

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.44]: I move—

That the House at its rising adjourn until Tuesday next, 26th June.

Question put and passed.

House adjourned at 4.15 p.m.

Legislative Assembly,

Tuesday, 19th June, 1928.

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

QUESTION—VERMIN, BONUSES AND TAXATION.

Mr. C. P. WANSBROUGH (for Mr. Lindsay) asked the Minister for Agriculture: 1, What amount has been paid by the Department of Agriculture as bonuses on dingoes, foxes and eagles, to February, 1928, together with the number of each in (a) the agricultural areas, (b) the pastoral areas? 2, What amount of vermin tax has been collected by the Taxation Department to February, 1928, in (a) the agricultural areas, (b) the pastoral areas? 3, What is the estimated value of unimproved land on which tax can be collected in (a) the agricultural areas, (b) the pastoral areas?

The **MINISTER FOR AGRICULTURE** replied: 1, (a) Agricultural areas: Dogs, £4,162; foxes, £910; eagles, £83 10s.; total, £5,155 10s.; (b) Pastoral areas: Dogs, £12,690; foxes, £142; eagles, £490 5s.; total, £13,322 5s. 2, The total collected from the assessments for 1926-7 and the year 1927-8 up to February, 1928, was £36,254 8s. 11d. The Taxation Department do not keep col-

lections from farming and pastoral areas separate and advise that to do so would cause considerable extra expenditure. (3) (a) Agricultural areas, £9,426,720. (b) Pastoral areas, £3,096,240.

LEAVE OF ABSENCE.

On motion by Mr. North, leave of absence for one month granted to Mr. Sampson (Swan) and Mr. Latham (York) on the ground of urgent private business.

BILL—FINANCIAL AGREEMENT.

Second Reading.

Debate resumed from the 14th June.

MR. PANTON (Menzies) [4.37]: A good deal has been written and spoken upon this question. I listened with deep interest to the utterances of various hon. members on the proposed agreement, and as regards opposition to it I regret to have to say that the members who have expressed themselves as adverse to the Bill have spoken purely by way of criticism and not in any way as offering a constructive alternative. Personally, I am quite prepared to admit that I would have liked to see the States obtain more than they are to receive under the agreement, but until such time as someone can put forward an alternative more advantageous to the States I must vote for the agreement as submitted by the Premier. In common with the Leader of the Opposition I am unable to find a better alternative.

Hon. Sir James Mitchell: I can find a better alternative, but I have not the chance.

Mr. PANTON: The hon. gentleman has as much chance as I have. Possibly, like myself, he lacks the ability to find a better one.

Hon. Sir James Mitchell: That may be, I will plead guilty.

Mr. PANTON: The hon. member need not get cross.

Hon. Sir James Mitchell: No, no. I am merely suggesting that—

Mr. PANTON: For once I find myself in agreement with the "West Australian." I too, think we should when considering this financial proposal look a little beyond our own State.

Hon. Sir James Mitchell: Now we have it, of course.

Mr. PANTON: We should be big enough to regard the matter not only from our own State's point of view, but also from that of the people of the Commonwealth. I can quite realise the position in which the representatives of the States found themselves when attending the last conference. They were at the wrong end of the gun. They found themselves faced with the fact that the per capita payments had been abolished; and after all is said and done, that is the crux of the question.

Hon. Sir James Mitchell: There is no doubt about that, anyhow.

Mr. PANTON: Most of the arguments used in this Chamber have been as to the proposed agreement versus the per capita payments. But the per capita payments are now non-existent.

Hon. Sir James Mitchell: I do not think that has been the case.

Mr. PANTON: We are all entitled to our opinion, and that is the interpretation I placed on most of the speeches from the other side.

Hon. W. J. George: We have been robbed before, and we shall be robbed again.

Mr. PANTON: Perhaps we may go on being robbed. To me it seems unquestionable that the Federal Government, for whom I hold no brief, acted constitutionally in abolishing the per capita payments. I agree with every member who has spoken on the other side that we are entitled to the payments morally. However, that does not get us very far legally. The whole of the argument put up by the Premiers in the first place was that the States were morally entitled to the per capita payments. In support of that contention, many speeches made in pre-Federation days might be quoted. The member for Avon (Mr. Griffiths) ran through a considerable list of pre-Federation speakers recently, and there is no occasion for me to cover the ground again. It is just as well, however, to bear in mind that during 1910, when the per capita payments were introduced, the people of Australia were asked to have those payments placed in the Federal Constitution. This the people of Australia refused to do. It is as well to remember that when the Australian people had the opportunity of making the per capita payment of 25s. a part of the Constitution, they turned down that proposal at the referendum.

Hon. W. J. George: It was because they knew they were being robbed of the surplus revenue.

Mr. PANTON: It was a question of the people refusing to alter the Constitution at that time. I hope to-day to be able to advance figures which will prove to hon. members, if they have not already gone into the matter carefully, that the referenda in question were defeated, not by the people of Western Australia, but by the people of two States which have received so much abuse from some portions of Western Australia. The State Grants Bill was introduced into the Federal Parliament on the 4th June, 1926; and, unlike some members who have spoken, I wish to make an endeavour to show what was in the mind of the Federal Government at the time when they submitted that measure for the abolition of the per capita payments. The Commonwealth Treasurer then stated that the Commonwealth proposed to retire from land tax, probate duties, entertainments tax, 40 per cent. of income tax on individuals, and 40 per cent. of income tax on companies, representing a total of £7,787,352. Such was the Federal Government's intention when they introduced the Bill for the abolition of the per capita payments. With this proposal they had already met the Premiers in conference, and the Premiers had refused even to consider the matter. Incidentally I may mention that the Federal Treasurer stated definitely in 1923—I do not know who represented this State then—

Hon. Sir James Mitchell: I did.

Mr. PANTON: The Federal Treasurer then stated that when similar proposals had been put before the Premiers, they were agreed to unanimously.

Hon. Sir James Mitchell: They were not.

Mr. PANTON: That is what the Federal Treasurer said.

Hon. Sir James Mitchell: Well, I was there.

Mr. PANTON: I accept the word of the Leader of the Opposition. The Federal Treasurer, in introducing the State Grants Bill, said—

The States have sovereign powers to impose direct taxation, and they can distribute their taxation in any way they like. If they distribute it so as to make land taxation three times as heavy as before, that will be their fault, and not ours.

That is a significant statement. I can quite understand the Premiers at that period not agreeing to any proposal of the kind. The Federal Government were going to make themselves very popular by reducing taxation to the extent of over 7½ million pounds annually, while leaving the States to impose the taxation necessary to compensate for the abolition of the per capita payments. The Leader of the Opposition does not need any intimation from me to know what would happen to a State Ministry, irrespective of political complexion, that suddenly proposed to increase taxation by nearly half a million sterling. That proposal, consequently, was unacceptable to the Premiers. However, such was the intention of the Federal Government at that time, June of 1926. That is the point I wish to make. They proposed to abolish the per capita payments and simultaneously retire from certain fields of taxation and leave them to the States. It is well to know what was then in the mind of the Federal Treasurer who, presumably, when speaking in the House of Representatives, spoke for the Federal Government of the day. The Bill, as I have mentioned, was introduced on the 4th June, 1926, and thus, the per capita payments being intended to terminate on the 30th June, the States had 24 days in which to adjust their finances. Mr Stewart, who is well known to the Country Party, asked by way of interjection—

If this Bill is passed, will the per capita payments be discontinued on the 30th June?

Dr. Earle Page replied in the affirmative, and Mr. Scullin interjected—

That does not give the States long to decide.

Dr. Earle Page thereupon continued—

The Bill is introduced now in order to give the States as long as possible. We tried to come to an agreement with them in May, and the Bill has been presented as soon as we could prepare the figures and information. We simply say that for the future we shall not have this vicious system, which cannot from any point of view be justified.

It is as well to remind hon. members of that once more, so that they may appreciate what was in the mind of the Federal Treasurer, the mouthpiece of the Government of the day, when he said that they would not continue that vicious system.

Hon. W. J. George: It simply meant that they would have everything their way, and not consider us one bit.

Mr. PANTON: I am presenting to the House the views of the Federal Treasurer. Following upon that statement by Dr. Earle Page, Mr. Scullin interjected, and at the stage the report of the debate is as follows:—

Mr. Scullin: Will those fields of taxation surrendered for all time?

Dr. Earle Page: No. Should there be another war, we might have to re-enter every field of taxation. No one can take from the Parliament the right to levy taxation. I desire to come to an agreement with the States, but when they refused to agree to anything, there was only one course to follow, and that was to use our power under the Constitution.

Mr. Richardson: And we are sitting down under it.

The Premier: What are you going to do about it? You cannot take their power away from them.

Hon. Sir James Mitchell: We would so do so if we could.

Mr. PANTON: At any rate, those were the sentiments expressed by the Federal Treasurer at that time. In view of this, I am not much surprised that the Federal Treasurer should hold fast to those opinions because anyone who has read Dr. Earle Page's pamphlets, and knows anything about his sentiments, appreciates the fact that he has a poor opinion of State Parliaments and members of State Parliaments.

Hon. W. J. George: It is reciprocal.

Mr. PANTON: The hon. member cannot speak for himself. I availed myself of an opportunity to look through one of Dr. Earle Page's pamphlets, and one paragraph therein read as follows:—

We have seven Parliaments in the Commonwealth, a Federal body and six State bodies and these latter for the most part—

This applies to us because we are a State legislative body—

—with all their pomp and paraphernalia simply waste time in corners of their respective States. They may be considered to do their best so far as in them lies, but they are handicapped politically and geographically, and are unable to carry on the work of the States. Owing to the centralising of affairs in out-of-the-way corners of the States—

I hope the members of the Country Party will take notice of that. We are living in Perth and, so Dr. Earle Page tells us, every thing is spent by us in the city, and nothing throughout the country areas. That is what Dr. Earle Page thinks of us.

Hon. W. J. George: But he is spending money at Canberra.

Mr. PANTON: Dr. Page, in the pamphlet I refer to, continued—

Owing to the centralising of affairs in out-of-the-way corners of the States, public money is always expended in that corner where the seat of Government is constituted. Politicians are not always to blame for this. Owing to the vicious system of Government, they are often necessarily ignorant, frequently misinformed, and always unconsciously biased.

That is Dr. Earle Page's opinion of members of State Parliaments. We did not know that that was the position, although we live here and are members of a State Parliament. Dr. Earle Page is in Canberra, but he knows all about it.

The Premier: He had been associating with members of the Primary Producers' Association.

Mr. E. B. Johnston: I think that was written before there was a Country Party in Parliament.

The Premier: No.

Mr. PANTON: Dr. Earle Page proceeded in his pamphlet to say—

Give the Government—

That is, the Federal Government—

—complete control of immigration, federalise the Crown lands, subdivide the States into provinces whose outlines are determined solely by the lines of community of interest, big enough to attack national schemes in a large way, but small enough for every legislator to be thoroughly conversant with every portion of the area, and land settlement and proper development will naturally follow.

Hon. Sir James Mitchell: You could apply that to the Federal Parliament.

Mr. PANTON: But that is the opinion of the Federal Treasurer! I mention that phase because it was stated last week by the member for Williams-Narrogin (Mr. E. B. Johnston)—and he looked almost emphatic as he thumped the desk and made the assertion—that the Labour Party stood for unification. If there is anything that would mean unification more than that, and it can be found in the platform of the Labour Party, I have yet to learn of it.

Mr. Richardson: Then we should not agree to it.

Mr. PANTON: The Labour Party stand for a referendum before such an alteration is made, for our platform contains the plank: "Until the Constitution is amended, the per capita payments should be continued without diminution." That is the difference. Dr. Earle Page was prepared to, and did,

abolish the per capita payments *holus bolus*. The Labour Party provide in their platform for an opportunity to be given to the people of Australia to say whether the Constitution shall be altered before there shall be any diminution in the per capita payments. The member for Williams-Narrogin said, in a very loud voice, "Where is the mandate to the State Government to agree to this agreement?" I believe the Premier told him definitely that the Premiers had signed the agreement on behalf of the States, and that it provided for its ratification by the Parliament of each State, and by the people of Australia as a whole. Let me ask the member for Williams-Narrogin, "Where is the mandate of the Federal Government to abolish the per capita payments without reference to the States or to the people of Australia as a whole?" Apparently that hon. member claims that it is essential for the Collier Government to have a mandate from the people to do anything, but the Bruce-Page Government may do anything detrimental to the States without having a mandate at all. Notwithstanding the views held by Dr. Earle Page and his Government on that occasion, there was such a storm of protest, not only from the Opposition benches but from the Ministerial side of the House as well, against the abolition of the per capita payments on the lines laid down by the Federal Treasurer—that was by retiring from certain avenues of taxation—that the Federal Government saw fit to cry a halt. Not only was there opposition to the Government's proposals from members of their own party and from the ranks of the Opposition, but every newspaper of any importance throughout Australia criticised it adversely. Every State Parliament carried a resolution opposing the Federal Government's proposals, and so a hurried meeting of the Ministerial Party in the Federal Parliament was convened. Obviously some assurance was given to the members of that party at the time to the effect that the proposals would be altered or some arrangement that would be more equitable would be arrived at. However, whatever was said, the members of the party returned and voted for the abolition of the per capita payments. The member for Williams-Narrogin remarked that the members of the Labour Party in the Federal House did not oppose the Bill.

Mr. E. B. Johnston: At the second reading stage.

Mr. PANTON: The hon. member said that the members of that party had not called for a division on the second reading of the Bill. He knows that the then Leader of the Labour Party, Mr. Charlton, moved an amendment to postpone the consideration of the Bill until such time as the Federal Constitution Commission had presented their report.

Mr. E. B. Johnston: I quoted his amendment.

Mr. PANTON: That amendment was defeated by 34 votes to 19, and only one member from the Government side of the House voted with the Opposition!

Hon. Sir James Mitchell: Where were all the other members when the division was taken?

Mr. PANTON: Search me!

Hon. Sir James Mitchell: Where were they?

Mr. PANTON: As often happens here, I suppose they were missing. Following upon that division, the main question, the motion to agree to the second reading of the Bill was put and, as is so often the position here when an amendment has been defeated by an overwhelming majority, was agreed to without further opposition. In view of the majority against the amendment, what was the use of calling for another division on the second reading of the Bill?

Mr. E. B. Johnston: What about Mr. Gregory's subsequent amendment?

Mr. PANTON: I am dealing with what the hon. member stated the other evening. Now he is trying to shift his ground straight away. He told us then that the Bill had been agreed to by the Labour Party, because they did not call for a division on the second reading of the Bill.

Hon. Sir James Mitchell: They were half-hearted about it.

The SPEAKER: Order!

Mr. PANTON: I am not setting out to defend the Labour Party in the Federal Parliament, but I am merely endeavouring to correct the views expressed by the member for Williams-Narrogin.

The Minister for Justice: All the Government supporters voted for the Bill.

Mr. PANTON: Exactly. When the present Financial Agreement was before the House of Representatives, speaker after

speaker on the Government side of the House stated definitely that had it not been for the cracking of the whips in 1926, they had their doubts as to whether the Bill would have been passed at all. However, it is obvious that the Ministerial whips cracked to some purpose, and the Ministerial members came up to the scratch. I mention these points to show what was in the minds of the members of the Federal Government regarding the abolition of the per capita payments.

Mr. E. B. Johnston: Why do you not quote the amendment that Mr Gregory moved?

