Gosnells	989	5	3	64	6	1
Armadale-Kelmscott	989	5	3	64	6	1
Marradong	989	5	3	64	6	1
Wandering	989	5	3	64	6	1
Williams	989	5	3	64	6	1
West Arthur	989	5	3	64	6	1
Woodanilling	989	5	3	64	6	1
Kojonup	989	5	3	64	6	1
Cranbrook	989	5	3	64	6	1
Plantagenet	989	5	3	64	6	1
Albany	989	5	3	64	6	1
Denmark	353	6	2	22	19	3
Narrogin	353	6	2	22	19	3
Wagin	353	6	2	22	19	3
Katanning	353	6	2	22	19	3
Broomehill	353	6	2	22	19	3
Tambellup	353	6	2	22	19	3
Wickepin	353	6	2	22	19	3
Dumbleyung	353	6	2	22	19	3
Lake Grace	353	6	2	22	19	3
Gnowangerup	353	6	2	22	19	3
Kent	353	6	2	22	19	3
Municipal Councils of—						
Perth	414	13	8	26	19	1
Albany	414	13	8	26	19	1
Totals	£16,536	18	2	£1,078	2	11

CHIDLOW-YORK ROAD.

Road Boards of—	£	s.	d.	£	s.	d.
York	633	6	8	41	3	4
Greenmount	243	16	3	16	3	6
Qualradung	243	16	3	16	3	6
Bruce Rock	243	16	3	16	3	6
Narabbeen	243	16	3	16	3	6
Beverley	243	16	3	16	3	6
Brookton	243	16	3	16	3	6
Pingelly	243	16	3	16	3	6
Cuballing	243	16	3	16	3	6
Narrogin	243	16	3	16	3	6
Wickepin	243	16	3	16	3	6
Corrigin	243	16	3	16	3	6
Municipal Council—						
York	80	8	3	5	12	4
Totals	£3,456	13	8	£224	14	2

Perth-Fremantle road.

Mr. NORTH asked the Acting Minister for Works: 1, Is he aware that the Perth-Fremantle road has been broken up badly between Claremont and Nedlands since the reconstruction work completed at the end of the summer? 2, To what does he attribute the cause? 3, What is the estimated cost of making good the work at this stage?

The ACTING MINISTER FOR WORKS replied: 1, The only fault detected was the lifting of top dressing in patches. 2, Heavy rains before bitumen set. 3, About £20.

QUESTION—LAND, DALWALLINU.

Hon. W. D. JOHNSON asked the Minister for Lands: As a company known as the Westralian Lands Development, Ltd., claim that they have an area of 72,000 acres in the Dalwallinu district for subdivision, improvement, and settlement, will he explain how the company got possession of that large area?

The MINISTER FOR LANDS replied: There is no land standing in the books of the department in the name of the Westralian Lands Development, Limited. Until the end of 1926 the Lakes Station, Limited, held two pastoral leases east of Dalwallinu which they improved. As the land was in the South-West Division, it was available for selection, and in order to protect themselves in regard to the improvements the various members of the company selected as much land as they were each individually entitled to hold. The applications were received in June, 1926, and approved in January, 1927. I understand that they have formed themselves into a company called the Westralian Lands Development, Limited, but the provisions of the Land Act must be complied with on each individual holding before any transfer can be allowed, or the Crown grant of any of the individual blocks issues. So far as the department are aware, the conditions of the Act are being complied with.

PERSONAL EXPLANATION.

Hon. W. D. Johnson and Inaccurate Press Report.

HON. W. D. JOHNSON (Guildford) [4.35]: Before passing to the Orders of the Day, Mr. Speaker, I wish to make a personal explanation. In the ordinary course I would have moved under Standing Order 139 dealing with privilege, because the question I desire to explain is really a matter that comes under that Standing Order, but it would necessitate a motion that I do not desire to move, because I do not think the matter is quite serious enough for such action. I spoke on Tuesday night on the second reading of the Financial Agreement Bill, and on the following morning the "West Australian" published a report that very grossly misrepresented the position I presented. The report made me appear ridiculous in the eyes of those who seriously read it, and I have been questioned by quite a number of people as to how it came about

that I declared, according to the "West Australian" report, that the major part of the agreement which was commendable was of direct financial advantage to Western Australia, and then, after making that declaration, proceeded to oppose the Bill. I have had to explain that the report was incorrect, and did not convey a true impression of what I stated. In order that the public may know that the report was wrong, I handed a letter to a representative of the "West Australian" newspaper last night. I took him to be a representative of the paper because he accepted the letter from me and agreed to deliver it as desired. The letter was to the following effect:—

Parliament House, Perth. The Editor, "West Australian," care Gallery Reporters. Sir, In your brief report of my remarks in opposition to the Bill dealing with the Financial Agreement you report me as saying—

"Mr. W. D. Johnson (Labour, Guildford) said there was a great deal in the agreement that was commendable, and the major part that was commendable was of definite advantage to Western Australia."

whereas the correct report should be, as recorded by the "Hansard" staff, namely—

"The agreement contains a great deal that is commendable. The major part of it that in my opinion is commendable is of definite financial advantage to Australia, but I claim that the agreement contains various dangers to Western Australia, and it is from that point of view that I shall endeavour to address my remarks."

The portion dealing with my opinion of the agreement as applying to Western Australia was omitted from the "West Australian" report, and the words "Western Australia" were inserted instead of "Australia." The letter continued—

From the above you will appreciate that your report grossly misrepresents my expressed opinion, and I feel sure that you will give this correction prominence in your next issue. Yours truly, W. D. Johnson. 20-6-28.

I have searched the paper this morning and have been unable to find any insertion of the correction. When a newspaper is guilty of misrepresenting a member, he has protection under the Standing Orders. Standing Order 139 states that a member may move under privilege, but he must conclude by submitting a motion declaring the person in question to have been guilty of contempt. I have no desire to say that anyone has been guilty of contempt—I do not desire to go to that extent—but I do say that in all fairness the newspaper should record the correction. The report grossly misrepres-

sented my position, and it is of some concern to me in my capacity as member for Guildford. Therefore I trust that after this personal explanation the newspaper will realise the injustice it has done and will take an opportunity to rectify the error in the next issue. I regret exceedingly that the newspaper did not correct the error in to-day's issue, while the discussion was fresh in the public mind. I trust I shall not have occasion to go any further in the matter. My mentioning it as I have done, I think, should be sufficient for the newspaper to do the right thing.

BILL—FINANCIAL AGREEMENT.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

Standing Orders Suspension.

The PREMIER (Hon. P. Collier—Boulder) [4.40]: I move—

That so much of the Standing Orders be suspended as is necessary to enable the remaining stages of the Financial Agreement Bill to be taken on this day.

Mr. SPEAKER: I remind the House that an absolute majority will be required to pass the motion.

Question put.

Mr. SPEAKER: I am satisfied that there is an absolute majority in favour of the motion.

Question thus passed.

In Committee.

Resumed from the previous day. Mr. Luley in the Chair; the Premier in charge of the Bill.

Clause 3—Sinking funds (partly considered):

Hon. W. D. JOHNSON: I should like to ask, Mr. Chairman, whether you have given any ruling regarding possible discussion on the agreement itself. Must the agreement be put as a whole, shall we have an opportunity to ask the Premier for an explanation of the different paragraphs, or will it be necessary for us to ask for whatever explanations we desire of the agreement under the clauses we are now about to deal with?

The CHAIRMAN: Clause 2 "approval of agreement" has already been passed, and we are now dealing with Clause 3.

Hon. W. D. JOHNSON: Then do you rule that we cannot deal any further with the agreement?

The CHAIRMAN: I take it you may move an amendment.