Mr. PANTON: What has that got to do with the matter, seeing that the second reading of the Bill had been agreed to? It was at that stage that the fight against the measure was made. Subsequent amendments would not have got anyone very far. Having come to the conclusion that it was useless proceeding with the scheme they had proposed at the outset, the Federal Government gave members of their party assurances that must have been regarded as satisfactory, for they came forward with another scheme, which the Premiers spent several days in discussing and boiling down, until they arrived at what we now have before us. Until such time as some better alternative is presented,—and apparently no member of the Opposition can advance a better alternative—I will have to support the Financial Agreement that we have before us.

Hon. Sir James Mitchell: Should not the £7,000,000 be divided on the per capita basis over 58 years instead of on a fixed basis?

Mr. PANTON: I do not intend to go into details as to what should or should not be done.

Hon. Sir James Mitchell: You know so much!

Mr. PANTON: The Leader of the Opposition will not give anyone the right to voice opinions other than those he holds.

Hon. Sir James Mitchell: I do not question the right of any member to express his own opinions.

Mr. PANTON: That is what the hon. member's interjection would imply. Regarding the Loan Council, I cannot follow the arguments advanced by the Leader of the Opposition or by the member for Williams-Narrogin. I do not pose as an au-

thority on finance; probably that is one reason why I should deliver a long speech, although I do not intend to do so. A voluntary loan council has been in operation in Australia for some time.

Hon. Sir James Mitchell: That is a different proposition.

Mr. PANTON: The effect of the new proposal is to make that voluntary loan council a permanent body. At any rate, from the point of view of the improved position we will reach when we have one borrower instead of seven borrowers, it must mean that it will prove beneficial, sooner or later, to Australia's finances. Every hon. member will agree that organisation is the biggest factor to-day in commercial enterprise. No matter in what direction we may look, whether it be in connection with banks, manufactories or in connection with any other of the big commercial enterprises, we see on all hands organisation and amalgamation going on.

Hon. W. J. George: That is merely following the lead of the Labour Party.

Mr. PANTON: If that be so, then we will have a very fine world before very long. There are times, however, when they take two steps forward and slip back one. That is the trouble.

Hon. W. J. George: They will not slip back under the organisation of to-day.

Mr. PANTON: While I agree that the effect of some of these organisations is very often seen in increased prices of commodities for the people, hon. members will agree that that is not always a good thing.

The Premier: It means getting better terms for the organisations, just as this proposal secures better terms for our organisation.

Mr. Richardson: The unemployed are organising!

Mr. PANTON: At any rate, that is the attitude I intend to adopt regarding the Loan Council. After having had many years of experience from an organising point of view, the conclusion I have arrived at is that if this policy is good for private enterprise because it leads to increased profits, which, as I have already pointed out, is not always good for the people, surely it is equally good for the Government, because the step proposed will lead to decreased interest rates on borrowed money. Surely that is quite worth while.

Hon. Sir James Mitchell: We do not know that.

Mr. PANTON: Surely the hon. member will not say that it will not lead to a decrease in interest rates, or that if it should have that effect, it will not be good for the State!

Hon. Sir James Mitchell: That is what you say, but will it have that effect?

Mr. PANTON: I am pointing out that organisation is aimed at either to secure more efficiency or, which naturally follows, more profits. That has been illustrated time and again. If the proposal of the Federal Government regarding the Loan Council will result in decreased interest rates, surely it is a good thing for the Government to organise for the good of the community.

Hon. Sir James Mitchell: Our interest rate is the lowest in Australia by a long way.

The Minister for Justice: And we have been a member of the Loan Council.

Hon. Sir James Mitchell: But that was for Australian borrowing.

Mr. PANTON: I am supporting the Bill, not because I think we are getting all we are entitled to, but in the absence of any constructive alternative. I have been waiting anxiously for some member who is opposed to the Bill or has been circulating literature on the subject to offer a constructive policy that would be more acceptable. It is useless for members to take up the attitude adopted by Mr. Lovekin.

Hon. Sir James Mitchell: You cannot here criticise an hon. member of another place.

Mr. PANTON: I am not criticising a member of another place; I am criticising someone who has circulated a lot of literature and someone who was quoted in the House of Representatives by the member for Perth, Mr. E. A. Mann. The statement of Mr. Lovekin, as quoted by Mr. Mann, was—

It is no good being frightened or feeling that the Commonwealth, having taken away the per capita grants, will refuse to give us anything. No Government would dare to collect taxes from the State and give nothing in return.

Mr. Thomson: That is an opinion commonly expressed about the corridors of the House.

Mr. PANTON: The quotation continues:

We need not be afraid of that. If we turn this down, something else must be substituted for it.

Mr. Mann thanked Mr. Lovekin for having supplied him with the literature and figures he used in the Federal House. He agreed with that statement by Mr. Lovekin, but I do not.

The Premier: That is what Mr. Micawber used to say—something will turn up.

Hon. Sir James Mitchell: This is a policy of despair.

The Premier: A policy of despair that you were prepared to accept in 1923.

Hon. Sir James Mitchell: I have already told you that I was not.

The Premier: The report of the conference says that you were.

Hon. Sir James Mitchell: Ask the officials who were present.

Mr. PANTON: When will my turn come Mr. Speaker?

Mr. SPEAKER: Order!

Mr. PANTON: A sentiment such as I have quoted does not get us very far. What is the use of arguing that the Federal Government will not dare do this or that? They have dared to do it by abolishing the per capita payments. Such arguments remind me of an incident that occurred at a picture show in Perth. A man and his wife decided to go to the pictures. When nearing the picture show, the wife remembered that she had to make some purchases in a ham and beef shop, so she turned to her husband and said, "You go in to the pictures, and I will follow presently." The man went in, and as it was dark, he stood up behind the back row. A fight started soon afterwards, and the man, together with the disturbers, was thrown out. The wife came along and said, "Did not you go in to the pictures?" His reply was, "Yes, but a fight started and I was thrown out with the combatants." The wife asked, "Did not you pay to go in?" and on receiving an affirmative reply, she added, "But they cannot throw you out." The retort of the husband was, "But I am out." It is just the same with the per capita payments. They have been abolished and we are compelled to make the next best deal. It is idle for Mr. Lovekin to say that the Commonwealth dare not do this or that. We have five members from Western Australia in the House of Representatives. We entered the Federation with the full know-

ledge of what our representation would be, and I ask members, "What are you going to do about it? Are you going to replace the whole of those five members—that would not make much difference—or are you going to start a civil war with Mr. Lovekin, sword on shoulder, leading the way?"

Hon. W. J. George: He would not lead; you may depend upon that.

Mr. PANTON: If there is going to be a war of that kind, I am afraid I shall not be found behind Mr. Lovekin. That sort of talk will not get us anywhere. With only five members in the House of Representatives, what chance have we of entering any effective protest, except when the elections come round?

Hon. Sir James Mitchell: No chance at all; you are quite right there.

Mr. PANTON: In the end this question has to be decided by the people. Let me say candidly that the one thing I regret—and I think it is the weak point about the agreement—is that it was ever brought before the State Parliaments at all.

Hon. G. Taylor: Hear, hear!

Mr. PANTON: I believe that if the Premiers, on behalf of the States, had agreed and that if the question had then been submitted to the people, no party feeling whatever would have been introduced.

Hon. Sir James Mitchell: Has any party feeling been introduced?

Mr. PANTON: Yes, quite a lot of party matter has been introduced. Dame Rumour has been running about Perth pretty actively, and where there is smoke, there is generally fire.

Hon. Sir James Mitchell: But Dame Rumour is a lying jade.

Mr. PANTON: Yes, but unfortunately a lot of people believe her, and some members are not doing too much to correct her erroneous versions. It is regrettable that the matter ever had to come before the State Parliaments. Ali said and done, it is a question for the people. There is not a shadow of doubt about that. The people elect the members of the Federal Parliament as well as of the State Parliament, and have to pay for any mishaps that occur. The people should have been asked to say whether the agreement should become part of the Constitution or not. If this House or another place does not pass the Bill, the people will have no say in the matter, and thus will be deprived of their right to express an opinion

on it. I hope the statement of the Leader of the Opposition that Dame Rumour is a lying jade is correct, because it is rumoured from one end of Perth to the other what another place intends to do with this Bill. As a matter of fact, the only topic more widely discussed is the fiat for the abolition of tipping competitions. I understand that the Bill is not going to be discussed by another place, but is going to be thrown out. It would be a nice state of affairs if a few members in another place did that.

Hon. Sir James Mitchell: Why not consider the Bill on its merits?

Mr. PANTON: If the hon. member will induce his friends in another place to do that, I believe the Bill will be passed and the people will be given an opportunity to show what they think of the proposals. It has been stated repeatedly in this House and Sunday after Sunday we get it in the newspaper, if not before breakfast, then immediately afterwards, that the people of this State are opposed to the Federal Government and that they desire secession. We are led to believe that the people want all sorts of things and will not, on any account, give the Federal Government any greater latitude. I have gone to the trouble of looking up the records of the referenda taken since the inception of Federation, and they make interesting reading. Including the referendum taken on Federation, there have been eight referenda taken by the Federal Government entailing 16 different questions, and of the eight referenda, Western Australia has cast an affirmative vote on seven occasions. Most of the referenda were requests for extensions of power to the Federal Government, and only on the last occasion did a majority of the people of this State withhold approval.

Mr. Thomson: As a matter of fact, the people of Western Australia approved of the 25s. per capita provision being placed in the Constitution.

Mr. PANTON: It is as well to have this information placed on record at the present time.

Mr. Thomson: And the per capita provision was not put in the Constitution.

Mr. PANTON: No, because the majority vote was against it. The figures I intend to quote are enlightening. When I took them from the "Year Book," I was surprised to find how loyal the people of Western Australia had been to the Federal Government, especially after all I had read each Sunday

and all I had heard in this House to the contrary.

Hon. G. Taylor: Why Sunday reading?

Mr. PANTON: Well, in the paper published on that day, I can generally find who won the tipping competition. By a majority of 25,109 votes, Western Australia agreed to enter the Federation. In 1910 a referendum was taken on the question of inserting in the Constitution the provision for the 25s. per capita payment. Although that proposal was rejected by the people of Australia, the people of Western Australia favoured it with a majority of 18,658.

Hon. Sir James Mitchell: At that time they had been here only five minutes.

Mr. PANTON: I am referring to the 1910 referendum.

Hon. Sir James Mitchell: I was referring to the first one.

Mr. PANTON: Anyhow, they gave the hon. member an opportunity to get on. On the referendum for Commonwealth power to take over State debts, Western Australia recorded a majority of 35,930. That was the only question submitted to a referendum that ever received the approval of the whole of the people of Australia.

Mr. Thomson: And that is the question we are deciding now.

Mr. PANTON: Yes.

Hon. Sir James Mitchell: No, it is a very different thing.

Mr. PANTON: A distinction without a difference.

Hon. Sir James Mitchell: No.

Mr. PANTON: In 1911 the Federal Government took another referendum on the question of giving the Commonwealth increased legislative powers. Western Australia agreed to it with a majority of 5,858 votes, but the proposal was rejected by Tasmania, Queensland, New South Wales, Victoria, and South Australia. Thus every State of the Commonwealth objected excepting this loyal State of ours. On the same occasion, the question of giving the Commonwealth power to deal with monopolies was carried in Western Australia with a majority of 7,031, but was rejected by the three States nearest to the centre of Government, namely, New South Wales, Victoria and South Australia. In 1913 a series of questions was put to the people by way of a referendum. questions dealing with trade and commerce, corporations, industrial matters, railway disputes, trusts, and the nationalising of monopolies, and there was separate voting on each question. On the

question of trade and commerce, Western Australia recorded a majority of 5,168, but it was rejected by New South Wales, Victoria and Tasmania. To carry a referendum, members are aware that it is necessary to have four States as well as a majority of the people in favour of the proposal. On the question of corporations, Western Australia gave a majority of 5,150, but the proposal was rejected by New South Wales, Victoria and Tasmania. On industrial matters, Western Australia gave a majority of 6,839 votes, but the proposal was rejected by New South Wales, Victoria and Tasmania. On the question of railway dispute, Western Australia, by a majority of 5,992, favoured the granting of the necessary powers to the Federal Parliament, but the proposal was rejected by New South Wales, Victoria and Tasmania. On the question of trusts, Western Australia gave a majority of 9,030, but the proposal was rejected by New South Wales, Victoria and Tasmania. On the nationalisation of monopolies, Western Australia gave a majority of 7,804, but that proposal also was rejected by the same three States. Those are the three States that we are told are going to obtain so much from the agreement because they are near to the seat of Government. On all those occasions they have refused to give the Federal authorities any further powers whatever. On the question of military service in 1916, Western Australia gave a majority of 53,185, but the proposal was rejected on the votes of New South Wales, Queensland, and South Australia. In 1917, when the same question was again put to the people, Western Australia gave a majority of 37,594, but the proposal was rejected by New South Wales, Victoria and Queensland. In 1919 the Commonwealth again asked for additional legislative powers, and Western Australia agreed by a majority of 3,250, but the proposal was rejected by the two big States, together with Tasmania. At the same time the Commonwealth asked for power to legislate for the nationalisation of monopolies. Again Western Australia said "Yes" by 4,422 votes, but the proposal was rejected by New South Wales, Victoria, South Australia and Tasmania. The occasion of the latest referendum in 1926 was the only time when Western Australia failed to give an affirmative majority on any one of the questions submitted through the medium of eight referenda in the course of

27 years. Western Australia then fell into line with the rest of the States by refusing to give any additional powers to the Federal authorities.

Hon. G. Taylor: They had become wiser.

Mr. PANTON: I do not think that for a moment, but on looking at all the referenda I find that, almost without exception, the Labour Party were in power in the Federal sphere, and Western Australia was prepared to give them what they sought. That does not appear to be the position in respect of the present Federal Government. That is the conclusion I have arrived at, though perhaps it is wrong. It may be that Western Australia was prepared to grant the Federal Government the powers they sought because the Leader of the Opposition and I were in the same districts advocating "No."

Hon. Sir James Mitchell: I was doing my best for the State, just as I am doing it at the present time.

Mr. PANTON: That may be, but there is room for a difference of opinion on that point. I feel certain that the record of Western Australia shows that, if given an opportunity to vote on this question, the people of the State will vote in the affirmative. Believing that to be so, I am not prepared to prevent them having the right to say "No." If the people are given the opportunity to vote, it will not be any fault of mine if I do not get them to say "yes," just as the Leader of the Opposition will lose no opportunity to induce them to say "no." The fight should not be carried on in Parliament; the place is on the public platform, and the people, and not members of the Legislature, should decide the question. All the other State Parliaments have approved of the Bill, thereby giving the people of the other States the opportunity that the Government of Western Australia are seeking to give to the people of this State.

Hon. Sir James Mitchell: We do not give them the right to do so; it is the Federal Parliament.

Mr. PANTON: That is a mere quibble. If the Parliament of any of the other States had thrown out the agreement, the people would not have had the opportunity to vote.

Hon. Sir James Mitchell: This Bill is not going to be submitted to the people.

Mr. PANTON: Who said it was?

Hon. Sir James Mitchell: You did.

Mr. PANTON: I did not. I have been telling the hon. member that if Parliament agrees to the Bill the people later on will be asked to give the Federal Parliament the authority to enter into an agreement with the States. The Leader of the Opposition will surely agree that if the Parliament of Western Australia passes the Bill, the people likewise will give an affirmative vote when the matter is submitted to them. This agreement will be entered into between the Commonwealth and the States and my desire is to give the people the opportunity to express their opinion. I do not know how members in this or another place intend to vote, but I contend that the State Parliament has no authority whatever to deprive the people of the right which is theirs, any more than they should attempt to deprive the electors of the right to vote at a general election. This is the people's job; it is not a question for members of Parliament to decide, no matter what their political creed may be. It is even less the right of members who represent only one-third of the electors of the State to attempt to determine the question before the people. It is my intention to vote for the Bill for these reasons: First of all I believe that it is the best possible agreement that can be obtained. Of that I have no doubt. The terms were the very best that could be got at the conferences; there was no possibility of getting anything better. If Parliament rejects the Bill, and another conference is held at a later stage, is it supposed that we shall get any sympathy from the representatives of the other States, all of whom have agreed to recommend the proposals for the acceptance of their people? We should get none at all.

Hon. W. J. George: We do not want their sympathy; we want our rights.

Mr. PANTON: Hon. members opposite are desirous of depriving an essential section of the community of the right to have any voice in the matter.

Hon. Sir James Mitchell: Do you say that the agreement is right on the 1926 per capita basis?

Mr. PANTON: I say it is the best possible agreement we can get. If the Leader of the Opposition had put forward a better proposal, I would have been on his side. I am in favour of the per capita basis, but the Federal Government, who are

at the right end of the gun, say there is no longer a per capita basis; therefore what is the good of talking about something that is no longer existent. I repeat, I intend to support the Bill because, firstly, I believe it is the best we can get; secondly, and more important still, because the people and not this Parliament should have the right to decide the question; and, thirdly, I believe that the proposal will be for the benefit of Australia generally and Western Australia particularly. My experience of organising, and watching other people organise, leads me to conclude that the organisation of the finances of Australia will be for the benefit of Australia as a whole. I am big enough to view the matter from the wide aspect of one nation, one flag and one destiny.

HON. W. J. GEORGE (Murray-Wellington) [5.22]: The hon. gentleman who has just sat down delivered a very interesting address, but, boiled down, I gather that his belief is that half a loaf is better than no bread. He does not consider that we should get better terms than those offered to us. I have not quite gathered whether he is in favour of better terms being given to us, if they could be obtained. His speech, however, may be summed up in this way, that he has accepted the word of the Premier that the proposals are the best we can get, and therefore we had better accept them or we may get worse. I do not know what hon. members may think, but I feel like drawing up another hole in my belt when considering what has been put before us. Have we no sovereign rights? Have we no rights as a State which, only thirty years ago, contained a population of only 40,000 people? Those people, and others who came to help us, have made Western Australia a State that should command respect. I believe it does. Have we not the right in this place, which is so far distant from Canberra, to express our opinions and, if it is possible to do so, put them into force? Are we to be supplicants at the door of the Federal Parliament? Are we to be a football to be kicked by Dr. Page, who is one of our rulers to-day?

The Premier: These are the Prime Minister's proposals, not those of Dr. Page.

Hon. W. J. GEORGE: We are a sovereign State; we were led into the Federation by the talk of fraternity and all the rest of it. Where has there been any display of fraternity since we have been

federated? Right from the very start Western Australia has been suffering as the result of the attitude of those who are on the other side of Australia, and it cannot very well be otherwise. We have only five members in the House of Representatives. What do their votes count? Five might count in a close division; they might make or break a Ministry, but their influence otherwise is not felt. Even if all the Western Australian representatives made up their minds to refrain from voting, the Federal authority, as constituted, would not be affected.

The Premier: But our six members in the Senate can exercise a powerful influence in regard to legislation.

Hon. W. J. GEORGE: I am not sure that they can.

The Premier: We have the same number there as any other State.

Hon. W. J. GEORGE: I was interested to hear the member for Menzies (Mr. Pantou) declare that the people should have the right to deal with this matter. I agree with him there; I do not think Parliament should have discussed it: it should have been left entirely to the people to determine, and it should have been the duty and the privilege of members of Parliament to explain the position to the electors. If it was right for the people to decide the question whether or not the States should federate, it should be right for them also, when a step is contemplated to bring about a change in the Constitution, to say whether that change is or is not desirable. I listened closely to the Premier's speech and I think he did the best he possibly could in the circumstances. He certainly gave very full information and he gave it very clearly. But he left the idea in my mind—it may be a misconception—that he felt it is not the correct thing. As the Leader of the Opposition dealt with figures at length, it is not my purpose to dwell on them; I am more concerned about the aspect of being obliged to accept the proposals. It seems like having to accept crumbs from the rich man's table, or like the dog taking the fragments from the master's table—either that or nothing. With regard to the newspapers, they do not appear to have done very much. What they have been trying to make out is that members of this House, or of another place, have hardly a full knowledge of the position, and therefore are not capable of dealing with it. I am inclined to think that myself, but I do not consider that the newspapers themselves, with all their in-

formation and knowledge, are likely to go far.

The Premier: That is hearsay.

Hon. W. J. GEORGE: It is a fact, all the same. It is not worth while discussing the figures or details. We have been told that we should not get this or that, and we can accept the information as being correct, otherwise it would not have been put forward by the Commonwealth Government. There can be no question that we are gradually drifting towards unification. That is a matter that I want hon. members to think about, and those who believe that that is the trend of events, and who desire to bring it about, cannot do better than vote for the Bill. It is simply helping the thing along. We have only to notice the abject attitude of the various Premiers towards the Federal Government. Only the other day the Premiers of most of the States met in conference and one of the proposals that was set down for discussion was that they should go en masse in hand to the Prime Minister and ask him to impose a tax on petrol throughout Australia. I should think that those Premiers would at once vote for unification.

The Premier: The Premiers' Conference rejected that motion.

Hon. W. J. GEORGE: I know it did. The Premiers met in conference. If it is sufficiently important in the eyes of the Commonwealth to get the Premiers together to discuss the question of asking the Commonwealth to impose a petrol tax it shows that perhaps Dr. Earle Page's criticisms could be applied very strongly to these gentlemen. My idea of a sovereign State is that we should all meet on terms of equality, and not have to kneel at the foot of the stool; all should stand on the same plane. The only difference there can be between the Prime Minister and the Premier of one of the States is one of degree. It is certainly not sufficient to put any State in a servile position. I am sometimes inclined to think that many of the proposals that are put forward form part of a big scheme that is being worked, not by the Federal Government actually in power, whether Labour or Nationalist, but by persons who with a long thread are trying to pull us into centralisation, which of course means unification. We have seen evidence of that in the case of every Government that has been in power since Federation was brought about. It seems to me

that these matters are all worked out and put forward in a certain way before the respective Governments, and that they constitute an official and bureaucratic endeavour to affect the interests of the States. By means of Federation we sought to have equal representation in the management of affairs. Have we ever had that? We were given the Senate so that there might be a tribunal to protect the small States, but has it done so? The Premier may reply that there were more representatives in the Senate on our side of politics, but the position is always the same. We have never had a decent or fair deal from the Federal Parliament. The double taxation of the people is unwarranted, and it is gradually draining the resources of everyone. First of all, the land and income taxes were imposed upon the people by the States. I do not mind taxation by the States, however heavy it may be, because the money raised is kept within the State's borders. The Commonwealth tax on top of that, however, is gradually draining the resources of the people with small incomes. It does not make much difference to those who are in business or who are manufacturing, because they pass on the tax. The people who are in receipt of fixed incomes, the result of their life's work, find that the incidence of taxation falls very heavily upon them. They have two income taxes to pay, and two land taxes. It is generally understood, and there can be no question with regard to this, that most of the loans raised in Great Britain for the use of Australia have to be unloaded on to the small property owners, or the people with small incomes, as investments for them. I say without fear of contradiction that the number of people in Australia, enjoying relatively small incomes, who are subscribing both to Commonwealth and commercial loans, is getting appreciably less, because the community is being bled by this form of dual taxation. I shall vote against the Bill, and, should it go to a referendum, will do all I can to secure a negative vote. I have no faith either in the Commonwealth Government or the Commonwealth Parliament. I do not care whether Labour is in power, Mr. Bruce, or anyone else. The Federal authorities have not given Western Australia the fair deal they should have given the State. We have not had the consideration to which we were entitled, and they would, if they could,

deprive us of the eminent position we have won for ourselves, and render the State subservient to a distant Government with little knowledge of her problems and conditions, and I am sorry to say I believe, caring less.

MR. BROWN (Pingelly) [5.36]: I wish to explain my position as it affects the policy of our party. As the debate goes on, it will be noticed that we hold different opinions. I am pleased it has been decided to make this a non-party measure, for it is only right and just that it should be so. If there should be a difference of opinion, and we should vote in different directions, I feel sure that every member will vote according as his conscience dictates. We are convinced about the prosperity of Western Australia, and, however we vote, I am satisfied that we shall vote in the way that we think is in the best interests of the State. A mass of figures has been put forward by members, more particularly by the representatives in the Federal House, and these have been printed in pamphlet form. I take it that every member of this House has had a copy of the speeches that have been delivered. The most surprising thing is that these figures seem to vary. I do not know how they were compiled. It strikes me forcibly that when a man sets out to compile figures, he becomes so imbued with the accuracy of his compilation that he thinks he alone is compiling what is right, and that the other fellow must be wrong. I wish to deal first with the arguments that have been placed before us by the Premier. I also retain the right to criticise his figures, as I think they should be criticised, as well as the figures submitted by other speakers. I take it that the figures the Premier presented have been compiled by actuaries from all the States, by experts who know exactly the position of every State. It seems a peculiar thing that the Premier can give us one set of figures and maintain that they are absolutely correct, when I feel sure he must have been misinformed by someone. Mr. Lovekin, in his figures, states that Western Australia will be a loser by the agreement after three years. The Premier tells us, on the other hand, that we shall be the gainers for a considerable number of years. One thing I deplore is that the Premier did not attend the conference which was summoned by the Prime Minister and Dr. Earle Page,

at the time it was proposed to abolish the per capita payments. It would have been a good thing if the Premier had attended that meeting, because he would have been in a better position to explain what actually occurred.

The Premier: I do not know what conference the hon. member means.

Mr. BROWN: I understand a conference was held, and that the Premiers who met refused to go on. I think most of the Premiers refused to agree to the abolition of the per capita payments, as suggested by the Commonwealth.

The Premier: We did attend that conference. We refused to discuss the Prime Minister's proposals, and unanimously rejected them.

Mr. BROWN: That was on the occasion of the previous conference.

The Premier: It was the conference of 1926. We refused to entertain the proposals, and rejected them unanimously. Following that refusal, the per capita payments were abolished. We did attend that conference, and joined in the refusal to accept the proposal.

Hon. Sir James Mitchell: They did away with the per capita payments after that.

The Premier: They brought in a Bill to abolish them.

Mr. BROWN: The Premier has told us that the per capita payments have been abolished. We all know that. Every speaker has referred to that fact. Nearly every speaker, too, I am sorry to say, has suggested that we should retain the per capita payments. All the speeches in opposition to the Bill have been on the basis that we should do this. As these payments have been abolished, we have to decide what we are going to substitute for them. In the Bill before us, the Federal Government tell us what they are ready to do. We have to decide that which is most advantageous for Western Australia. I admit that some of our Federal members, Messrs. Gregory, Mann and Prowse, argued very strongly in the Federal Parliament that it would be disadvantageous to Western Australia to accept the terms offered. They knew well that the per capita payments had been abolished. I take it that those members, who are Federalists, would not like to see secession brought about. They know we are part and parcel of the Commonwealth. When any member opposes a Bill that is before the House, because it does not coincide with his views,

he should be able to put forward something that is better. In the speeches members have delivered so far, they have not told us what in their opinion should be substituted, and what would be more advantageous to the State.

Hon. W. J. George: We are told we are powerless; that is why.

Mr. BROWN: This debate is running on Federation. Federation has already come, and we belong to the Federation of States. I am a strong Federalist. I consider myself a big Australian, not a little one. As a native of Australia I am pleased to know that we are becoming a nation, and I should be sorry to see the nation split into factions, because some little thing in the way of financial recompense may not be suitable to many members of Parliament. To my mind Federation has been very beneficial to Western Australia. I know many members will not agree with me. We ought to thank God, however, that when war broke out we did belong to the Federation. Where would Western Australia be now if we did not belong to the Commonwealth? Would our finances be in their present position? The Federal Government had to borrow seven or eight hundred millions sterling to finance the war. When the war was over our boys had to be repatriated. During their absence their dependants had to be provided for, and by whom?

Mr. Richardson: Did we not have to pay for it all?

Mr. BROWN: Certainly we had to pay for it, but the Federal Government had the responsibility. No doubt we paid our share of the cost through the Customs. It has been asserted that Western Australia can borrow more cheaply than the Federal Government, but let us not forget that the Commonwealth had to go on the money markets of the world when money was scarce, and thus were compelled to pay as much as 6½ per cent. interest. Now, however, money is gradually becoming cheaper, though in my opinion it will never again be as cheap as it was in the past. Let us look at the matter from another aspect. But for Federation, what would have happened to our products during the war? What would have happened to the man on the land? But for Commonwealth guarantees the primary producers of Australia could not have sold their products. Dozens of boards and trusts were established with a view to keeping Australian production as high as possible. That could never have been achieved in the absence of

Federation. It is on those lines I am forming my opinion concerning the Bill. I need not dwell on Federation, because it is with us all the time. Disabilities can be removed by constitutional methods. What is the Commonwealth administering in Western Australia? Old age pensions, invalid pensions, war service homes, the baby bonus—of which the member for Williams-Narrogin and other young members may yet learn the benefit—the Defence Department, and many other activities and functions. Little did we dream 28 years ago that we would have to defend our shores, almost to the last man. The Defence Department must be maintained, and it is under Federal jurisdiction. The Customs, I know, are the Federal bugbear to Western Australia; but even with secession it is questionable whether we should not have to impose equally high import duties in order to obtain the revenue needed. Most States derive their main income from duties on imported goods.

Mr. Richardson: Because that is the easiest method of collection.

Mr. BROWN: A great deal has been said about Western Australia being down-trodden as the result of Federation. It is asserted that we are labouring under grave disabilities and groaning under unduly heavy taxation. But what has happened in Western Australia during the last ten years? Perth land worth £100 per foot 10 years ago is now selling for £1,000 and £1,200 per foot. Our farming lands have easily doubled in value. Do purchasers of real estate here tell us, "If you were free from Federation, this would be a much better country"? No. They do not trouble themselves about the policy of any Government; they come to this country because they know that money is to be made in Western Australia. Our Lands Department is now inundated with applications for land. If we could find farms for 10,000 men, they would be taken up within three months.

Mr. Richardson: We shall have to get a hustle on.

Mr. BROWN: We have got a hustle on. Farms cannot be surveyed immediately. However, there is a big future for Western Australia. The people crowding over here from the Eastern States do not stop for a moment to worry about our financial disabilities. They know we have a surplus, that Western Australia is the only State which at present has a surplus. They know that our railways are paying. I, personally,

fail to see what disabilities we are suffering as the result of Federation.

Mr. Angelo: Do you think our population will increase at a greater rate than 3 per cent.?

Mr. BROWN: I will go into that directly. I have all the figures bearing on that aspect, and I think I may just as well quote figures like other speakers have done. The Premier, in recommending the Bill, said Western Australia would receive £473,000 annually for 58 years. During the first year of the currency of the agreement we shall receive about a million sterling, representing an advantage of £500,000 or £600,000. The most peculiar feature of the various discussions throughout Australia on the Bill has been that the opponents of the measure are invariably the parties sitting in opposition to the State Government of the day. If there is a Labour Government in power, the Nationalist and Country Parties object to the Bill. If a Nationalist Government occupy the Treasury bench, then the Labour Party object to the measure. Why is that so? What is behind it all? For the first few years of the proposed agreement, undoubtedly every State will receive a great deal more money than would be coming to it in the absence of the Bill. A big surplus, abundant finance, available now, in what may be termed Western Australia's initial stage, will do far more good than the same amount of money 30 years hence. We want the money now, or in the course of the next five or ten years. The Premier has told us that the total saving for the next seven years will be £3,492,000. I have not heard any contradiction of that statement. The total benefit from the agreement in the course of the next 30 years will be £10,630,000.