Hon. W. D. JOHNSON: I do not desire to move an amendment. I want to know whether we shall be permitted to get information on the various paragraphs of the agreement when we reach the agreement, or whether it will be necessary to get the information when the clauses with which we are about to deal are being debated.

The CHAIRMAN: I take it that questions can be asked.

The Premier: Provided they have a relation to the clause under discussion.

The CHAIRMAN: Yes. The agreement has been adopted. Clause 2 practically settled the question of the adoption of the agreement.

Hon. W. D. JOHNSON: I quite understand that, but I want some explanations.

Hon. Sir JAMES MITCHELL: We were dealing with the sinking fund held by the trustees in London. This part of the Bill has no connection at all with the agreement. It is an entirely different matter, a matter for this State and this State alone. The Commonwealth has no control over it. It is under this clause that the Treasurer can receive his only cash advantage from the arrangement upon which we are entering. We ought to postpone consideration of it in fairness to the bondholders, until after the referendum has been taken and passed. Of course, if the referendum is not carried, the sinking fund will be continued. In the meantime the Treasurer ought to pay to a trust account all the money that is due on account of the sinking fund.

The Premier: We had to do that last year.

Hon. Sir JAMES MITCHELL: The sinking fund payments are held in trust. The trustees are to be indemnified against any action that may be brought by the bondholders upon the abolition of the sinking fund. As they are State appointees they are responsible in this connection for the Government. It may be said that the bondholders have been notified through the Press that it was intended to take this step. If that is the only means by which they have been notified, it is hardly a satisfactory one. I have not seen, in the English papers, a single reference to this intention. In Sep-

tember, 1926, the sinking fund amounted to £8,920,000. The arrangement under this clause is entirely apart from the Financial Agreement. This suggestion is put forward by the Federal Government. If we did not pass the Financial Agreement we could still make this arrangement in London. It is not a question of security. Our securities would not be improved by being lumped in with those of the other States.

The Premier: I think there is some sort of collateral security, for the resources of the Commonwealth are greater than those of any single State.

Hon. Sir JAMES MITCHELL: Our securities do not improve by being hitched up with the securities of the other States.

The Premier: Two farms make a better security than one.

Hon. Sir JAMES MITCHELL: Unfortunately some of the States are considerably encumbered, and no one can be too certain that they will treat their creditors in the way that we would.

The Premier: They have big assets.

Hon. Sir JAMES MITCHELL: Yes. I do not think the bondholders feel quite as comfortable about some of the States as they do about us. Without the agreement we could do all that we want to do in this matter under this clause. The real advantage to the Treasurer under this clause is £427,550. He would not have to pay that amount this year. This is quite apart from the Commonwealth. If it were not for this money many members would no doubt question the wisdom of fixing up the agreement. This year he will benefit by this sum at any rate. The only advantage to the Commonwealth Treasurer will be the payment of 5 per cent. interest on transferred property, £12,550—2s. 6d. per cent. on existing debts £60,000,000, and 5s. on new loans about £99,000, less loss of per capita payments on the two years' increase in population.

The Premier: That brings it down to a little more than £81,000.

Hon. Sir JAMES MITCHELL: The figures we were paying on in 1927 were the 1926 figures. The advantage against the per capita system would bring down the advantage this year to £66,000, but that will disappear in another four years.

The Premier: In 15 years.

Hon. Sir JAMES MITCHELL: Except in the case of new borrowings.

The Premier: There are bound to be some borrowings.

Hon. Sir JAMES MITCHELL: This advantage disappears in four years. We are not getting much to boast about there. It represents a cash advantage to the State of about £100,000. I hope the Premier is right in saying that the bondholders in the Old Country do not object, but he cannot say they will not object. In all our prospectuses we have set out what we will pay to the sinking fund. There is an obligation upon us to pay to the sinking fund at the rate set out when we raised the money. By reason of that sinking fund we are paying a lower rate of interest than is any other State, 10s. lower than is South Australia, which has but a small sinking fund. This represents on our £70,000,000 an annual saving to the States of £350,000. Our contribution last year from the Treasury to the sinking fund was £280,000. We have benefited from our sinking fund to an extent that has been sufficient to cover our contribution in cash. I hope we shall not lose credit by the cancellation of this fund, and the failure to honour our obligations to the bondholders. We shall feel very small if any section of the bondholders requires us to restore the sinking fund. If we have spent it, it will be a serious matter. It is proposed that we shall contribute £225,000 a year, so that there will be some sort of sinking fund. Last year the sinking fund contribution came to £280,000, plus the earnings, making a total of £610,000 set aside for the purpose of paying our debts. Not much calculation is needed to show how much better our debts will be covered by an annual payment of £610,000 as compared with one of £225,000. Since Federation, we have had a terrific struggle, and for at least 22 years we have had a deficit. It can be said that we have borrowed money to meet our sinking fund obligations. We have met them, and so far as our creditors are concerned, have kept faith. When the Loan and Inscribed Stock Act was passed, it was contemplated that we should pledge our credit to get cash to pay into the sinking fund. The position has improved, because the money paid into the sinking fund has earned interest, and there is also the profit made by repurchases of our stock. One cannot blow hot and cold with reference to the sinking fund. Recently there was jubilation when we paid off a loan of £2,500,000 out of it. The fund is something very real. If we lightly face the translation of our sinking fund on this occasion, why not on another occasion? Why not make the annual

contribution to the fund £100,000 instead of £250,000? During the war a Treasurer tried to suspend payments to the sinking fund, but it could not be done. When I asked the trustees to let us off the £75,000 contribution on account of the goldfields water supply loan, which was already provided for, and for which the trustees had the money in hand, there was some trouble. The Colonial Office, too, required that the matter should be submitted to this House. To touch a sinking fund is a serious thing. If we can cancel part of the sinking fund to-day, why should not the whole of it be cancelled in a few years' time? However, the Federal Government will control our sinking fund under this agreement. I have a suggestion to make to the Premier. He holds about £500,000 of sinking funds belonging to municipalities and road boards. Those municipalities and road boards might insist upon having that money back and refuse to pay more. When the mayor of Perth comes for his £150,000, we shall see what the Treasurer will say to him. It has taken years to build up our sinking fund, and we have suffered deficit after deficit in order to do it. In 1912 we started on our long line of deficits, and in that year our contribution to the sinking fund amounted to £245,000, while the deficit was £113,000. It could easily be contended that we met our sinking fund out of cash and borrowed to meet other obligations. Those who say that the sinking fund was met out of deficits have really not a leg to stand upon. The previous Government did very well under difficult circumstances with a much smaller revenue than is being obtained to-day. If lenders at Home consider the 7s. 6d. plus the Commonwealth guarantee to be better than our enormous sinking fund, very well; but they must be pretty simple to believe it.

The Premier: They are pretty sane.

Hon. Sir JAMES MITCHELL: I have no objection to its being done if it can be done decently, but I do object to these changes of attitude. The Premier has told us that the money is to be held in suspense, and that the payments to be made between now and the taking of the referendum will also be held in suspense. The indemnity to be given to the trustees will be as regards any action that might be brought against them.

The Premier: They asked for that. It is a necessary precaution on their part.

Hon. Sir JAMES MITCHELL: I do not like the idea of cancelling—which is the least offensive word I can apply to the proposal—the sinking fund. The State will not really be saved any money.

The Premier: Ultimately the arrangement will not save the State any money.

Hon. Sir JAMES MITCHELL: No, and we shall now be taking back to revenue the collection of years. We have suffered deficits and paid interest on them for years, and now we are to benefit. If the arrangement is to be carried out, the Premier ought to cancel the accumulated deficit. The trouble, however, will be in the fact of his having our own bonds in the sinking fund. We ought to see that the accumulated deficit forms part of the cancellation. In speaking in this manner I do not wish it to be thought for a moment that I approve of the method, for I do not. I do not know what the Premier proposes to do with the money, but I hope he will devote it to reducing taxation.