Hon. Sir James Mitchell: That refers to the sinking fund in London.

Mr. BROWN: Probably the sinking fund has something to do with it. Now as to the increase of population in Western Australia. According to Mr. Wickens it will take 20 years to double the population of Perth and suburbs, while to double the population of the country districts will take 39 years. Between the two, it means that Western Australia will double its population in about 30 years.

Hon. Sir James Mitchell: What about Victoria?

Mr. BROWN: I shall give hon. members information about Victoria directly. Under

the agreement we shall, 30 years hence, be £10,630,000 to the good as compared with the per capita payments. Surely that is an incentive to members to vote for the Bill. Not many of us will be here in 30 years' time, and we can pass a little of that benefit on to posterity. By accepting the money offered us under the Bill, Western Australia will advance much more rapidly than is possible under the system of per capita payments. In 30 or 40 years from now our population will have done very well to reach the million mark. Personally, I do not think the million will then have been reached. Take rural population. Anyone familiar with rural conditions knows that after the first 20 or 30 years the population of a farming district is apt to decline. I refer to districts absolutely dependent upon farming or grazing. After 20 or 30 years the small men start to sell and the large man starts to buy. Sometimes it happens that fewer people are found in an old-settled district than in a newly settled one. This can be observed in various parts of Western Australia. A locality in my electorate, 14 or 15 miles from Pingelly, 20 years ago had a progress association whose meetings, as I can testify from having been present at them, numbered 30 or 40 people. Nowadays all the people in that locality could be counted on one's fingers. The small man has sold out to the large man, and there are now about 10 or 15 people where 20 years ago there were 30 or 40.

The Premier: That is the history of land settlement throughout Australia.

Mr. BROWN: Yes. Why does the population of the capital cities increase? Take the case of South Australia. South Australia's rural population is declining, but the population of Adelaide and suburbs is increasing.

The Premier: It is the same story in Victoria.

Mr. BROWN: That is so. The reason is that the people rush to the towns, which under our protective tariff establish factories of all kinds. I am not in favour of a protective tariff: I am still a believer in a revenue tariff, though I recognise that probably a revenue tariff would have to be as high as a protective tariff. With the establishment of factories in the metropolitan districts, the country becomes to a certain extent dependent on the town. Looking around Western Australia after my 33 years' experience here, I am proud to see how even

our own little Perth has flourished. Some of the finest commercial buildings, banks and theatres in the Commonwealth are to be found here in Perth.

Hon. G. Taylor: All controlled from the East.

Mr. BROWN: I do not know where the control is exercised. A great deal of the capital is held in shares, some of which are doubtless held by local people. However Australian cities always increase their population at a higher rate than the country districts.

Hon. Sir James Mitchell: Due, of course to Federation and the Tariff Board.

Mr. Thomson: Can you get out of it?

Hon. Sir James Mitchell: Surely it will not be allowed to increase all the time.

Mr. BROWN: I will now deal with some of the points made by those who argued against the Bill. The Leader of the Opposition stated that we would be much better off under the per capita system, and he said that under the agreement the Eastern States would be in a more favourable position than Western Australia. His principal arguments were against the Loan Council. What is wrong with that proposal?

Hon. G. Taylor: What is right with it?

Mr. BROWN. From the arguments that have been advanced so far, I fail to see what is wrong with that proposal. The Premier pointed out to us that Western Australia's requirements would be formulated here in accordance with the policy of the Government in power and would be forwarded to the Loan Council, on which body we are to be represented. The Loan Council would then decide what Western Australia's share in the loan would be and see that the loan was placed on the London market or the American market, wherever the best terms could be procured. I maintain that it will be better for Australia as a whole to have one borrowing authority rather than six or seven.

Mr. Thomson: We have really been working under that system for the past six years.

Hon. Sir James Mitchell: Only in relation to Australian borrowing.

Mr. BROWN: The Loan Council might determine that we had been borrowing too much money.

Hon. G. Taylor: That is a different thing.

Mr. BROWN: The Loan Council would be in a position to know when loans should

be floated, what securities we will have, and what success will be achieved.

Hon. Sir James Mitchell: Why is it, then, that we were able to get our loans for one-half per cent. better interest than the other States?

Mr. BROWN: But when some of our liabilities are better known—we will have tremendous losses in connection with one undertaking—it is doubtful whether we will be able to get loans under those conditions. Our interest charges may be higher, because our security will not be as good as it ought to be.

Hon. Sir James Mitchell: Are you referring to the group settlement scheme.

Mr. BROWN: Yes.

Hon. Sir James Mitchell: Then why don't you say so?

Mr. BROWN: In my opinion, we started that scheme a bit too soon and in a bit too large a way.

Hon. Sir James Mitchell: That is what you would say!

Mr. BROWN: That is my opinion.

Hon. Sir James Mitchell: That sort of thing was said when we started the wheat belt.

Mr. BROWN: The difference between intense culture and wheat growing is as great as the difference between night and day.

Hon. Sir James Mitchell: The same sort of arguments were used in both instances.

Mr. BROWN: But there is a difference in the arguments now. The Leader of the Opposition based his calculations on population, and suggested that we must increase our population more rapidly than the Eastern States. I do not think that will be so, in view of the figures of Mr. Wickens, the Commonwealth Statistician, that I have in my possession.

Hon. Sir James Mitchell: Then we must blame ourselves.

Mr. BROWN: On the 31st March, 1926, the population of New South Wales was 2,308,333. In Sydney and its suburbs the population was 1,039,390, or 45.22 per cent. of the population. The population of Sydney will double itself in 24 years. Mr. Wickens says that the population of Perth will be doubled in 20 years' time, therefore there is not a great deal of difference. On the figures I have mentioned, the population of Sydney and suburbs in 24 years' time will be 2,078,780, and under the per capita payment system, we cannot get away from the fact that

even then New South Wales will not gain any more than we will gain in Western Australia, despite the fact that the Leader of the Opposition contends otherwise. In Victoria, Melbourne had a population of 912,130, or a percentage of 54.16 of the total population. That city will double its population in 20 years.

Hon. Sir James Mitchell: What about the rural population?

Mr. BROWN: It will take 302 years to double!

Hon. Sir James Mitchell: There you are!

Mr. BROWN: That is my argument.

Hon. G. Taylor: That brings down the percentage for Victoria as a whole!

Mr. BROWN: No; the population of Melbourne will double itself as quickly as the population of Perth will be doubled.

Hon. Sir James Mitchell: Yes, but what about the rural population? On your figures it will take about 160 years to double the population of Victoria.

Mr. BROWN: I do not think so. The South Australian figures show that the population of Adelaide is 303,614, or a percentage of 55.04 of the total population. It is also shown that the population of the rural districts will take 165 years to double.

Hon. Sir James Mitchell: We shall beat that.

Mr. BROWN: That is my argument again, seeing that the rural land will be secured in larger holdings. As the population increases, the Government will have to repurchase estates and settle the people on smaller holdings. That cannot be done in Western Australia or in South Australia for intense culture purposes, because no big rivers exist. In Victoria people can be settled on smaller holdings, because of the advantages of irrigation. There are plenty of rivers there, and the country lends itself to irrigation works.

The Minister for Lands: But they are paying heavily for it.

Hon. Sir James Mitchell: Yes, £33 an acre.

The Minister for Lands: And settlers are leaving.

Mr. BROWN: In 1926 the population of Perth was 179,775. That includes the municipalities as well, but the percentage was 48.20 of the total population. The population for the rest of the State, including road board towns, totalled 204,219, or an aggregate of 384,094. I understand the population of Western Australia is now something like 400,000. The population of Perth and its

municipalities will be doubled in 30 years, with a population of 359,550, provided that we progress at a corresponding rate to that experienced during the past ten years. That is doubtful, however, because during the last few years we have received more migrants than ever before.

Hon. Sir James Mitchell: No, no!

Mr. BROWN: We have received more Southern Europeans, and they all count. Our natural increase, too, must continue. In 30 years' time the country will have a population of 666,000. Hon. members can work out the sum and they will find what our position will be under the per capita payment system at that time. The increase of arrivals over departures during 1927 was 13,391, and on that basis we can estimate how many people will come out in 30 years' time. One great point made by those who oppose the Bill, more particularly by the Leader of the Opposition, was that the Bill will make for unification. I confess I consider it will tend that way to a certain extent, but having an agreement for 58 years, we will have benefits that we know will be absolutely certain and cannot be altered except by referenda. That being so, it will prevent unification, of which we are so afraid. It has been stated that Dr. Earle Page is a unificationist.

Hon. Sir James Mitchell: He said so himself.

Mr. BROWN: I do not think so, because a short time ago he was advocating the cutting up of Australia into smaller States.

Mr. Thomson: There is a difference between having smaller States, and unification.

Mr. BROWN: The smaller States would have charge of their own affairs and I do not think that a strong unificationist would advocate that condition of affairs.

Hon. Sir James Mitchell: Earle Page wrote a book on the question.

Hon. G. Taylor: Yes, on unification.

Mr. BROWN: He aimed at smaller States, not unification. The member for Williams-Narrogin (Mr. E. B. Johnston), when arguing about the per capita payments, quoted figures that were altogether at variance with those submitted by the Premier.

Hon. G. Taylor: That would not make them wrong.

Mr. Thomson: Would it make them right?

Mr. BROWN: Were the figures quoted by the member for Williams-Narrogin wrong?

Hon. G. Taylor: Could a member of the Country Party be wrong in any circumstances.

Mr. BROWN: I am not concerned about an individual's opinion, but about the main question. The member for Williams-Narrogin could see no good in the Bill and he expressed the hope that the people of the country would decide its fate. The people will have that opportunity, but if the Leader of the Opposition and the member for Williams-Narrogin had had their way, we would not have been allowed to debate the Bill.

Hon. Sir James Mitchell: Why?

Mr. BROWN: I do not know if that is democracy.

Hon. Sir James Mitchell: I did not say that.

Mr. BROWN: You were ruled out of order! If you had had your way you would not have allowed Parliament to discuss the Bill.

Mr. Thomson: That is quite correct.

Mr. BROWN: Are not our memories good?

Hon. Sir James Mitchell: No, but you could be a little bit honest, and admit that I said there should be two Bills, not one. You understand the position so little that you cannot see it.

Mr. BROWN: In my opinion the hon. member's figures were supposititious. Any one of us could write out figures in support of our views, but are members bound to accept them? There must be some reliable authority that we can accept and get down to bedrock. In my opinion, the figures presented by the Premier were the most authentic that have been presented to us so far. Mr. Lovekin has expressed his opinion regarding the loss to Western Australia, but how does he ascertain his results? What I object to is that some members have been preparing their speeches for months past, and it does not matter what may have cropped up in the meantime, they adhere to their figures and are biased. They will not listen to anything else. That is wrong. We should keep an open mind to the last. If we study the position for months ahead, and work out our case on the basis of certain figures, there may be great alterations. In fact, there are always bound to be developments and alterations.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. BROWN: It is not my intention to delay the House much longer. I shall support the Bill for three reasons. In the first place we have lost our per capita payments and something else has been substituted. We have had an amazing lot of figures from members of the Federal Parliament and from members of this Parliament, including the Premier, and to a certain extent they are all in conflict. As time goes on doubtless we shall learn the true facts of the case. What the Premier has placed before us, however, seems to be the most feasible explanation of all. The Leader of the Opposition and the Deputy Leader of the Country Party have gone to considerable trouble to amass information on the subject, but the figures presented to us by the Premier show that the Bill will prove of advantage to the State. My second reason for supporting the Bill is that all the speakers have agreed that it must be of advantage for a number of years. In fact, they have all agreed that Western Australia will gain for the next 30 years.

Hon. Sir James Mitchell: No fear!

Mr. BROWN: If the Bill is going to be of advantage to this State during the early stages of development, and if we can get all this money to develop the country so much the quicker, I feel sure that in 30 years' time posterity will be able to manage its affairs even better than we are managing them now.

Mr. Angelo: I do not think the Premier said 30 years. I think he said 15 years.

The Minister for Justice: Yes, 30 years.

Mr. BROWN: Most of the speakers have admitted that the agreement will be of advantage to this State for 30 years and, if that is so, I consider it only right to support the measure. My third reason for supporting the Bill is that even when it is passed by both Houses of Parliament, it must be submitted to a referendum of the people. Before effect can be given to the measure much water will flow under the bridge. The various figures that have been presented to us will be submitted to the people and they will be in a position to judge whether they should adopt the Bill or reject it. I have an open mind on the question. If it can be proved conclusively that the Bill will be disadvantageous to this State, I reserve to myself the right to go on the hustings and advise the people to vote against it.

Mr. Angelo: What further proof do you want?

Mr. BROWN: On the information placed before us, I urge members to support the second reading and leave it to the people ultimately to decide whether the measure shall become law or not. I do not wish to traverse the ground that has been covered by other speakers. I have expressed my views plainly. I do not think any member can do wrong by voting for the Bill. The people will have the final say and we shall have an opportunity to tell the people if facts subsequently adduced warrant the rejection of the measure. We should pass the Bill because, if such facts are not forthcoming, the people will not be denied the right of accepting the measure.

MR. TEESDALE (Roebourne) [7.35]: Judging by a remark made from the Government side, it is to be hoped that some of the members supporting the Government are about to contribute something to the gaiety of nations. Apparently, however, they are contenting themselves by interjecting.

Mr. Kenneally: Do not look at me.

Mr. TEESDALE: At any rate, I have a few notes that I have scratched down only hurriedly because I thought this debate was going to last for four or five days longer, whereas it seems likely to peter out at any moment, and I should not like my contribution to be lost. There has been such an avalanche of pamphlets, correspondence and figures connected with the Bill that I do not propose to add much to the heap. At the same time there are one or two matters upon which I should like briefly to comment. One of those is a remark made by the member for Menzies (Mr. Pantou). In contradistinction to that hon. member, I would not submit the Bill to the public at all. I do not know what it has to do with the public. If the electors of Western Australia elect a Parliament consisting of 80 members—

Mr. Pantou: They do not.

Mr. TEESDALE: And if those 80 members are not in a position to judge what is in the best interests of this State, there is an opportunity for the electors every three years to empty out those members neck and crop.

The Minister for Justice: This Bill will not have to go before the people.

Mr. TEESDALE: It may have to, but I am dealing with the remark of the member for Menzies.

The Minister for Justice: No, an amendment of the Federal Constitution will be submitted to the people.

Mr. TEESDALE: That is a fact. I want to know, too, in that connection how many of the electors of Western Australia are likely to take the trouble thoroughly to understand this Bill. What percentage of the electors have gone to the poll at the last three or four elections? Roughly, somewhere about 50 per cent.

Mr. Brown: They will have to vote on this question.

Mr. TEESDALE: I doubt whether 50 per cent. will thoroughly understand the Bill. We know how referenda have been treated in the past.

Hon. G. Taylor: It will be compulsory voting. If they do not vote they will be fined.