The Premier: I may not be prepared to commit myself now, but I think some of it should be used to reduce taxation.

Mr. E. B. Johnston: You could use some of it by reducing the land tax to the old rates.

Hon. Sir JAMES MITCHELL: This involves a very large sum, and it represents money that will come back to us from the savings of the past. If it is used to reduce taxation, it will be of great benefit because, as I have stressed before, 20 per cent. of our gross production throughout Australia has to go to meet the total taxation Bill. This heavy taxation, probably the heaviest in the world, brings with it stagnation in trade and unemployment. The employment of people is far more important than to raise large sums by taxation. Reduced taxation will help to provide work for the unemployed and will create trade activity.

The Premier: I have not given any consideration to what we shall do with the money because it would be rather like counting the chickens before they were hatched.

Hon. Sir JAMES MITCHELL: But the eggs have been so long under the hen that you can hear the chickens chirping, so why have you not given consideration to the disposal of the money?

The Premier: If the Bill were thrown out, such consideration would be useless.

Hon. Sir JAMES MITCHELL: And I think it will be thrown out.

The Premier: Then why worry about what we are going to do with the money?

Hon. Sir JAMES MITCHELL: For the moment I thought it had been passed.

The Premier: I wish that were so. We have two hurdles to get over.

Hon. Sir JAMES MITCHELL: I will vote against the clause because I am sorry that Parliament should be asked to interfere with the sinking fund that has been in existence for nearly 73 years.

Mr. Pantou: It is time we buried it.

Hon. Sir JAMES MITCHELL: I am sorry, too, that it was suggested by the Commonwealth Government. I do not believe the Premier would have accepted the agreement in other circumstances.

The Premier: That was not in my thoughts at the time. I viewed it only from the £100,000 aspect!

Hon. Sir JAMES MITCHELL: I happen to know that it was thought of, and was intended, long before the Premier signed the agreement. We had a copy of the agreement that referred to the cancellation of the sinking fund months before. It is a bad thing to do, and I am afraid it will become a habit in Australia. If we can cancel now, there is no reason why we should not cancel in the future.

The Premier: There is a difference between paying something and paying nothing at all.

Hon. Sir JAMES MITCHELL: Certainly no State will ever again put up a poster asking for a loan of two million pounds and setting out the amount of the sinking fund contribution.

The Minister for Justice: The Commonwealth will be responsible in the future.

Hon. Sir JAMES MITCHELL: When Mr. Bruce was in England, a pamphlet was issued adversely criticising Australian borrowings. To minimise the disadvantages, Mr. Bruce promised the creation of a sinking fund by the Commonwealth and said that he would use his influence with the States to set up sinking funds as well. Now he can say, "It is true that Western Australia had a sinking fund previously, but the other States did not have them. I have got one for the Commonwealth and we will contribute so many millions to provide a sinking fund for all the loans for the various States."

The Premier: That will be a good thing.

Hon. Sir JAMES MITCHELL: But that was not the Premier's argument. I regret

that we are called upon to consider the cancellation of our sinking fund. If we reject this proposal, we shall be keeping faith with the people from whom we borrowed the money.

Hon. W. D. JOHNSON: I cannot support the contention of the Leader of the Opposition. I understand the Premier to indicate that the trustees in London had agreed to the alterations regarding the contributions to the sinking fund under various Acts and had accepted in lieu the conditions provided in the Financial Agreement. The clause deals with the repeal of our contributions to the sinking fund and will automatically bring our arrangements under that heading within the scope of the provisions of the agreement. If the trustees and the bondholders agree, there is really no need for the Premier to introduce the clause dealing with the sinking fund, since it is really provided for in the agreement, which sets out that the central financial authorities will be able to provide funds to meet commitments of any of the States to trustees or bondholders who do not agree with the new proposal. When speaking on the second reading of the Bill, I mentioned that there were portions of the agreement that were commendable and this is one of them. I believe it is a very fine arrangement whereby we will have centralised control over our loans, with a universal system of sinking funds. We have loans that are not subject to sinking funds, and now people will know that all our loans will be subject to this arrangement, including those raised to meet our deficiencies.

Clause put and passed.

Clause 4—Government Property Sales Fund:

Hon. Sir JAMES MITCHELL: Under this wretched agreement with the Commonwealth, all the funds with which the Agricultural Bank, the Workers' Homes Board and our other institutions are concerned, will have to be re-appropriated as part of our loan indebtedness.

The Premier: Yes, the loans will have to be appropriated.

Hon. Sir JAMES MITCHELL: The Premier has said that this agreement was arranged between the Commonwealth and the States, but I do not know what sort of lawyers we had in this State when this

agreement was drafted. The demands of these institutions will have to be counted as part of our loan authorisation for the year and will have to be re-appropriated if we are to continue the activities of those institutions. New South Wales found a way out of the difficulty because they passed a Bill and shortly afterwards legislated so that the Water Supply and Sewerage Department was exempted from the agreement. They are not concerned about the 5s. per cent., for they will save by borrowing in London.

The Premier: How can their water supply operations be brought within the scope of the agreement?

Hon. Sir JAMES MITCHELL: Just the same as ours.

The Premier: In what way? Does New South Wales borrow for water supply purposes?

Hon. Sir JAMES MITCHELL: Yes.

The Premier: But it is not separate.

Hon. Sir JAMES MITCHELL: It is now. They will borrow more cheaply in London.

The Premier: Are you suggesting that if we set up a board for our water supply activities, they could borrow more cheaply than we can?

Hon. Sir JAMES MITCHELL: Yes, they would be able to borrow in London more cheaply than we will be able to borrow in Australia. They would be backed by the Government.

The Premier: We should lose by doing what you suggest. Why should the Water and Sewerage Board be able to borrow cheaper than the State?

Hon. Sir JAMES MITCHELL: Because they would borrow in London.

The Premier: So would we borrow in London.

Hon. Sir JAMES MITCHELL: I don't think we will be given the chance to say where we can borrow.

The Minister for Justice: Yes, the Loan Council will control that.

Hon. Sir JAMES MITCHELL: The Federal Treasurer will borrow where he pleases.

The Premier: No, the Loan Council will decide when, where and how we shall borrow. If it is possible to borrow to better advantage in London, it will be foolish not to do so.

Hon. Sir JAMES MITCHELL: I know we can borrow in London at a lower rate of interest than in Australia.

The Premier: Our terms were probably better because the other States were not borrowing in London. If they had been borrowing in London as well, they would thus have increased the demand for money and consequently higher rates would have had to be paid.

Hon. Sir JAMES MITCHELL: Western Australia's percentage borrowings in London have been greater than those of any of the other States.

The Premier: Anyhow, according to your argument I cannot understand what their object would be.

Hon. Sir JAMES MITCHELL: I suppose it will give them the right to borrow more freely.

The Premier: Is the hon. member sure it is not the other way about; that the Water and Sewerage Board which has separate borrowing powers now wish to come under the Government scheme so as to get the advantage of the contribution to the sinking fund?

Hon. Sir JAMES MITCHELL: That is not so.

The Premier: Victoria has its Metropolitan Board of Works with separate borrowing powers, and that State is contemplating altering the method of borrowing so as to get the benefit of the Commonwealth contribution to the sinking fund. The board have borrowed millions at a time, and have an indebtedness of over 20 millions. On that amount the Commonwealth will not contribute anything to the sinking fund.