Mr. TEESDALE: Has anyone been fined yet? Some members of Parliament have treated this Bill as if it contained some dire conspiracy on the part of the Federal Government against Western Australia. It is an extraordinary thing that some members look for everything bad from the Federal Government. Even members of the same political party have made a practice of detracting from and vilifying everything emanating from the Federal Government. To my mind the present Government has been one of the best from the standpoint of Western Australia. In saying that I am not referring to the State Government; I am referring to the present Federal Government, who have at least attempted to do something for Western Australia, and that is more than can be credited to their predecessors. I know of something that gives the lie to the statement of the member for Murray-Wellington (Hon. W. J. George) that we have had nothing but injustice from the Federal Government since the inception of Federation. In 1926 the present Premier of the State approached the Prime Minister with a tentative proposal for public works, representing a vote, if I am not mistaken, in the region of £10,000,000. At that time the State of New South Wales was causing a good deal of trouble. As the Migration and Settlement Commission was then in process of formation, it would have been quite permissible for Mr. Bruce to refuse to advance any money to Western Australia at that time. But did he refuse? Not so. He went out

of his way personally to guarantee £180,000 to enable the progress of Western Australia to continue. That £180,000 was distributed amongst two public works, £150,000 to the Denmark railway and, I believe, £30,000 for the Busselton drainage scheme. There is one case in point where some good came to Western Australia from the Federal Government.

Hon. W. J. George: But it was only a bit of plunder that he had already got from us.

Mr. TEESDALE: I am content if the hon. member will admit that we get a plum now and then.

Hon. W. J. George: I said plunder.

The Premier: I think we have got a good many plums.

Mr. TEESDALE: Anyhow, that is one worthy of mention. One of the best arguments in favour of this Bill is the fact that the party on the Government side, together with their colleagues in the other States, are supporting it. Considering the way in which they have, I might say from time immemorial, criticised the present Government, I think it is a splendid argument. When they appreciate something that the Federal Government have done and are prepared to support it, God knows it must be good! The member for Murray-Wellington said we have had nothing but injustice from the Federal Government ever since we first entered the Federation.

Hon. W. J. George: I do not think we have had justice, anyhow.

Mr. TEESDALE: Let me tell the hon. member what we have done. We have done nothing but whine and grouch about every mortal thing the Federal Government have put before us. Nothing has been favourably considered; everything suggested is unjust to Western Australia. While possibly the other States have their grievances, they have never made the frightful fuss that we have. Everything that is offered to Western Australia we try to boot it out, because there is some dire plot to injure the progress of this State.

Mr. Corboy: Paranoias.

The Premier: Like the boy, always crying for more jam.

Mr. Panton: And now they want more cream on it.

Mr. TEESDALE: Considering the wonderful harvest we have just reaped, the splendid season before us, the wonderful rush for land in this State, and, judging by the latest loan, the favour with which the financial position of the State is re-

garded, surely it is time we ourselves took a little risk. What is the use of a few old fellows worrying about what will happen in 58 years' time. It will not upset them. What about letting some of the young fellows take a bit of the risk in shouldering the financial responsibility? Are we to deliver this country to them beautifully sweetened and groomed up like the coat given to a horse? Let them have a bit of the "yacker" as we in our time have had. Do not worry about 58 years hence. If it will be of advantage for 15 years, it will be good enough for me, and I am going to support the Bill.

MR. THOMSON (Katanning) [7.42]: When opposition was being offered to this Bill, I did expect that some sound argument would be advanced against it. No member of this House can accuse me of being what may be termed an ardent Federalist.

Mr. Corboy: Mind you do not displease the member for Roebourne!

Mr. Teesdale: You have been as bad as anyone.

MR. THOMSON: I have protested as much as possible, and perhaps more so than has any other member of this House, against the disabilities that Federation has imposed upon this State. I am unlike the Leader of the Opposition, who states that he is in favour of Federation, though he could see no good in the proposals that are now before us. No doubt if the Leader of the Opposition were given an opportunity to withdraw from the Federation, judging by his public utterances, he would hesitate to do so. On the contrary, if I could see any opportunity to withdraw from Federation, I should do so, without hesitation. I honestly believe that, unhampered by the Federal Government, we could develop this State more cheaply and economically than can be done under present conditions. We have a large State with huge areas of land that we are endeavouring to bring under cultivation, and we have a large amount of constructional and developmental work to perform. If we had control of all our own affairs we would be able, through the State Government, to import our own rails and other materials that are necessary for the development of the State, and be able to carry on this development at a lower cost than at present. I have approached the Financial Agreement, not as an ardent Federalist, but as one who has given the matter

very careful consideration, and have come to the conclusion that the people of Western Australia and their Parliament will be doing a grave injustice to Western Australia if they do not give it their approval. Let us consider the position. When we first entered the Federation the Commonwealth Government took control of the Customs. For a period of ten years they were to return to the States three-fourths of the Customs duties. When the term covered by the Braddon blot expired, a conference was held. The Federal Government of that day placed before the people of Western Australia, after the Premiers' conference, a proposal that there should be inserted into the Constitution a provision whereby this State would receive 25s. per head for all time. That was referred to the people. Those who made up the Opposition, from which the subsequent Government was chosen, did their utmost to defeat that referendum. It was very interesting to hear the figures quoted by the member for Menzies (Mr. Panton) indicating that on every occasion when a referendum has been taken, with the exception of the last, the people of Western Australia have supported it.

The Premier: And all giving greater power to the Commonwealth.

MR. THOMSON: Yes. Even with the opposition of the Western Australian members in the House of Representatives, if the people of Western Australia are given the opportunity that the Leader of the Opposition and others wish to deny them, I believe they will support the proposed referendum. If the Bill is defeated, the finances not only of this State, but of every State in the Commonwealth, will be placed in a very parlous position. On the other hand, if this agreement is passed by all the States, the financial position of Western Australia will be sounder than ever before. The position in 1910 was that the proposed amendment of the Constitution, providing for the payment of 25s. per head for all time, was defeated. Immediately the Opposition came into power they wisely decided to place on the statute book a provision entitling the States to receive 25s. per head of the population for ten years, or until such time as the Federal Parliament otherwise decided. The Federal Parliament has now decided otherwise. The provision for the per capita payment has come to an end, and those payments are no longer being made. The

Leader of the Opposition stated that we should not accept this agreement because we can get a better one. The member for Williams-Narrogin (Mr. E. B. Johnston) said the same thing.

Hon. Sir James Mitchell: I say it is not fair to us.

Mr. THOMSON: That is a matter of opinion. Both hon. members side-stepped the question when the Premier interjected, "What guarantee have you that we shall get better conditions?"

Mr. Corboy: What guarantee have you that we shall get even the same conditions?

Mr. THOMSON: We have the guarantee that the Premiers in conference formulated certain proposals, and came to a definite agreement. Each State, with the exception of Western Australia, has accepted the proposals that are embodied in the agreement, which has been accepted by the Premiers, as well as the Commonwealth Government. It is unthinkable that the Commonwealth Government would in any way depart from the agreement they have entered into, and which has had the sanction of every other Parliament within Australia.

Hon. W. J. George: They will find plenty of excuses to change it when they want to.

Mr. THOMSON: Unfortunately, the opposition to this Bill is founded on suspicion. The interjection of the member for Murray-Wellington (Hon. W. J. George) indicates that, when he says they will find plenty of excuses whereby they may evade their responsibilities. The Premier of this State has appended his signature to this agreement.

Hon. W. J. George: But does not believe in it.

Mr. THOMSON: The other State Premiers, as well as the Prime Minister, have done the same thing, and yet we have members saying that the authorities will look for some opportunity, some excuse, to evade and break their agreement.

Hon. W. J. George: I am entitled to think that.

Mr. THOMSON: I am sorry any member should pass such a reflection upon the hon. gentlemen who entered into this agreement. It is a reflection upon every other Parliament that has supported it.

Hon. W. J. George: What did they do about the surplus revenue; robbed us of it, did they not?

Mr. THOMSON: I wish to show how the Opposition has voted in the Federal Parlia-

ment. I would refer to the Commonwealth "Hansard," page 320, of the 13th July, 1910. Senator Lynch when speaking on the Address-in-reply said—

I need only point to the action which we took in Western Australia to get the Financial Agreement voted down. To all appearances that State stood to gain more under the agreement than did any of the other States yet when the time came for expressing an opinion we stood firmly by the attitude that this Parliament alone should have the final say in the distribution of the revenue of her Customs and Excise.

That was Senator Lynch's view in 1910. He stated that the Federal Parliament should definitely be the one to decide how the money should be spent. Let me now turn to Mr. Irvine, who has also spoken in a similar manner. He said—

It is the function of the Federal Parliament to decide how the surplus revenue shall be expended.

Thus we have the statement of a Labour Senator on the one side, and that of one of the most eminent Federalists on the other. It is the general opinion held by the average member in the Federal Parliament that that Parliament should have the right to decide how the surplus revenue shall be expended. They have taken that right. Members are aware of the section of the Constitution which says that the States are entitled to receive three-fourths of the Customs revenue. We have not received that since 1910. I am amazed that the Leader of the Opposition, when Premier, did not see that that section was carried into effect, and that Western Australia received three-fourths of the Customs revenue. What is the use of stating here that the Constitution provided, when we entered into Federation that we should receive three-fourths of the Customs duty, when for 18 years we have not received a penny of it, but have been receiving a proportion of the per capita payment of 25s.? What is the use of putting up an argument like that, and saying we ought to receive the 25s.?

Hon. W. J. George: According to you we ought not to get anything.

Mr. THOMSON: I am supporting this Bill which ensures for Western Australia for 30 years a sum of £335,000 per annum. That is why I am supporting the Bill. It assures to Western Australia and its Treasury financial stability. Since 1910 negotiations have been going on between the various Premiers. A conference was held when Mr.

Watt was Federal Treasurer. He put forward the proposal that we should agree to a reduction of the per capita payment from 25s., by annual instalments of 2s. 6d., until it reached 10s. That proposal was, of course, rejected. I should like those who entertain such a degree of suspicion concerning the actions of the present Federal Government to point out in what way that Government has done an injustice to Western Australia. Like the member for Roebourne (Mr. Teesdale), I believe I can point to many instances in which favourable conditions and grants have been meted out to this State. Mr. Watt, when Federal Treasurer, was the cause of this State putting up a fight, as he was deducting 25s. per head in respect of soldiers whom Western Australia had sent to the front. Our Treasurer of the day, Mr. James Gardiner, as the result of a strenuous struggle obtained the restoration of that money. I shall not discuss the failure of the Premiers to consider the proposal first submitted to them. I said then, and I say now, that the State missed a golden opportunity of obtaining a convention. The State entered Federation on the basis of equal representation at conventions, and when it is a question of altering the whole financial structure of the Commonwealth and the States, the matter should be considered by all the States on a footing of equal representation. That opportunity having unfortunately been missed, we must come down to earth. We must consider the agreement submitted. I have given it my most careful consideration, and in my opinion it is the best financial agreement ever offered to Western Australia by the Commonwealth. It secures financial stability for a period of 58 years. As I have said here previously, the per capita payment was in my opinion unscientific. It gave to the larger States that to which they were not justly entitled. Because of high tariffs the cities of Melbourne and Sydney, with secondary industries established, obtained closely-congested populations, thus placing Western Australia at a decided disadvantage from the per capita aspect. The Federal Government who have put forward this proposal were the first Federal Government ever to adopt the principle that financial assistance to the States should be based on area as well as population. That was so in connection with the roads grant, which was strenuously op-

posed by the larger States. It is frequently urged that New South Wales in the early days by standing out of Federation obtained various concessions, the Federal Capital site being one. However, that was before the Federal bond had been entered into; and if any hon. member can show me how we can withdraw from the Federation, I ask him to do so. No hon. member, I believe, can show how even by a 100 per cent vote of the people of Western Australia—an impracticable proportion—in favour of retiring from the Commonwealth this State can get out of the Federation. What, then, is the validity of the argument that if we stand out of the proposed financial agreement we shall secure better conditions? In my opinion there is no such guarantee but, on the other hand, grave doubt as to whether we would get terms as good as the present if we turned down the financial proposal submitted by the Premier. The Leader of the Opposition quoted the favourable terms on which Western Australia has been able to float loans. Undoubtedly we have been in the happy position of raising our loans at reasonable rates. The hon. gentleman, however, omitted to tell the House that the Commonwealth was generous in permitting the State of Western Australia to go on the London money market while the Federal Government had recourse to the American market. I believe Western Australia was permitted to do so because of the favourable opinion in which this State is held on the London market and the favourable opinion which the Commonwealth enjoys on the New York market. Admitting that in the past we have derived some small benefit from our sinking fund, surely, as pointed out by the Premier when introducing the Bill, if our assets are good enough to justify lenders in the Old Country in furnishing us with money at a cheap rate, our position will be still better when we have the backing of the Commonwealth. Another reason why I support the measure is that it will ensure to us stability. We have heard a great deal about the sinking fund, as to there being £8,000,000 in it, and about its being a great assistance to our finances. In point of fact there is only about £3,000,000 in it, because for many years past—ever since I have been a member of this Chamber—Western Australia has been faced with large deficits. Further, as the Premier

has stated, we have had to borrow money at as high a rate as 6 per cent. to redeem loans for which we were paying only 3 per cent. Though we have our sinking fund, the carrying of the Bill means additional security to the lenders of money. There is no notion of repudiating any agreement, for I do not believe that the lenders of money to this State ever considered on any occasion whether Western Australia had a sinking fund or not. They spread the trust funds and other moneys available for loan over the various States. The mere fact of the existence of a sinking fund does not improve the security offered by Western Australia, since one cannot imagine Western Australia, or any other Australian State, ever defaulting. In 1910 Mr. Fisher, then Prime Minister, introducing the Bill to which I have referred spoke as follows:—

This is providing for stability, and is an assurance to the State of the payment of 25s. per head for a period of 25 years. It is done with a desire to give some stability and security to the States; and if this Bill be passed, I am sure it will be for the safety and to the credit and honour of all concerned.

Mr. Deakin, then Leader of the Federal Opposition, who had put forward the same proposal previously without success, said—

This Bill secures stability for the finances of the Commonwealth and the States for the next 10 years. I welcome the assurance of the Prime Minister that although it will be within the power of Parliament to amend the measure at any time and in any particular, there is no intention to alter it for that period. He is giving a deliberate pledge, not only for this but for other Parliaments, during the period for which the measure will operate. Although that assurance was unnecessary so far as hon. members are concerned, it is valuable and effective so far as the public are concerned.

Now let me read what the present Prime Minister has stated—

It provides for a permanent and final settlement of the financial relationship of the Commonwealth and the States, a matter which has occupied the attention of every Government since Federation. Finance was one of the most difficult problems facing the founders of the Federation. It is particularly gratifying that this arrangement has been arrived at by cordial agreement between the Commonwealth and all the States, and that the negotiations have been conducted in a most friendly spirit.

In 1910 we find the then Prime Minister and the then Leader of the Opposition stating that "the measure means the financial stability of the States." Such is not the posi-

tion to-day. The Leader of the Federal Opposition of to-day has stated that the Commonwealth is giving the States too much. Therefore I ask, why this hesitancy and why this suspicion?

Hon. G. Taylor: Mr. Scullin said that.

Mr. THOMSON: No, Mr. Charlton, then Leader of the Federal Opposition.

Mr. Richardson: That does not prove it was right.

Mr. THOMSON: I support the Bill because in 15 years Western Australia will, under it, be better off by £745,663. We entered into a financial agreement for a period of ten years, subject to renewal. Surely the people of the States can trust those who will be administering Western Australia's affairs in 15 years to put up a good case to the Federal Government. I have that confidence in those who will be in this Parliament then; I believe they will look after the interests of the people of Western Australia just as we have endeavoured to do during the past 10 or 14 years. Surely it is to be assumed that the Leader of the House, who took part in the convention, has secured an agreement which, in his opinion as in that of the Premiers of all the other States, represents the best agreement ever offered by the Commonwealth to the States. Surely if we regard our present Premier as capable of administering the affairs of the State, we ought to have sufficient confidence in the man who will be occupying the same position 15 years hence to believe that he will put up an equally good case in the interests of Western Australia. On referring to "Hansard" hon. members will find a return presented to the House by the Premier, and it is amazing to me that some members not connected with this Chamber, and even some connected with it, have ventured to assert that the figures presented to this House by the Premier, and prepared for him by his officials, are wrong, and that in three years' time we shall be faced with an absolute loss under the proposed agreement.

The Premier: That is an absurd statement.

Mr. THOMSON: I agree that it is absurd, but that is an argument that is being used. Can we not, when dealing with matters concerning the finances, accept the figures that have been placed before us by the Premier and by the Treasury officials? I have that much confidence in the Premier and his officials, for I know they have no desire to mislead the people of Western Australia. They would not furnish figures to lead the people

into a trap that would result in loss to the State. I have sufficient confidence in the Prime Minister and the Federal Treasurer to believe that the figures supplied to the people generally are correct. They coincide with the figures submitted to hon. members in this House. Surely we are not going to be foolish enough to ape the dog with the bone who threw it away and grasped at the shadow in the water beneath! By giving the State an agreement covering 58 years, we shall be able to stabilise our finances and assure future Premiers, whoever they may be, that during the next 30 years we shall be better off to the extent of £353,000 annually, as the Premier has indicated. It means that we shall be able to put at least 300 farmers on the land and help to make it more productive.

Hon. G. Taylor: The Premier's figures did not prove that.

Mr. THOMSON: They did. Let the hon. member read them! Had he done so, he would not have made such an interjection.

Hon. G. Taylor: I have been through them.

Mr. THOMSON: Then let the hon. member read them and study Table 2 in particular. That shows that the average increased return to the State, based on a 3 per cent. increase in population, amounts to a sum of £353,784 for 30 years. Yet there are some hon. members who say, "Turn it down! We might get something better. No Federal Government would dare to refuse!" I have heard that word "dare" used frequently in the corridors recently. When reading the debates in the Federal "Hansard" I saw that Mr. Mann, the Federal member for Perth in the House of Representatives, thanked Mr. Lovekin for having given him the opportunity to say that "no Federal Government would dare!" It was said that no Federal Government would dare to abolish the per capita payments.

The Premier: And Mr. Mann moved an amendment to the States Grant Bill on precisely the same lines as the Financial Agreement!

Mr. THOMSON: I was not aware of that.

The Premier: That is, so far as the Commonwealth contributions are concerned.

Mr. Richardson: Using the same figures?

The Premier: Yes, regarding the annual contributions.

Mr. THOMSON: I have heard people say that we are not getting enough. The Leader of the Opposition and the member for

Williams-Narrogin (Mr. E. B. Johnston) claim that we should get more.

Mr. Angelo: Do you not agree with that?

Mr. THOMSON: I am willing to accept all we can get, but I am not prepared to turn down the Financial Agreement. During the course of my public duties, I have always endeavoured to place myself in the position of acting for the State as I would act for myself. When speaking the other night, the member for Gaseoyne (Mr. Angelo) said that if he were considering this for himself, he would accept it, but he would not accept it for the State. That was an extraordinary attitude. I wish to quote one or two extracts from the Federal "Hansard." The then Leader of the Opposition (Mr. Charlton), on page 3624, said—

If the States are relieved of huge financial advantages and responsibilities, it is a natural corollary that adequate provision must be made to cover the future financing of these by the Commonwealth. An amendment, such as is now proposed, ties the hands of the Commonwealth Government because to alter it after it has once been put into the Constitution, would require an amendment of the Constitution.

Does that not afford absolute protection to Western Australia under the agreement? As the Leader of the Opposition in the House of Representatives pointed out, once such a provision is included in the Constitution, an alteration means an amendment to the Constitution. Surely if we were prepared to trust the people to place something in the Constitution, we should be prepared to trust them to amend it if they so desire! That is my attitude on that point. Mr. Charlton also said—

I have indicated plainly that in my opinion this agreement constitutes a good bargain for the States.

He also said—

We are giving too much away. We have to rely chiefly on the Customs and Excise for our revenue. If we are to have an effective protective policy, the revenue from these sources will fall year by year. Revenue has gone down considerably during the last eight months. If we lose revenue from Customs and Excise, we must make it up somewhere else, and we shall have to pay more for the next 15 or 20 years than we are paying now.

Yet we hear hon. members say that we are giving far too much to the Commonwealth. Let me deal briefly with the Loan Council. The Leader of the Opposition objected to the Loan Council having the power to decide and said that such a proposal meant taking away the sovereign rights of the

State. He advanced that contention despite the statement of the Premier, who has assured this House definitely that it will not take away the sovereign rights of the State. The opposition to the Bill is so based upon suspicion that much of the argument against it has been on the score that it will take away our sovereign rights and also that the Federal Government have deliberately suppressed evidence that may have been of advantage to Western Australia.

Hon. G. Taylor: If you go on supporting the Premier like this, he will sky the towel!

Mr. THOMSON: I would like the hon. member to deal with this Bill in a serious vein. This is the most important Bill that any Parliament of this State has ever been asked to deal with. I have not approached it in any facetious manner. It has caused me a good deal of anxiety because it is being treated as a non-party measure. It is not very enjoyable to find oneself out of step with his supporters. Others are entitled to their opinions. I am glad they give me the same privilege that they expect themselves. Those who have opposed the Bill have, I believe, argued honestly accordingly to their convictions when they have asserted that the agreement is not in the interests of the State.

Hon. G. Taylor: You say that our views are based on suspicion because we oppose the agreement? That is not quite fair!

Mr. THOMSON: I have heard it stated repeatedly in the House and in the corridors—

Hon. G. Taylor: Do not repeat corridor statements.

Mr. THOMSON: No, but they are being used as arguments in support of the contention that we should vote against the Bill. It is all very well for the hon. member to say that I should not repeat corridor statements.

The Premier: That is where the good work is being put in.

Mr. THOMSON: That is so. We have been told repeatedly in the corridors and at meetings that the Federal Government have deliberately suppressed evidence of the Commonwealth Statistician, Mr. Wickens, in regard to Western Australia. The member for Williams-Narrogin quoted some of the evidence in his speech.

Hon. G. Taylor: But that evidence was never made public.

Mr. THOMSON: No one knows better than the member for Mt. Margaret (Hon. G. Taylor) that when anyone in this House

desired to have evidence tendered before a Select Committee or a Royal Commission made public, he was the first man to debar the public from having access to that evidence.

Hon. G. Taylor: What evidence do you refer to?

Mr. THOMSON: No one knows better than the hon. member that evidence before a Select Committee or a Royal Commission has to be made public ultimately. Does the hon. member deny that fact? Does he deny that the Press of this State have access to the evidence given before a Royal Commission?

Hon. G. Taylor: No, but evidence is usually published as given. Mr. Wickens' evidence was never presented as Mr. Wickens gave it.

The Premier: But the Press were there!

Mr. Richardson: Will you deny it?

Mr. THOMSON: I will. There is the absolute denial from the Prime Minister.

Hon. G. Taylor: Why, the Premier wired to him for that correction!

The Premier: Why not?

Mr. THOMSON: So that the Commonwealth might know the methods being adopted to defeat this measure.

Mr. Richardson: Can the Premier say where it was published? Does the hon. member know?

Hon. G. Taylor: He does not know.

Mr. THOMSON: Does the member for Subiaco (Mr. Richardson) say that the evidence supposed to have been suppressed was such as would justify the people in turning down the agreement? Where did hon. members get the information that the evidence was being suppressed? How are they in a position to say that the Commonwealth Government have deliberately suppressed information.

Hon. G. Taylor: No one says that, but they say the evidence has not been published.

Mr. THOMSON: The hon. member said so himself.

Mr. Richardson: You say it has been published; where has it been published?

Mr. SPEAKER: Order!

Mr. Richardson: You are only taking the newspaper report of this morning.

Mr. THOMSON: I was a bit more keen in my desire to find out the true facts, and I would advise hon. members who are interjecting to do as I did. I did not sit down, but I got into touch with others who informed me of the position. If the mem-

ber for Subiaco (Mr. Richardson) desires, I can show him a telegram that I received.

Mr. Richardson: I want to know where the evidence has been published.

Mr. THOMSON: The member for Subiaco has the same opportunities as have other members if he desires to find out the facts. I am prepared to admit that there have been times when I have not enthused over the actions of the Commonwealth Government. I am not pinning my faith to the Federal Government, but rather to the Federal officers who have made the information available, and who say that this is a good agreement for this State. That assertion is backed up by the Premier of this State and by the figures that he has made available.

Mr. J. H. Smith: He did not say the agreement was a good one, but that it was the best available.

Mr. THOMSON: It is the best agreement Western Australia has ever had, and if any hon. member can show how it can be bettered, or if any hon. member can secure a better agreement—that is the crux of the whole position—I will be prepared to listen to him. I am not prepared to turn it down unless we can secure a better agreement. I say Western Australia would be very foolish to turn it down. It is said that this agreement represents an interference with the sovereign rights of this State, despite the fact that the Premier has assured us that the sovereign rights of the State are preserved throughout the agreement. Hon. members who are so keenly opposing the Bill cannot have read the speech delivered by Mr. Bruce when he introduced the measure in the House of Representatives. A pamphlet was published giving his speech and therein he said—

It must be clearly understood that the Loan Council has no power to deal with the Estimates of either the Commonwealth or the States. That condition is essential. No sovereign Parliament in Australia would allow any outside authority to determine such a thing.

There is a clear statement that was made by the Prime Minister when he introduced the Bill setting out that the sovereignty of the States would not be interfered with.

Hon. G. Taylor: Bunkum!

Mr. THOMSON: Of course the hon. member is so one-eyed that he cannot see any reason in such a plain statement of fact.

That is the statement of the Prime Minister of Australia. I do not think the hon. member heard it, because he was busy talking and did not want to hear it.

Hon. G. Taylor: I have read it.

Mr. THOMSON: I guarantee you have not or you would not have made that interjection.

Mr. SPEAKER: Order! The hon. member for Katanning must address the Chair.

Mr. THOMSON: In addition, we have the definite assurance of the Premier that each State will be in the position it has occupied during the last six years.

Mr. Richardson: In regard to making up the Estimates.

Mr. THOMSON: And in regard to the money it will borrow.

Mr. Richardson: No, that is the difference.

Mr. THOMSON: That is where my friends show they have not read the Bill.

Mr. Richardson: Yes, we have.

The Premier: They will not believe anything the Prime Minister says.

Mr. THOMSON: They do not want to believe it.

Mr. Richardson: He is not always right, you know.

Mr. Panton: When he was over here a couple of years ago, you considered he was right.

Mr. Richardson: Even the Premier is not always right.

The Premier: When he comes here shortly, he will be surprised to learn what little faith you have in him.

Hon. G. Taylor: He will be surprised to find that he has so many friends on your side.

Mr. THOMSON: When the Financial Agreement Bill was going through the House of Representatives the then Leader of the Opposition (Mr. Charlton) said—

Therefore, it is necessary to have at least two States with the Commonwealth in order to obtain a majority for Federal proposals, even when the Federal representative exercises his casting vote. This means that the States can block any proposals of the Commonwealth regarding the amount to be borrowed.

Some members say we are handing over to the Commonwealth our right and privilege to borrow. Mr. Charlton expresses an entirely different point of view.

Hon. G. Taylor interjected.

Mr. THOMSON: Before the member for Mt. Margaret interjects again, I should like to give another quotation. Mr. Charlton went on to say—

Let us consider the other view. Suppose the Commonwealth thought it necessary in the best interests of Australia to restrict borrowing as much as possible. Suppose it advocated that £5,000,000 should be borrowed, while the State representatives thought that £20,000,000 should be raised. They, by their votes, could decide that £20,000,000 should be borrowed.

Hon. G. Taylor: Five States would have to vote in that way.

Mr. THOMSON: Will the hon. member permit me to read further. Dr. Earle Page then interjected—

But only if the market were favourable. The amount which each State could spend would be a matter for its own Parliament to determine.

If the member for Mt. Margaret, or anyone else who is opposed to the Bill, can show that we will be giving up our sovereign rights, all I can say is I have a lot to learn. I do not desire to detain the House longer. A grave responsibility is placed upon members of this House and, in my opinion, an even greater responsibility will be imposed upon members of another place. I am hoping that in the interests of the people of Western Australia they will say "Yea," and that they will pass the Bill. I honestly believe the agreement is the best that has ever been offered to Western Australia. It will have the effect of stabilising our finances. Before it can be provided for in the Constitution it must be submitted to a vote of the people. This House has no right to turn the measure down. Let the people of the Commonwealth decide whether the desire to have the finances placed on a stable basis, such as they never have been before, is sound. I think it is sound, and I hope that members of this House will support the Bill whole-heartedly.

HON. W. D. JOHNSON (Guildford) [8.37]: There is no question that the matter we are now discussing is of first class importance from a Western Australian point of view and that it also has a Federal aspect. I propose to endeavour to confine my remarks to the agreement as I read and understand it, to apply it to the future of Western Australia, and then judge in my own way whether it is wise to vote for or against the Bill. It has been said that those who op-

pose the measure are taking a parochial view. I have yet to learn that that is a crime. It is true that anyone in public life should endeavour to take as big and broad a view as possible. We should realise that Australia is a nation, and as a nation we want to see her develop and progress. But we in this House are charged with a responsibility to view particularly this part of Australia's welfare and future. Therefore, if one applies himself to the proposal and considers it purely from the standpoint of Western Australia, I feel he is just as good an Australian and is to be commended as highly as those who take the Australian point of view and fail to probe into the effects that the agreement may have on the future of this State. I am prepared to admit that it is a matter upon which we cannot come to a hasty decision. 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 I shall endeavour to address my remarks. I think the most reprehensible feature of the whole business was the way in which the agreement was negotiated. First to cancel all Federal responsibility to the States and then open up negotiations to arrive at an alternative arrangement does not impress me as acting in good faith. The Bruce-Page party, assisted largely by a big section, if not the majority, of the daily newspapers of the Commonwealth, have acquired a reputation for being specially sympathetic towards the States. We have heard from various members quite a lot of commendation of the Bruce-Page Government's sympathy with State aspirations and State responsibilities and of their endeavour to relieve the States of some of their anxieties. Mr. Bruce himself claims that the agreement was approached from that viewpoint; he introduced the agreement and supported it for the purpose of protecting the interests of the States. For one claiming such sympathy with the States, it is peculiar that he should start off by robbing the States of everything that was their due under the Constitution. He secured the passage of a law stipulating that the per capita payments should be abolished, and after having provided that the States should get nothing, he turned around and asked the States to consider with him some alternative

arrangement. By nice words Mr. Bruce claims to be a protector of the States, but in actual fact he is the States' robber. He has done more than has any other Prime Minister to take from the States that which was definitely laid down as being their due. Regarding Section 87 of the Federal Constitution known as the Braddon "blot," a lot of members have argued that the words "until the Parliament otherwise provides" were deliberately inserted for the purpose of protecting the Commonwealth interests. I differ from those members; I claim that those words were inserted because of the difficulties existing at the time. We know that the Braddon clause was keenly debated. I claim that the words, which have a qualifying effect, were inserted more for the purpose of protecting State interests than Commonwealth interests.