Hon. Sir JAMES MITCHELL: I am satisfied that under the proposed arrangement we shall have to pay more for our money than has been paid in the past. I am sure the position will be worse for us. The agreement will not save us anything in connection with our borrowing. If we borrow, the Commonwealth will give their guarantee and the whole lot will go into the common pool. If we borrow separately, we shall be able to get our money at a cheaper rate. The clause says, "Where loan money has been advanced to the State on terms providing for the repayment of the principal money, repayments after the 30th day of June, 1927, shall be paid to a special trust account at the Treasury." It covers everything.

The Premier: No.

Hon. Sir JAMES MITCHELL: Savings Bank money is taken into consideration also. The Premier told us that it did not apply to our London banking arrangements. I think he will find that it will. All the money

that we have loaned in the past will now become, on repayment, a disadvantage rather than an advantage. I hope the Premier will see that the capital of the Agricultural Bank is exempted from this agreement.

The Premier: I am assured it is exempt.

Mr. ANGELO: Members will notice that under this clause there are three different methods of dealing with moneys. Loan moneys advanced by the State are to be repaid and transferred to the General Loan account for appropriation by Parliament on the estimates of the General Loan Fund. The unexpended balance of the sale of Government Property Fund is to be appropriated by Parliament on estimates duly submitted and approved, and all proceeds of sales of Government property thereafter are to be paid to a special account of the Consolidated Revenue. If my information is correct, 90 per cent. of the moneys realised by the sale of property come from property purchased with loan money, and therefore a similar method should be adopted in dealing with proceeds of Government properties when sold. Members of the Committee might say that this is a small matter, but it will be noticed by reference to the last Estimates that the Government Property Sales Fund reached a total of considerably over a million and a half during a number of years. It appears to me that when certain properties are sold, the proceeds go into this fund. There is one amount to which I would refer—the State smelter at Ravensthorpe, £285,593. I presume the smelter was purchased with loan money. If so, I contend the proceeds of the sale should have gone back to Loan and then appropriated by Parliament.

Hon. Sir James Mitchell: So it was.

Mr. ANGELO: I want to know what that money was used for. I contend that when Loan moneys are repaid to the Government, they should be expended again on works of a reproductive nature, and not pass into the usual channels of revenue and expenditure.

Hon. Sir James Mitchell: Of course we should not take one penny of loan money back into revenue.

Mr. ANGELO: Another item is £3,600 for the sale of State steamers. I am not going to suggest that any member here, on becoming Treasurer, would ever take advantage of such a position.

Hon. Sir James Mitchell: The money is not there now.

Mr. ANGELO: There is a balance of £123,000 at the present time, unless it has been expended, and it will have to be appropriated during next session. The point is that the way will be left open for some Treasurer, if he finds himself short of money, to sell one of our trading concerns in order to raise money, pass it through this account, and make use of it as general revenue.

The Premier: The Treasurer is answerable to Parliament.

Mr. ANGELO: Of course. The concluding paragraph of the clause states—

All proceeds of sales of Government property thereafter shall be paid to a special account of the Consolidated Revenue. There is no mention of it even going to a trust fund to be appropriated by Parliament. It will simply go into consolidated revenue as an item, such as licenses or rent. Surely the Premier will agree that is not correct. When I brought up the question of the sale of Government property some years ago, the Premier said he thought there was a great deal in the contention that the proceeds of such sales should not be used as revenue, but should be repaid to loan funds. Right up to the present the proceeds of any property sold has gone into a trust account to be appropriated by Parliament. Under this paragraph, however, the proceeds will be put to a special account of the consolidated revenue. Is that fair? What would happen if the tramways or the metropolitan water works were handed over to boards?

The Premier: It would be a good thing for the Treasurer that year.

Mr. ANGELO: Exactly. I am sure the present Treasurer would not take advantage of anything like that.

Hon. Sir James Mitchell: Of course he would.

The Premier: Nor any Treasurer in future.

Mr. ANGELO: If the agreement is passed, we shall be starting an entirely new financial scheme. Therefore, why not start with a clean sheet as regards the sales of Government property. Surely when property bought by loan moneys is sold, the proceeds should be dealt with differently from ordinary revenue. The paragraph should be amended by striking out all the words after "shall" and inserting in lieu, "be paid to a special trust account at the Treasury, and transferred to the general loan fund on the 30th June in each year for appropriation by Parliament on the Estimates

of the general loan fund." Before moving it as an amendment, I should like to hear the opinions of the Premier and the Leader of the Opposition.

The PREMIER: I do not think the hon. member need fear any rash action on the part of any future Treasurer. I certainly would not be guilty of it and I have every confidence that any Treasurer following me would not.

Hon. G. Taylor: That will not be for many years.

The PREMIER: Then the position is secure for a good while. If we dispose of the trams or some big concern, there is a possibility that what the member for Gacoyne suggests might happen, but no Treasurer would permit of such procedure.

Mr. Angelo: This would allow it.

The PREMIER: Yes, but many things allowed by Act of Parliament are not done.

Hon. Sir James Mitchell: I am not sure that you would not. What have you loan with that £200,000 that we voted in reduction of the accumulated deficit?

The PREMIER: It is in the trust fund still.

Hon. Sir James Mitchell: You have not used it, but you have not paid it out as we told you to do.

The PREMIER: Because I think I can make a better investment.

Hon. Sir James Mitchell: The House decided that you should pay it off the deficit.

The PREMIER: But the House would not object if I could make a better arrangement than it previously authorised me to make. We shall do better with that money, and the House will not object to it.

Hon. Sir James Mitchell: Yes, we shall. You will have to bring the arrangement here signed, sealed and delivered, or we shall not be able to depend upon it.

The PREMIER: The House cannot always foresee what will happen. Circumstances might change and render it inadvisable to carry out our intentions of last year or even of last month.

Hon. Sir James Mitchell: But you must obey the instructions of the House.

The PREMIER: Before doing anything else, I will get instructions from the House.

Hon. Sir James Mitchell: This is not the place to discuss it, but if it is not done before the end of the year, it will be discussed.

The PREMIER: Yes; in that event I shall anticipate discussion.

Hon. Sir James Mitchell: What about the £165,000 for mining development? Only £12,000 has been used.

The PREMIER: A good deal of that money has been disposed of.

Hon. Sir James Mitchell: No, you have given some guarantees and are holding the money against them.

The PREMIER: That money will be put to good use.

Hon. Sir James Mitchell: Of course, because you are saving interest on it.

The PREMIER: The hon. member knows that if opportunities are not open to us wisely to expend the money on mining, we must keep possession of it. We could get rid of it, but not on work that would be justifiable.

Hon. Sir James Mitchell: I cannot see that.

The PREMIER: If there are no openings for the Treasurer to advance that money wisely, it must remain in his hands.

Hon. Sir James Mitchell: Then let someone else get in that can spend it.

The PREMIER: I do not think there will be much of it left by the end of the year.

Hon. G. Taylor: You have only another ten days to the end of the financial year.

Hon. Sir James Mitchell: But the Premier has had 18 months to spend it.

The PREMIER: We have been waiting for sound investments. A wise man seeking investments does not always take the first offering.

Hon. Sir James Mitchell: You had better be careful; you have used far more than this sum.

The PREMIER: Yes, in small ways for assistance here and there, but we would not be justified in frittering this money away. We are waiting to apply this in some big comprehensive way that will have far-reaching effects.

Hon. Sir James Mitchell: When in doubt, talk about some comprehensive scheme.

The PREMIER: The hon. member need not be alarmed.

Hon. Sir James Mitchell: Anyhow, this clause is not necessary to the agreement.

The PREMIER: This one is necessary. The agreement compels us to deal with the sale of Government property in this way.

Mr. Angelo: I do not wish to embarrass you if that is in the agreement.

The PREMIER: The hon. member need not be afraid of any Treasurer selling the trams or the "Koolinda" and taking the proceeds into revenue. No Treasurer would abuse any powers conferred upon him by this clause.

Hon. Sir JAMES MITCHELL: A large sum of money is involved. When loan money is repaid, we cannot take it to the lender and say, "Here is £50 off our indebtedness to you." So the money is put into a fund and devoted to other works for which loan funds are authorised. Under this clause, however, a Treasurer, running short of money might chip a bit off some of the State's assets and sell it.

The Premier: And if we had a succession of bad years, he might keep on selling the State assets, so long as he could get anything from the sale of Government property.

Hon. Sir JAMES MITCHELL: What became of the £40,000 for the State Savings Bank?

The Premier: We are about to select a site for the bank.

Hon. Sir JAMES MITCHELL: I am referring to the £40,000.

The Premier: That is all right; it is in suspense.

Hon. Sir JAMES MITCHELL: When we meet in July, we shall be able to discuss the finances generally, but some of these figures are jolly interesting. The mining vote of £200,000 has not been spent. A sum, however, has been given to the Sons of Gwalia mine.

The Minister for Mines: Over a period of three years, yes. The agreement has not been in existence 12 months, and the loan has not been made for that period.

Hon. Sir JAMES MITCHELL: Where did the Minister get the money?

The Minister for Mines: Out of the £166,000. All the money has not been advanced. The balance will come out of that, too.

Hon. Sir JAMES MITCHELL: The Committee ought not to pass this clause. It would be very dangerous to allow the proceeds from the sale of Government property to be paid direct to revenue. We are getting enough advantage for revenue without affording it additional help in this way.

Mr. ANGELO: I think this paragraph ought to be amended.

Hon. Sir James Mitchell: If it is struck out, the Act will remain as it stands.

Mr. ANGELO: If we amend this it will not affect the agreement. I wonder if the Premier would agree to strike out all the words after "Special" in line 19 of the clause, and to insert the following words:—"Trust account at the Treasury and transferred to the General Loan Fund on the 30th day of June in each year for appropriation by Parliament on the Estimates of the General Loan Fund." The Treasurer would still be able to ask for so much to be contributed out of revenue to meet his expenditure, and so much out of the sale of Government property. This would enable members to learn each year what Government property had been sold and how the money had been applied. Without some such amendment the proceeds might go into Consolidated Revenue, and we should never know how it was spent.

Hon. Sir James Mitchell: Let the Act remain as it stands. The present system would continue if the paragraph were struck out.

Mr. ANGELO: It would probably be better to do that. I move an amendment—

That the following words be struck out:—"All proceeds of sales of Government property thereafter shall be paid to a special account of the Consolidated Revenue."

Amendment put and negatived.

Clause put and passed.

Clause 5—Construction of Acts of W.A.:

Hon. Sir JAMES MITCHELL: The Premier cannot be serious in asking us to pass this clause. It relates to things we have never seen or heard of. Any law that we make that is not convenient to this agreement, or any subsequent agreement that is entered into, would be overridden by this agreement. That is wrong. If we have any laws to-day which ought to control the actions of Ministers, we should see that they do control them. Under the referendum provisions in the agreement the State Governments and the Commonwealth Government will be able to make an agreement between themselves which will not need the ratification of Parliament.

The Premier: That is where the agreement may be varied or altered, you think. That has to be approved by all the parties thereto, and the parties thereto are the State Parliaments which ratify it. The agreement

can only be altered by the approval of all the parties. I specially went into the question of the interpretation of this, and it is that the parties to the agreement are the Parliaments which ratify it, and not the Governments. It would not do to give any Government power to vary the agreement and tie the hands of their Parliament.

Hon. G. Taylor: The Governments are the parties to the agreement.

Hon. Sir JAMES MITCHELL: Does the Premier assure us that this Parliament must consider any agreement before it is made?

The Premier: Any alteration or addition to this agreement.

Hon. Sir JAMES MITCHELL: Or any future agreement.

The Premier: Any future agreement if it relates to the subject.

Hon. Sir JAMES MITCHELL: Does the Premier mean, to amend the Financial Agreement with the Commonwealth?

The Premier: Yes, to vary the agreement and make alterations to it.

Hon. Sir JAMES MITCHELL: This says, "Any agreement made before or after the commencement of this Act."

The Premier: Any agreement we may make in the future would have to come here.

Hon. Sir JAMES MITCHELL: Then we do not need this clause. There is no object in passing this extraordinary provision.

The Premier: We may unwittingly pass some legislation that will conflict with this agreement. The clause is to cover that. We might amend some Act next session.

Hon. Sir JAMES MITCHELL: No sane Parliament would pass this clause or the next one.

The Premier: The clause is necessary.

Hon. Sir JAMES MITCHELL: How does it become necessary to override by agreement Acts of Parliament? It is provided that the Constitution may be overridden. Anything that we pass in the future will have no effect upon this or any future agreement.

The Premier: Not so far as it is in conflict with this agreement.

Sitting suspended from 6.15 to 7.30 p.m.

The PREMIER: The Leader of the Opposition will realise that the clause is essential. Really it is a consequential provision. It merely enables us to carry out the agreement. It says that if there are any State Acts in existence which run

counter to the agreement, they will be inoperative. That is essential. Scattered through our Statutes there are numerous Acts which the agreement affects, and so far as they conflict with the agreement, the agreement is to over-ride them. There are such Acts, I know, though I have not an enumeration of them. The clause is precautionary. If when we begin to give effect to the agreement we discover that there is an Act in conflict with it, we shall not have to bring down an amending or repealing Bill, as would be necessary in the absence of this clause. Any obstacles to the agreement which exist in our Statutes must be removed. As to the future, it is quite conceivable that this Parliament in a future session might unwittingly pass an Act in conflict with some part of the agreement; and if that occurs, the clause provides that the Act, in so far as it may be in conflict with the agreement, shall be inoperative.

Hon. Sir James Mitchell: A loan Act, for instance.

The PREMIER: Any Act that would prevent us from carrying out the provisions of the agreement; possibly a loan Act. The marginal note shows that the clause is taken from the Victorian Act, and I believe a similar section is included in the corresponding Acts of all the other States.

Hon. Sir James Mitchell: This would be the latest Act, and therefore would stand.

The PREMIER: That is partly why the clause is included.

Hon. G. TAYLOR: I am not much concerned as to how this drag-net clause will affect future legislation, but I am concerned to know how it will affect existing legislation. It is the business of the Parliamentary Draftsman and the Crown Law Department to see that the Bill gives the administrators of it full power to carry out the agreement, and to inform them whether any existing Act or any proposed Bill is in conflict with the agreement. What the Bill contains in black and white is what the courts will decide upon, and not upon "Hansard" reports of the debates on the measure. Ever since Federation came into existence, there has been a provision that if a State Act of Parliament conflicts with a Federal Act of Parliament the latter shall prevail. There is not much chance of future legislation being in conflict with the agreement, and as regards existing legislation the Premier has not a list of Acts affected.

Hon. Sir JAMES MITCHELL: We have no right to pass this clause, and the next clause is even worse. The agreement is one which the Premier will greatly regret having had anything to do with before he is much older. Clause 5 is not the Victorian provision.

The Premier: Yes, it is.

Hon. Sir JAMES MITCHELL: The side note says, "See Victorian clause." As to the Victorian Act, the various Labour Parties will do anything to achieve what they call "creating a nation."

The Premier: There are varieties and degrees of Labour Parties.

Hon. Sir JAMES MITCHELL: Labour Parties are absolutely bound with chains.

The CHAIRMAN: Order! Let us deal with the clause.