Mr. Panton: For a period of 10 years.

Hon. W. D. JOHNSON: I base that claim on Section 94. The Braddon clause definitely provided that the Commonwealth should have only one-fourth of the Customs and excise revenue, and then Section 94 states that of the one-fourth—it does not specify the one-fourth, but it does say "surplus revenue," and we know that the main revenue of the Commonwealth, particularly in the early history of Federation, was from Customs and excise—the surplus shall be distributed amongst the States. How can anyone, after reading Sections 87 and 94, come to any conclusion other than that the framers of the Constitution intended that the States should have returned to them even more than three-fourths of the Customs and excise revenue. It is true that the provision did not operate until five years after Federation was established. That no doubt was stipulated to give an opportunity to organise Federation and put it on a proper basis. Then when Federation was firmly established, the surplus revenue was to be distributed amongst the States. It was recognised by the statesmen of that time that the States then, as to-day, had to face the big responsibility of developing Australia. The progress and development of the Commonwealth depend absolutely upon the State Governments. It is the wisdom or otherwise of the Governments of the States that will make Australia.

Hon. G. Taylor: And make Western Australia, too.

Hon. W. D. JOHNSON: Yes. The Governments of the States are building up each

of the States in their own way. They are thus contributing towards the development of Australia in a greater proportion than is possible on the part of the Federal Government. The Commonwealth authorities cannot contribute in this way. They have no opportunity of doing so. The rulers in the early days realised that, and provided that the Federal Parliament should be limited in its operations, and the limitation that was imposed—the most effective that can be imposed upon anyone—was that of limiting the amount of cash it had to spend. We know from that time onward that Federation has been gradually but surely grasping for more cash in order to gain more control. The member for Menzies dealt directly with the position of the per capita payment of 25s. I differ from him, however, when he definitely declares that this particular referendum was defeated because the people of Australia did not want the Commonwealth to be hampered by being obliged to make that a fixed contribution.

Mr. Panton: The Labour Party stumped the country from one end to the other against the referendum on the ground that it would tie the hands of the Commonwealth.

Hon. W. D. JOHNSON: That may be so. My opinion is that the people of Australia, both then and now, felt and feel that a payment per capita of 25s. is not sufficient, not in accord with the Constitution, and not in accord with the Australian spirit.

Hon. G. Taylor: That was the argument of those who opposed it.

The Premier: It was not. We opposed it on the ground that we should not tie the hands of the Commonwealth. I was one of those who stumped the country in opposition, because we did not think it fair to tie the hands of the Commonwealth, as they might require this money later on.

Mr. SPEAKER: Order!

The Premier: The Labour movement opposed it on that ground.

Hon. W. D. JOHNSON: I consider the correct interpretation of the attitude of the people at the time is that they voted against this being made a fixed contribution, because they considered it was not a fair contribution to the States.

Mr. Thomson: And yet Western Australia strongly supported it.

Hon. W. D. JOHNSON: That may be due to the fact that the Premier and others influenced Western Australians in the mat-

ter. I do not remember the details, and have not taken the trouble to look them up. I believe the member for Menzies has correctly quoted the figures, and that Western Australia voted for the referendum, while the other States opposed it.

Mr. MacCallum Smith: Was it binding?

Mr. Thomson. It would have been binding for all time if it had been passed.

Hon. W. D. JOHNSON: The attitude of the Federal Government in the matter of Section 94 of the Constitution was distinctly unfair. I am prepared to admit that a test case was submitted to the High Court, and that that tribunal ruled that the Federal Government were justified in their action; but it was not fair for them to say that they should have millions of surplus revenue and that by passing an appropriation previous to 30th June, when the surplus revenue would be declared, they should place themselves in a position of using the money. In all fairness that money should have been made available to the States, and although the action may have been legal it was not just. The framers of the Constitution never intended that the Federal Government should by a back-door method, rob the States of the surplus revenue for the purpose of making per capita payments. The 25s. per head has now gone. We cannot argue from that point of view. The agreement we are now discussing cannot be accepted as a permanent one. When this House has dealt with it, it will have to pass through other avenues. I assume that the agreement will be carried by this Chamber, and the result may be reflected in another place, but that does not finally dispose of it. Before it becomes permanent, it must be submitted to the people, and after the people have dealt with it, provided they carry it, it then becomes the subject of a validating measure to be dealt with by the new Federal Parliament. Before this matter is finalised, there will be a Federal election, and the Bruce-Page combination will either be returned to power or be defeated. Whatever happens, there will be a new Parliament elected by the people, and that Parliament will have to validate this agreement before it can have the effect of law.

Mr. Thomson: Do you think if the people of the Commonwealth pass this agreement, any Commonwealth Government will turn it down?

Hon. W. D. JOHNSON: I anticipate that this subject will play a prominent part at the next Federal elections.

Mr. Thomson: Undoubtedly.

Hon. W. D. JOHNSON: I believe that the parties will deal with it in a most comprehensive way, provided red herrings are not drawn across the trail, as occurred on a previous occasion. It is six years since we had a real Federal election. The last one was a fake; it was not an election. The people were stampeded into doing things they regretted shortly after. The issue upon which the election was fought was never carried into operation. We hope on this occasion the people will have an opportunity to consider the welfare of Australia, review past legislation and administration, and correctly hear, without the introduction of foreign matter, a clear explanation of the party point of view from the various candidates so that everyone may understand the point of view that each party takes upon this important matter. The incoming Government, whatever it may be, will be compelled, unless the people declare against the referendum, to deal again with the proposed agreement. I believe I am doing right in voting against the Bill. I will then have an opportunity of taking part in the campaign dealing with the financial relations between the States and the Commonwealth. I shall be able to do this without being hampered by the constant reminder that, "I am a supporter of the agreement, that my party is supporting it, and that therefore my party is not justified in reviewing the agreement, or taking any part with the Federal Labour Party in the matter of its desires to deal differently with the States."

Mr. Thomson: Do you claim that we are not prepared to allow the people to have a voice in this matter?

Hon. W. D. JOHNSON: I am quite prepared to agree to that, but I want the people to have an open mind, and feel that this is not a party question. We find that Federal Labour members are opposed to it, and that State Labour members are supporting it. We now find that some State Labour members are also opposing it. It is an open question, and I want it to remain so, so that there may be a further review during the period when we are discussing it with the people of Western Australia. The present and the immediate advantages of the agree-

ment to Western Australia are very pronounced. I have no grievance against the Premier for the part he played at the conference. If I had been there I would have adopted the same attitude, and I believe the Leader of the Opposition would also have done so.

Hon. Sir James Mitchell: You are taking a risk now.

Hon. W. D. JOHNSON: I believe he would have taken the point of view that this agreement is first subject to the endorsement of Parliament, that it afterwards goes to the people, and that, if carried, it must again be the subject of review by the new Federal Parliament. Had the Leader of the Opposition been Premier he would have supported the agreement in order to give his Parliament an opportunity to consider it, and the people, after Parliament had passed it, an opportunity to further consider it. I have no complaint concerning the Premier's attitude, but rather commend him for it. In the circumstances he did the right thing from the point of view of the State, seeing that Parliament had the right of reviewing his action. He has put forward strong arguments in favour of the Bill. He has not convinced me, and whilst I agree with his attitude, I am not altogether convinced by his arguments. The immediate result is going to be of great benefit to Western Australia, but we have to bear in mind that the Commonwealth may not continue to be as sympathetic as the agreement would indicate they are at the outset. It is the ultimate effect of the agreement that I fear. It is impossible to argue against the immediate future. It is the ultimate effect we have to think of and come to a conclusion about. It is hard to know what the Commonwealth Government will do. Suppose someone had said in the early history of Federation, that the Federal Government were about to be guilty of imposing a tax upon amusements throughout Australia. The people would have ridiculed the idea that the National Government would come down to the level of taxing amusements in order to raise revenue for the National Parliament. But that is what happened. It was a most extraordinary thing for the National Parliament to do. The tax was started by the States, and absorbed by the Commonwealth. When the necessities for revenue pressed a little, the Commonwealth Government went to the extent of intro-

ducing an amusement tax to relieve the position. In the circumstances it is very hard to say what they will do with regard to the other provisions of the agreement. My main objection to the agreement, as I have already emphasised, is the ultimate effect. Some say that the State will begin to suffer from the agreement after six years. The Premier says the State will begin to suffer, as compared with the 25s. payment if it existed, after 15 years. I am not much concerned as to whether the period is five years, six years, or 15 years; the fact that the State will suffer at a given period is a matter that causes me concern. The agreement is faulty inasmuch as there is not associated with it the original idea of the Commonwealth evacuating certain avenues of taxation. In this matter I am simply stating the opinion of the member for Guildford, and I have consulted no one; but I have read for myself and thought for myself, and am expressing myself in my own way. In the 1926 agreement there were certain propositions by which the Federal Government would gradually withdraw from certain fields of taxation. That demonstrates clearly that it is a practical proposition for the Commonwealth to arrange for a withdrawal from avenues of taxation which the Federal Government know very well they should never have encroached upon. The taxation in question was originally looked upon as the sole right of the State, but presumably the necessities of Commonwealth taxation demanded that something further should be done, and the double taxing of the people was the result. I believe that this agreement could have been made acceptable to all of us if, just as the agreement ceased to be of financial advantage to the States, in as nearly as possible the same proportion the agreement provided that the Commonwealth should withdraw from certain fields of taxation. I believe that to be a practicable proposition, and moreover one that must be seriously considered. It is a matter which, in my opinion, will receive a good deal of attention at the next Federal election. If the Commonwealth, just as it begins to impoverish the States in comparison with the 25s. payment, continues to levy taxation on the same basis as to-day, the States will be placed in a deplorable position. Western Australia is not going to be developed in six years, or in 15 years. Fifteen years hence we shall be in the thick of our financial responsibility as to development, and our interest bill is going to be fairly substantial;

in addition, we shall have to provide a sinking fund. And when we are having a difficult time, we shall be getting less from the Commonwealth, and so we shall be compelled to resort to extended taxation.

Mr. Thomson: You are putting up an argument why you should support the Bill.

Hon. W. D. JOHNSON: No. I contend, therefore, that it is essential that the Commonwealth should at that period gradually withdraw from certain taxation, withdraw from it as the States are forced into it. After all, the advantage to the States under the agreement is all based on supposition. There is no definite calculation. For instance, it has been asserted that in order to arrive at the advantages, one has to determine one's percentage of increased population and the possible extent of loan raising.

Member: You have also to imagine that the per capita payment would be available.

Hon. W. D. JOHNSON: The 3 per cent. increase in population is not, in my opinion, the increase we are justified in anticipating. The 3 per cent. is based on actual results, but the future increase of population in Western Australia is surely going to be greater than the past increase. The enormous interest taken in Western Australia to-day is really world-wide. Everyone is speaking of Western Australia. The British Government are actively assisting migration to Western Australia. They now contribute financially towards schemes for the encouragement of migration from Great Britain. It is not many years since the British Government were hostile to migration schemes. We have, therefore, to realise the position from a British point of view, which is altogether different from what it was some years back. Again, the Federal Parliament is more active in regard to assistance for migration purposes. Commissions are travelling around—

Hon. Sir James Mitchell: The Commonwealth has to get customers for its cities.

Hon. W. D. JOHNSON: I do not know what the object is, but the fact is that the Commonwealth is assisting migration schemes far more than previously. Further, we find the people of Eastern Australia, who formerly ridiculed this State's potentialities, now realising that they are second to none. Not only are people coming here, but money is coming here for the purpose of speeding up Western Australia's development. I claim that in view of all

these facts we are not justified in accepting the calculation that our increase of population will be limited to 3 per cent. From the population aspect, Western Australia's future is brighter than that indicated by the figures which the Premier has accepted; and therefore the whole calculation falls to the ground. Again, the State's needs from a borrowing point of view are imaginary. We cannot tell exactly what the State will require in that respect. I propose, before I sit down, to deal with one or two phases which make me believe that we shall want more than five millions of loan money annually. Thus the calculations which have been put up are altered.

The Premier: If we want more than five millions, it will make the agreement more favourable to the State.

Hon. W. D. JOHNSON: The increased population would be against us, the loan increase would be with us. I merely wish to show that these figures are purely imaginary. We cannot declare them definitely. The Premier has submitted them by way of giving members some kind of lead as to what the agreement really means from a figure aspect to Western Australia. One has the right to imagine the conditions from his own point of view, and I am inclined to believe the conditions will be different from what the Premier wishes us to think.

Mr. Teesdale: You will admit there may be imagination, too, about the disaster?

Hon. W. D. JOHNSON: Yes.

Mr. Teesdale: That equalises things.

Hon. W. D. JOHNSON: From a loan-raising aspect one has to bear in mind the 3,000 farms proposition. That in itself is going to be a great attraction for population, and will considerably increase our numbers; otherwise it would not be justified. But the task of opening up the eastern fringe of our wheat belt is not going to be accomplished in five years. We shall only have made a fair start in five years' time. Suppose the five-years period in connection with the proposed financial agreement is wrong, and we start to lose under that agreement from a comparative point of view, at an earlier period. Or I will suppose that we extend the beneficial period under the agreement to the 15 years stated by the Premier. Then we have to remember that at the effluxion of that period those 3,000 farms will not have been developed.

The experience gained in the wheat belt as now settled is that it takes from 10 to 15 years for a farm to become thoroughly developed: It is a slow process in Western Australia, and consequently we have to reckon that in 12 years from now, if we go on with the 3,000 farms proposition—to which I raise no objection—there will be certain financial responsibilities to which we must not be blind. There will be troubles connected with those 3,000 farms. Let us bear in mind that the interest bill for their development will be a very serious matter for Western Australia in 10 or 12 years' time. From that point of view I claim that we should give further consideration to the question of the financial agreement. If we cannot get that increased assistance from the Customs which is our just due should we actively take part in increasing the population of Australia, then we shall be in the position of getting the skim milk while the other fellow gets the cream. That should not be so. Undoubtedly that which increases the Customs revenue is increased population. If we contribute the main factor towards increased Customs revenue, we should have a greater share of that which we create.

Hon. Sir James Mitchell: Hear, hear!

Hon. W. D. JOHNSON: If the advantage under the proposed agreement is taken away just when we are in the midst of grave responsibilities connected with land development, the money will have to be raised from our people by some other means; and it is then, I claim, that taxation is going to become a very serious factor in Western Australia. If the Commonwealth were to say, "We will give you a chance to tax when that time comes, by withdrawing from fields of taxation we now occupy," I would take a different view of the agreement. Apart from that, let hon. members look at the increased responsibilities involved in the scheme of development. There is the increased interest bill. There will be the cost of additional facilities for education that will be required; schools will have to be established throughout the area occupied by the 3,000 farms. Under the most advantageous conditions the cost of water supplies is going to be heavy. Then there are railway facilities, less costly, I admit, because the further east one goes the less are the engineering difficulties from a constructional point of view. The

railways, however, will cost a lot of money. The provision of water supplies will cost proportionately more. There are other conveniences, too, that are necessary for the lives of the people in the outer parts of the State, and the provision of these will make huge inroads into the revenue of the State.

Mr. Brown: You will get cheap migration money for that work.