Hon. Sir JAMES MITCHELL: The clause will bind this State in respect of existing Acts of Parliament, which are to be of no avail in so far as they conflict with anything contained in the agreement, and similarly as regards any future agreements made with the Commonwealth. The proposed agreement covers future agreements. It is unthinkable that the Premier should be unable to tell us of any existing Act which runs counter to the agreement. If there is any law of the country which would protect the State, this clause will set it aside.

The Premier: The clause is necessary.

Hon. Sir JAMES MITCHELL: I am sure it is not right for Parliament to pass the clause, which represents a loose way of drafting. The Western Australian Parliament cannot pass any Act to amend the agreement in the future: but suppose the Commonwealth Parliament, under the powers proposed, passes Acts at a later stage for the carrying out of the agreement. It is not right that we should agree to a provision that will enable the Commonwealth to tell us what we shall do.

The Premier: That is not the position.

Hon. Sir JAMES MITCHELL: Yes; that is in accordance with the terms of the submission. Among the powers sought by the Commonwealth is one that will enable the Federal "Parliament to make laws for the carrying out by the parties thereto of any such agreement." That is not right. We should not allow the Commonwealth to tell us what we shall do.

The Premier: But we would have to agree to it.

Hon. Sir JAMES MITCHELL: It does not say so. In effect, we are handing ourselves over body and soul to the Commonwealth. I would prefer to see what the member for East Perth aims at, submitted to the people in a decent way, so that they could say whether or not they approved of unification. Do not let us whittle away all our powers under this agreement, and future agreements. If the financial control passes to the Commonwealth, we might just as well have unification.

The Premier: If we are to have unification, it would be better if it were accomplished by a straight-out vote of the people than to accomplish it bit by bit.

Hon. Sir JAMES MITCHELL: It would be better and cleaner.

The Premier: That is the only right way.

Hon. Sir JAMES MITCHELL: This clause is bad enough, but the succeeding one is worse still.

The Premier: As a matter of fact, in your opinion the whole Bill becomes progressively worse. These clauses are necessary for us in connection with the agreement.

Hon. Sir JAMES MITCHELL: Then the agreement must be very loosely worded. I have never before heard of such a clause as this.

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

Ayes	..	..	..	18
Noes	..	..	..	15
Majority for				3

AYES.

Mr. Chesson	Mr. Marshall
Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Rowe
Mr. Coverley	Mr. Sleeman
Mr. Cunningham	Mr. Troy
Mr. Heron	Mr. A. Wansbrough
Miss Holman	Mr. Willcock
Mr. Kenneally	Mr. Withers
Mr. Lamond	Mr. Wilson

(Teller.)

NOES.

Mr. Angelo	Mr. J. H. Smith
Mr. Barnard	Mr. J. M. Smith
Mr. Brown	Mr. Stubbs
Mr. E. B. Johnston	Mr. Taylor
Mr. Mailey	Mr. Teendale
Mr. Mann	Mr. Thomson
Sir James Mitchell	Mr. North
Mr. Richardson	

(Teller.)

Clause thus passed.

Clause 6—Modification of conflicting provisions:

Hon. Sir JAMES MITCHELL: I hope no member of the House will support this clause. It provides that the Governor, which means the Government, may, by Order-in-Council, suspend, repeal, amend or modify in any manner whatever any Act of Parliament that may be considered necessary or convenient in order to provide for the administration of the Bill and the agreement.

Mr. Angelo: That is a Mussolini sort of clause!

Hon. Sir JAMES MITCHELL: Surely no hon. member of this House will support such a proposal!

Mr. Kenneally: You are still an optimist.

Hon. Sir JAMES MITCHELL: Perhaps I am a fool to think that it will be dealt with as it should be by some people; that is, in the interests of the country. Perhaps it is too much to expect it to be dealt with in a reasonable way.

Mr. Corboy: Do not you think we all do our best in the interests of the people?

Hon. Sir JAMES MITCHELL: On this occasion I do not. I cannot see how anyone can vote for a clause of this description. If any such thing were suggested by a member of the Opposition, then we would hear the protest from members on the Government side of the House. Fancy giving any Government the right to suspend, repeal, amend or modify an Act of Parliament!

Hon. G. Taylor: And without any reference to Parliament whatever.

Hon. Sir JAMES MITCHELL: If we are unable to draft an agreement between the State Government and the Federal Government without such a provision as this one, the sooner we get out of our jobs the better, so that someone else may have our positions instead. It is unthinkable that such power should be given to the Government.

Mr. Teesdale: They may yet repeal the agreement itself.

Hon. Sir JAMES MITCHELL: How far does this thing carry us? The agreement is fairly simple, and surely it should be administered by a man of ordinary intelligence, without the necessity for these powers. I do not know what we are coming to. Under this clause Parliament may make a law and the next day the Government may set it aside. This means that the Government will be above Parliament. The clause is quite unnecessary. The Premier has informed us that he does not think it will be necessary to suspend many Acts that will be in conflict with the agreement. I do not think that he, if he were not Treasurer of the State to-day,

would agree to any such proposal as that under consideration. In fact, I am certain he would not do so. The Premier has always opposed legislation that had any retrospective effect. To ask Parliament to agree to a proposal of this description is too much, and I hope the Premier will agree to the deletion of the clause. It will affect not only this agreement but other agreements that may be made, and we should not consider giving away such power to enable the Government to do such things and make agreements without the House being consulted.

The Premier: There will not be any agreement made without the House being consulted.

Hon. Sir JAMES MITCHELL: There may be. There is nothing in the agreement and nothing in the proposed amendment of the Constitution that will require reference to this Parliament. Yet the Federal Government must take their agreement to the Federal Parliament.

The Premier: The parties to the agreement are the Parliaments. If it meant that the individuals who signed the agreement were the parties to it, no alteration could be made when those individuals went out of Parliament.

Hon. G. Taylor: Any individual holding the same position would take your place.

The Premier: If someone not yet in Parliament became Treasurer, how could he be considered a party to the agreement?

Hon. Sir JAMES MITCHELL: The Government of the day will probably make other agreements with the Federal Government, and, when that happens, they must be taken to the Federal Parliament, but need not be brought to this Parliament.

The Premier: No.

Hon. Sir JAMES MITCHELL: Then why ask us to pass this clause? Under it, if an agreement is made by the Government, nothing we can do can alter it. Of course a wise Government would refuse to sign any agreement until Parliament had approved of it.

The Premier: Any Government could sign an agreement, as I signed this one, but it would be subject to ratification by Parliament.

Hon. Sir JAMES MITCHELL: Not at all. If the Federal Constitution is altered, State Governments may make any agreement with the Federal Government. The only protection the State would have would be the authority of Parliament to turn the

Government out of office. Can the Premier justify the inclusion of the clause?

The PREMIER: The first part of the clause appears to give tremendous power to the Governor in Council.

Hon. Sir James Mitchell: Not only appears to, but does.

The PREMIER: The justification for it consists in the purpose for which the power may be used. The clause does not give power to set aside any Acts of Parliament. It says that the Governor in Council may suspend, repeal or amend any Act only in order to permit of the administration of this Act and of the agreement. There could be no motive for any Government to suspend or repeal any Act unless it was necessary to do so for that reason.

Hon. Sir James Mitchell: If you struck an Act that was a bit uncomfortable and had the slightest bearing on the agreement, out it would go.

The PREMIER: We can only administer the measure. If, in the course of administering it, other Acts prevent us from carrying out the agreement already adopted, we may remove that obstacle to our giving effect to our own wishes as embodied in the agreement. If the Government ran amuck, it could do a great deal of damage, but it is always presumed that an Act will be administered rationally and reasonably. No Government would repeal or suspend an Act unless it was necessary to carry into effect the objects and purposes of the agreement. The clause seems to be drastic, unless the concluding words also are taken into consideration.

Hon. Sir James Mitchell: To what could it apply?

The PREMIER: To many unforeseen things.

Hon. Sir James Mitchell: Why did you put it in?

The PREMIER: To remove a possible obstacle. I think I know what is running through the hon. member's mind. If we had not this provision, every time an obstacle was encountered we should have to come to Parliament for an amending Act. Difficulties in administering the agreement might crop up during the recess and prove a real obstacle to carrying into effect the provisions of the agreement.

Mr. Teesdale: For instance, the Fisheries Act would not be likely to interfere with the administration of this measure.

Hon. Sir James Mitchell: It might.

Hon. G. Taylor: The Pearling Act might.

The PREMIER: If the Government took any action in that direction, they would have to justify it to Parliament.

Hon. Sir James Mitchell: Do you expect us to believe that? Look how your supporters stick to you when they know it is wrong!

The PREMIER: I would not rely upon them for five minutes if I were wrong.

Mr. Angelo: The King can do no wrong.

The PREMIER: Members opposite do not break up too often to support me.

Hon. Sir James Mitchell: On this side one has to be right in order to receive support, but not so on the Government side.

The PREMIER: The clause is not quite so drastic as it appeared to be from the portion read by the Leader of the Opposition.

Hon. G. TAYLOR: Slight objection was raised to the previous clause, but it was nothing compared with this clause, which gives power to the Executive to amend Acts of Parliament that conflict in the slightest degree with this agreement. Never since I have been in Parliament has such a drastic clause been placed before us. No one likes regulation by Executive authority. We have frequently opposed legislation by regulation, and we compel the Government to table regulations within 14 days so that, if necessary, they might be rejected. By this provision we are giving the Executive power to amend legislation without coming near Parliament. That is opposed to constitutional government. It has no place in a properly constituted administration. We might as well shut up Parliament if that kind of thing is to go on. Why not bring down a Bill giving the Executive authority to pass all the legislation it wants? If Parliament makes laws, it should be able to amend them when necessary. I am not prepared to give the Government authority to amend legislation either by regulation or Executive Council minute. The Premier said no reasonable Government would take advantage of this provision, but I should not like to give anyone the opportunity to do so. I would not live in a country that was governed in that way; I would rather go elsewhere. No liberty loving people would support such a clause. It has my unqualified disapproval.

Mr. KENNEALLY: I cannot understand members opposite raising any objection to Parliament honouring the undertaking it has given in regard to this agreement. All the clause provides is that Parliament shall honour that obligation. When this Bill becomes law, that is what this Parliament will do. It provides that legislation which stands in the way of giving effect to the Act shall not remain law.

Hon. Sir JAMES MITCHELL: If the referendum is carried, these powers will appear in the Federal Constitution. The Premier cannot be serious in wanting the Committee to pass this clause.

Hon. G. Taylor: It is a new form of democracy.

Hon. Sir JAMES MITCHELL: One of the purposes of this agreement is to bring about unification, and anything that stands in its way must go.

The Premier: It means all objects and purposes as expressed in the agreement. You cannot go outside the four corners of the agreement.

Hon. Sir JAMES MITCHELL: One of the purposes of the agreement is the annihilation of the freedom of the States. Anything that stands in the way must be sacrificed. We have passed the agreement, and the remaining clauses of the Bill can well be deleted without affecting it.

Mr. Kenneally: The hon. member now wants to make the agreement unworkable.

Hon. Sir JAMES MITCHELL: If the hon. member has his way the State must be destroyed, in which case a clause like this would be necessary. Surely members opposite do not want the public to know that they support a clause that gives such immense powers to the Government as does this.

Hon. G. TAYLOR: I must enter another protest against the passing of the clause. The agreement is full of intricacies and difficulties, and it is almost beyond the power of any layman to interpret it. The Premier has realised that, as his advisers have done. He now brings down these outrageous clauses. Up to Clause 5 we have given the Government all the power they need. Now they want to take the place of Parliament. That is too much. The Act can be administered without these additional powers. Nothing has been done by legislation that cannot be killed by Clause 5. It is futile for members on this side

to offer any further resistance. They cannot move members opposite. This Bill is regarded as a sacred piece of mechanism that must be accepted in toto, and I venture to say that most members supporting the Government have not read it. If members view the Bill as I do, they will be prepared to remain here for the rest of the week before they allow it to go through.

Clause put, and a division taken with the following result:—

Ayes	18
Noes	17

Majority for	1
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Ayes.

Mr. Chesson	Mr. Marshall
Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Rowe
Mr. Coverley	Mr. Sleeman
Mr. Cunningham	Mr. Troy
Mr. Heron	Mr. A. Wansbrough
Miss Holman	Mr. Willcock
Mr. Kenneally	Mr. Withers
Mr. Lamond	Mr. Wilson

(Teller.)

Noes.

Mr. Angelo	Mr. Richardson
Mr. Barnard	Mr. J. H. Smith
Mr. Brown	Mr. J. M. Smith
Mr. Davy	Mr. Stubbs
Mr. Griffiths	Mr. Taylor
Mr. E. B. Johnston	Mr. Teesdale
Mr. Maley	Mr. Thomson
Mr. Mann	Mr. North

(Teller.)

Clause thus passed.

Clause 7—agreed to.

Clause 8—Regulations:

Mr. DAVY: We have heard protests from the Government side of the Chamber against carrying legislation by regulation too far, but this clause seems to me to carry that principle to an extreme. It purports to have been copied from a Victorian piece of legislation, though I do not know that that is any excuse for it. In these days it is a common thing, and in my submission an undesirable thing, to end a Bill with a kind of omnibus regulation clause; but I never before saw a clause providing for regulations—

where there is in this Act no provision or no sufficient provision in respect of any matter or thing necessary or expedient for the administration of this Act or the said agreement, or for carrying into effect the objects and purposes of this Act and the said agreement, providing for and supplying such omission or insufficiency.

The laws of the country are supposed to be passed by both Houses of Parliament, and the making of by-laws is supposed to be restricted to the carrying out of objects stated by the Act. We ought not to allow this business of extra-Parliamentary legislation to be carried to such an extent as is here proposed. The clause just passed is extreme enough, in all conscience; but the present clause goes even further.

The PREMIER: After all, there is really no greater power in this clause as to regulations than in other clauses dealing with regulations, though the wording may be different.

Hon. G. Taylor: Can you produce an Act of Parliament with a similar section?

The PREMIER: I believe that if I had the time I could. I did not anticipate that objection would be taken to the clause.

Mr. Davy: The regulation clause is getting wider and wider every year.

The PREMIER: Since the hon. member interjecting has been in this House, he has become unduly suspicious of the power of making regulations.

Mr. Davy: Not unduly suspicious.

The PREMIER: It would be almost impossible to administer an Act without power to make regulations.

Mr. Davy: It is only within the last 50 years that people have thought of making regulations.

The PREMIER: The latter part of the clause, quoted by the hon. member, gives no greater power than is usual. It is not possible to administer an Act on the bare wording of the measure itself, and the object of regulations is to enable the Government to take power for carrying the measure into effect. Only when there is not sufficient provision in this measure itself to do something that is necessary or expedient for its administration may that lack of provision be met by the making of regulations.

Mr. Davy: That is what we complain about.

The PREMIER: What is wrong with it? The hon. member, apparently, would hold up an Act because there is no power in it to do certain things; he would not have us make a regulation to enable us to carry the Act into effect. That is the power, with

perhaps a variation in wording, taken in all measures. As regards regulations, Parliament is always safeguarded by the fact that either House may disallow a regulation.

Hon. Sir James Mitchell: Yes, six months after the thing is made.

The PREMIER: No great harm can happen in six months.

Hon. G. Taylor: Oh!

The PREMIER: In my opinion, the power to disallow by either House has been frequently abused. Regulations have been disallowed in such a way as to render legislation almost null and void.

Hon. Sir James Mitchell: Only in the matter of fees.

Mr. Davy: You can get over that difficulty by putting the law you want into the Act itself, where it ought to be.

The PREMIER: The hon. member will admit that one cannot put all the administrative machinery one may need into an Act.

Mr. Davy: I say you can. It used to be done.

The PREMIER: But not of recent years, when Acts have become more voluminous and more complicated. To put all the necessary machinery into an Act would swell the measure to enormous dimensions. The hon. member must know of many Acts containing many pages of regulations. To put all that matter into this measure would increase its size to an enormous extent.

Mr. Davy: What would that matter?

The PREMIER: Even a wise Parliament such as this State is endowed with cannot foresee all the effects that might spring from its legislation. In all good faith and with the best of intentions we pass provisions which do not work quite as we anticipated, and then it becomes necessary, in order to give effect to our intentions, that regulations should be made. The member for West Perth, I know, considers that there should be no need for regulations.

Mr. Davy: I do not think I have gone so far as that.

The PREMIER: Pretty well as far. But in my experience of the Chamber he is the only hon. member who has taken that view.

Mr. Davy: The Minister for Works agreed with me on that point. I objected to the regulations under the Scaffolding Act, and he included the provisions in the Schedule in consequence of my protest.

The PREMIER: That may have been so, but I remarked that within my recollection I had not known any hon. member to take such pointed objection. The Leader of the Opposition who has had experience of government will know the need of being able to make regulations. What is proposed in the clause is merely a variation in the wording, and it does not confer any power that has not been taken by Parliament in the past. The clause is quite harmless in view of the right of disallowance by either House of Parliament.

Mr. DAVY: This ever-increasing authority that is demanded by the Government to make regulations to supplement the presumably inefficient efforts of their draftsmen to frame in the Bill what they desire, is the basis of my objection at all times to the exercise of arbitrary powers. If we are to give to a Government powers such as are outlined in the clause, and in subsequent Bills are to agree to slightly but ever-extended powers, very soon the Government of the State will find it unnecessary to have laws passed at all. They will merely frame a few skeleton Bills for Parliament and will take enormously wide powers to make regulations. In those circumstances, it will be unnecessary to introduce amending legislation in the ordinary way, for what may be desired will be achieved by amending regulations. As an instance of what has happened, the Traffic Act, introduced by a previous Government, purported to take away from the City Council and to confer upon the police, the control of traffic in the roadway. A perusal of the Municipalities Act shows clearly that the intention of Parliament was nothing else than to give the Commissioner of Police power over motor and horse-drawn vehicles. As soon as the police got control, however, they introduced regulations to deal with such matters as the wheeling of perambulators and the throwing of fruit skins on the footpath. The Crown Law Department advised the authorities regarding the limitation of their powers, but in effect the Crown Law officers were told that the police would not take any notice of that but would go ahead. The regulations were gazetted, and approximately half of the regulations now are, strictly speaking, *ultra vires* the Act. Unless we have a most efficient organisation to check regulations, and to consider whether or not they are within the scope of the legislative powers,

necessarily these things slip through and become law. Then they remain as law until challenged by some unfortunate individual who, whether he wins or loses his action against the police, has to pay. The Minister for Works agreed with me regarding my dislike for regulations. It is evident that many people who take an interest in the development of our Parliamentary institution share in that dislike. Take the Municipalities Act of 1906. By-laws were permitted to be made under that Act, but within definite and strict confines. The section dealing with regulations covers seven or eight pages, and sets out expressly the matters that may be dealt with by regulation, and it is impossible to get beyond that section. In those days it was thought necessary that the local authorities should have a certain amount of power within their own boundaries, and that power was provided in the section dealing with regulations. Coming later, we have the Main Roads Board Act passed a few years ago. That Act embodies broad powers to make regulations. It is very comforting to a Parliamentary draftsman to enable him to scratch together his Bill rapidly on broad lines and add this beautiful clause dealing with regulations, and thus relieve himself of the responsibility to complete his job. The powers embodied in the section in the Main Roads Act are pretty broad, but are not comparable with those embraced in the clause now before us which proposes to supplement the defects of the Bill itself. It is time that we considered what our job really is, and I claim it is to place on the statute-book a complete statement of what the law shall be, not merely placing there a skeleton and leaving the Government more or less uncontrolled—entirely uncontrolled until Parliament meets, and perhaps, inefficiently controlled even when Parliament does meet—with these particularly arbitrary powers. It is useless to suggest to the Premier that he should amend the clause, because he has determined to pass it without dotting an "i" or crossing a "t." We are getting very lazy in Western Australia in the framing of our statutes, and it is not in the best interests of a democratic country that too much power shall fall, not into the hands of the Government so much as into the hands of the Government's executive officers.

Clause put, and a division taken with the following result:—

Ayes	..	..	..	18
Noes	..	..	..	16
				—
Majority for	..	..	..	2
				—

AYES.

Mr. Chesson	Mr. Marshall
Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Rowe
Mr. Coverley	Mr. Sleeman
Mr. Cunningham	Mr. Troy
Mr. Heron	Mr. A. Wansbrough
Miss Holman	Mr. Willcock
Mr. Kennelly	Mr. Withers
Mr. Lamond	Mr. Wilson

(Teller.)

NOES.

Mr. Angelo	Sir James Mitchell
Mr. Barnard	Mr. Richardson
Mr. Brown	Mr. J. H. Smith
Mr. Davy	Mr. J. M. Smith
Mr. Griffiths	Mr. Stubbs
Mr. E. B. Johnston	Mr. Taylor
Mr. Maley	Mr. Thomson
Mr. Mann	Mr. North

(Teller.)

Clause thus passed.

Clause 9—agreed to.

Schedule, Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 9 p.m.

Legislative Council,

Tuesday, 26th June, 1923.

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

SWEARING-IN OF MEMBER.

Hon. H. Seddon (North-East) took and subscribed the oath and signed the roll.

QUESTION—NORTH-WEST AEROPLANE LANDING GROUND.

Hon. Sir EDWARD WITTENOOM asked the Chief Secretary: 1, Are the Government taking any steps to prepare on the coast in the vicinity of Wyndham or Derby, a landing place for aeroplanes so that they can land there instead of at Port Darwin and so save many miles of distance? 2, If not, will the Government consider the advisability of doing so?

The CHIEF SECRETARY replied: 1, No. 2, Air services are controlled by the Federal Government. The State Government will gladly consider if so requested.

MOTION—CONGRATULATIONS.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.36]: I beg to ask leave to move, without notice, the following motion:—

That this House desires to place on record the services rendered by the late members of the Council, and congratulates the Hon. W. H. Kitson on his appointment as Honorary Minister.

The PRESIDENT: Is it the wish of the Council that the Minister have leave to move the motion without notice?

Leave granted.

The CHIEF SECRETARY: This is a most unusual motion, but it has been rendered advisable by reason of the fact that members came to an understanding that there should be no debate on the Address-in-reply. It has been the custom to make complimentary references to late members and also to offer congratulations to new members. A number of changes have taken place in this House as a result of the recent province elections. Mr. Hickey, Mr. Burvill, Capt. Potter, and Mr. Macfarlane are no longer with us, and their places have been taken by Mr. Hall, Mr. C. H. Wittenoom, Mr. Fraser, and Mr. Franklin, while Mr. Williams is the successor of the late Mr. Dodd. We can all regret the loss of the old members who were defeated without in any way reflecting on those who have succeeded them. Mr. Hickey was not only a colleague of mine as a representative of Central Province, but was also a Ministerial colleague. He always took a very active interest in the welfare of the State, with which he was thoroughly acquainted. I have no doubt that he will be missed from this