Hon. W. D. JOHNSON: I admit that it is all very difficult. I will admit that I am pointing out what I think will happen. I may prove to be wrong, or I may prove to be right. I have this advantage in expressing my views, that I have been actively associated with the development of the eastern wheat belt. I know what it cost, and I know the difficulties and problems connected with it. I speak, therefore, from actual experience, and I feel sure that what I anticipate will be our position in 10 or 12 years' time will prove fairly accurate. As to where we will be in 50 years' time, I am not particularly concerned. I think the people then will be in a position to look after themselves.

Mr. Teesdale: Yes, let them look after their own interests.

Hon. W. D. JOHNSON: I believe that the development of the State then will have proceeded so far ahead that there will be in Western Australia a sufficient population to overcome the problems of the day. On the other hand, I do not think we shall be in that position for the next 20 years. There is another point of view that is, perhaps, by the way. When we speak of the finances of the State, we must remember there is also the point of view of Australia as a whole. It is very interesting to think out what is going to happen to Australia as the result of large borrowings of American money. We are told that money raised in the Old Country comes to us in the form of goods, not of cash. To-day there is much competition with local manufacturers as the result of British manufactories coming into competition by means of the goods that are imported in proportion to loans raised. If we are to experience in addition to that, the competition that will arise as the result of financial dealings with America, it is an interesting study to speculate as to where we shall eventually land ourselves.

Mr. Thomson: Are we not already procuring large quantities of goods, including motor cars, from America?

Hon. W. D. JOHNSON: That is true, but we are importing such goods out of all proportion to the money we are raising by way of loans from that country. The time will come when the money we borrow will not be adequately provided for in that direction and then there will have to be found other ways of getting additional lines of goods to Australia as a set-off to the money we shall raise. I admit that one can draw only upon his imagination when discussing the possibilities of the future, but I anticipate that we shall experience some difficulty throughout Australia in a few years to come as the result of borrowing money from America.

Mr. Lambert: At present we are buying £36,000,000 worth and selling only £9,000,000 worth in return.

Hon. W. D. JOHNSON: That is so.

Mr. Teesdale: More to our shame!

Hon. W. D. JOHNSON: Then we have to bear in mind that by borrowing additional money we shall merely serve still to further consolidate that £36,000,000. It is simply helping America all the time. That is a phase respecting which one can only speak as the result of experience in the past, because we cannot say what will happen in the future. There is not a shadow of doubt but that this question will have an effect upon the economic position of Australia in the future. We must also appreciate the fact that Great Britain is interested in Empire development. Britain is anxious to see the Dominions flourish and the Old Country is anxious to assist as far as possible in the establishment of manufactories. But America is not built that way. The thoughts of America are not favourable to the expansion of the Dominions at her expense. As a matter of fact, America has actually repudiated British loans. Money is owing to British investors, but the transactions have been repudiated by America. Although various efforts have been made to secure the liquidation of those debts, it has not yet been possible to get those responsible to consider the question of paying up. We must bear in mind the class of people we shall be dealing with. They are out for the almighty dollar all the time. They have their eyes turned to Australia, and they realise that the best way of getting us into their grip is to get us into their debt. When they have achieved that, they can dictate their own terms. I want to touch very briefly upon what I regard as the

best feature of the Financial Agreement. I refer to the part that deals with the centralising of the raising of loans and the creation of definite permanent sinking funds in regard to Australian loans. Some people have spoken—I do not know if they have done so in this Chamber, but I know the question has been asked by people outside—regarding the way in which we shall overcome the difficulty respecting our own sinking funds, seeing that the proposal under the agreement is that the rate for old loans shall be 7s. 6d. per cent., whereas some of our loans carry a rate of upwards of £1 10s. per cent. So far as I can make out that is provided for in the agreement wherein it is set out that if the bondholders are not agreeable, the Loan Council who will control the sinking funds in future, can deal with the position by paying what is required to maintain the contract already entered into by this or any other State. Here again I want to ask hon. members if they are clear as to what the attitude of the Loan Council will be to Western Australia once that body is in permanent control. It is useless for hon. members to say that we have had voluntary control for the last five or six years, for that is quite different from what will obtain if provision is made for the control of loan operations under the terms of the Constitution in such a way that we shall not be able to get out of it. We shall have to go to the Commonwealth on every occasion. In those circumstances no one can definitely state what view the Commonwealth will take regarding the future requirements of Western Australia. It is significant that the States are not called upon to submit their loan requirements; they are called upon to submit their loan programmes.

The Premier: That means their loan requirements.

Hon. W. D. JOHNSON: But their requirements in detail.

The Premier: No. Loan programme and loan requirements are identical.

Hon. W. D. JOHNSON: Yes, in the total amount.

The Premier: Loan programme does not mean the details of the loan requirements.

Hon. W. D. JOHNSON: Well, that is how I read it.

The Premier: That merely means the total amount.

Hon. W. D. JOHNSON. The Premier may be right but the agreement does not say so. I venture to differ from him. If it is set out that loan requirements of the State had to be submitted, then it would be an indication that they would have to submit a lump sum.

The Premier: That is all.

Hon. W. D. JOHNSON: But it does not say so.

The Premier: Well, that is what it means.

Hon. W. D. JOHNSON: Well, we can differ on that point. When the agreement refers to the loan programme I take that to mean that the State will have to give details as to how the money is to be spent. The member for Katanning (Mr. Thomson) pointed out that the Prime Minister had been careful to say that the Loan Estimates of the States would not be interfered with by the Commonwealth. Of course! The distribution of loan funds is the duty of the State but once we accept the Financial Agreement, and become a party to it, as I read the document, we shall have to submit our programme.

The Premier: You will observe that the Agreement does not say "loan programme of each State"; it says "the loan programme of the States." That means for the whole of the States and therefore means the total amount. I am sure about that.

Hon. W. D. JOHNSON: I read that portion of the agreement once or twice, and I gathered the impression I have indicated. As to whether I am right or wrong, time will prove. I accept the Premier's assurance that my reading of it is incorrect. It goes to show, however, that if my reading be correct, the Premier must realise the danger because he will have to submit his programme to the Commonwealth and they will have the right—

The Premier: To question any of the items! That would never do!

Hon. W. D. JOHNSON: Then again we do not know definitely from the Premier how we shall get on regarding the migration loans. In reply to my interjection, the Premier said that they would be all right and would continue. Under the agreement, however, I do not see how they can continue. If a loan were under negotiation or even if there were purely Australian negotiations, I cannot see how, once the agreement was finalised, we could continue

raising money or obtain money from the British Government in order to proceed with our developmental work. When he replies to the debate, I hope the Premier will devote some little time to this aspect, because it is very important. We have commenced a definite scheme of development and it is based upon definite financial arrangements. The question arises as to whether we can go on with those arrangements or whether they will have to be cancelled immediately the Financial Agreement becomes operative. Then again, I believe arguments are bound to arise with regard to the loan expenditure of the various States. There will be criticism respecting one State as compared with the methods adopted by another State. The point I wish to make is that in Western Australia our loan indebtedness, generally speaking, covers all loan indebtedness for all developmental purposes, but in other parts of Australia the loan indebtedness represents a portion only of the loans raised by the people of those States. For instance, our harbours are brought within the public debt and as such the sinking fund will be contributed to by the Federal Government. That will be a direct advantage to us. It demonstrates the soundness of our economic position and the wisdom of those who introduced that system years ago. The whole of our water supplies and drainage services have been financed as a part of our loan indebtedness, but in the Eastern States it is not so. There various boards are appointed to raise money quite apart from the State Government. As such, the loans so raised do not form part of the indebtedness of the State Government although they form part of the State debt. Only the loans raised by the State Government will be subject to the sinking fund contributions, and, therefore, I am of opinion that it will not be long before the people of a State so situated will have to review their position and the Commonwealth will endeavour to influence the States to secure a uniform basis. There may be an effort to compel this State to raise money for harbour purposes under a trust, and that other activities, such as water supplies and sewerage services, may also be handed over to trusts. By that means the people of Western Australia will not carry the burden of interest and sinking fund on those loans as they do in Victoria

and other parts of Australia and we will receive only that portion of the relief that is left. I cannot see how the position can continue without that question being raised.

Mr. Mann: You mean they will endeavour to bring us into line with the Eastern States.

Hon. W. D. JOHNSON: Yes, that has been the tendency all along. All the influence is there and they will review Western Australia's position and say, "Under this agreement you get, by way of sinking fund, a far greater return per head than do the other States." I do not know what the Metropolitan Board of Works in Melbourne has borrowed, but I suppose it is some millions. We have raised millions of money for water supply and sewerage in the metropolitan area, but it is included in the State debt, and we shall receive 2s. 6d. for existing loans and 5s. for future loans so long as that continues. I am afraid of the future; I do not think they will allow it to continue without starting an agitation for what will be termed reform with regard to the affairs of Western Australia. I claim that this agreement will mean a definite extension of Federal control. It has been said that that is not so, but the fact that we are being compelled to give them an opportunity to review the loan raisings authorised by the States is an extension of Federal power. It may be limited, but nevertheless it is an extension, and as has already been pointed out by other speakers, from the very early history of Federation, the whole of the activities of all parties in the Commonwealth has been towards the extension of Federal control. No one has been more active in that respect than have Mr. Bruce and Dr. Earle Page. They claim that they are opposed to unification, but in years gone by I have heard men associated with my own party say, "We do not believe in unification, but we do believe that the Commonwealth should have greater powers." Gradually we are having unification forced upon us, piecemeal as it were. We are giving this to-day and that to-morrow, and so it goes on and ultimately we shall reach such a financial position that we shall be forced to go to the Commonwealth and ask them to control our activities on a more comprehensive scale, and we shall not have an opportunity thoroughly to discuss the details. I am getting tired of this constant extension of Federal power, without going into the

matter in a comprehensive way and arriving at a definite understanding as to the responsibility for the development of Western Australia and the part to be played by the national government. It would be far better, instead of accepting an agreement of this kind, to open up negotiations with the Commonwealth straight away for the purpose of arriving at unification. I wish to commend the Federal Labour Party and the Labour movement of Australia generally for realising that, with the gradual extension of Federal powers, the day must soon come when unification will have to be seriously considered. They have taken time by the forelock, and wisely too. As a matter of fact, all good reforms in Australia have been pioneered by the Labour Party. They have anticipated and worked towards the goal until ultimately it has been attained. So they are starting now to realise that unification is inevitable as the States become impoverished and the Commonwealth grows more affluent. They realise that the Commonwealth will have to undertake greater responsibilities and will have to delegate to the States certain powers within the financial ability of the States to carry out. Therefore I say, if we are going to accept this agreement, we should bear in mind that it is a step towards unification and that we are getting nearer to unification. Let us realise that there is one party in Australia taking this step in a straightforward way. They are preparing for it and are getting out a scheme that will be submitted to the people of Australia. It will take some time to finalise the scheme, but eventually it will be submitted for discussion so that unification may be brought about in a comprehensive way. I hate the scheming indicated by this Bill. If the Federal Government want unification, let them come straight at it and say, "The Commonwealth should have greater powers, but just as its powers increase so the responsibilities of the States will decrease." Therefore I claim without hesitation that if this agreement becomes law, we shall be moving towards unification. It would be far better for us to have an opportunity to discuss a more comprehensive control of Western Australia than the limited control that is gradually being extended and ultimately must swamp us. One thing I am always sore about and that is the Commonwealth attitude to repatriation. The Commonwealth have control of defence and have all the powers to raise the neces-

sary money. They used the war period for the purpose of extending their powers in the matter of taxation, but when it came to the difficult question of providing for and reinstating in civil life the returned soldiers, they left the responsibility to the States. The Commonwealth should not have gone beyond asking the States to provide the land for the settlement of returned soldiers, and then should have accepted as their just responsibility the financial needs of the soldiers during the developmental stages. But what did they do? They not only got the States to provide the land but they compelled the States to take the responsibility of seeing that the soldiers were settled. We know what that has meant; it was distinctly unfair to the States. I quote that to demonstrate that, right through the piece, even on a question of defence that is definitely and conclusively a Federal matter, they passed on the responsibility to the States, and it cost the States millions of money that should justly have been the responsibility of the Commonwealth.

Mr. Thomson: Did not the Commonwealth make payments to the States?

Hon. W. D. JOHNSON: Yes, but we should not have been burdened with any financial responsibility at all.

Mr. Thomson: You would have been the first to object if they had wanted to take our land.

Hon. W. D. JOHNSON: I speak with some knowledge of the facts, because I took an active part at the conference and opposed strenuously any idea of the States being called upon to supply money for the development of soldier holdings. I was quite agreeable that the States should provide the land. I said, "Western Australia has got the land and is agreeable to give it under the most favourable conditions, but I do not think it fair that the State should not only have to give the land, but supply the money to educate the soldier and assist him until he becomes a producer on a sound financial basis."

Hon. Sir James Mitchell: I think the Commonwealth treated us pretty well in regard to soldier settlement.

Hon. W. D. JOHNSON: That is not the question. It was not our job. It was not fair to compel the States to carry any burden of that kind.

Mr. Thomson: And you are working for unification.

Hon. W. D. JOHNSON: The hon. member must appreciate that if there is one responsibility that is definitely Federal, it is defence. It has nothing whatever to do with the State. The prosecution of the war and all the activities associated with it were purely a Federal function, and rightly so. The States played their part, but the financial responsibility was Federal, and the raising of the necessary funds, both revenue and loan, was a matter to which the Federal Government devoted sole attention. When it came to the difficult matter of expenditure for soldier settlement, they transferred it, like many other of their activities, to the shoulders of the States. I do not know that I desire to say any more except to emphasise in conclusion that this matter is going to be made an important issue at the next Federal elections. The Government returned to power after the Federal elections will be called upon to review this agreement. It is true their efforts will be either to validate it, or to open up negotiations for another agreement. The provision for validation is essential under the Constitution, and we have to bear in mind that even though the agreement be validated, it may at any time be reviewed by the parties to it. I am of opinion that, as a result of consideration by the people of Australia, plus the attention that will be given to the matter during the Federal elections, the incoming Federal Parliament will be called upon to open up negotiations with the various States for the purpose of review in the light of the opinion revealed at the elections. I consider it a matter upon which we should express our individual opinions. I believe my attitude with my party will be such as to try to convince the people of this State that the agreement ultimately is going to place them in the position of having to pay high taxation to meet the State's needs. Therefore, in my humble way, I am going to attempt to get the Federal party to realise that a review of the situation is essential, and I believe that, as a result of such review, there will be an arrangement of greater advantage to the States and particularly of greater advantage to Western Australia, where the responsibilities of development are so great. We cannot lose sight of the fact that the programmes of development now under consideration and the responsibilities we are accepting with regard to them are going to be a matter of grave concern in 10 or 12 years'

time, and that is the time when the Commonwealth will be relieved and the State will be called upon to accept a burden beyond what it is carrying to-day. It cannot do that, and therefore I oppose the Bill.

On motion by Hon. G. Taylor, debate adjourned.

House adjourned at 9.43 p.m.

Legislative Assembly,

Wednesday, 20th June, 1928.

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

QUESTION—WANNEROO ROAD BOARD.

Mr. FERGUSON asked the Acting Minister for Works: 1, Has his attention been drawn to an article in "Truth" newspaper of 17th inst. in reference to the Wanneroo Road Board? 2, If so, did he propose to hold an inquiry into the various matters referred to? 3, Has an inquiry actually been held? 4, If so, what was the result?

The ACTING MINISTER FOR WORKS replied: 1, Yes. 2, I promised that the alleged irregularities would be referred to the Under Secretary for report. 3, The report has been received. 4, The result was communicated to you by letter, on the 25th May, 1928.

QUESTION—FREMANTLE HARBOUR, DEVELOPMENT SCHEME.

Hon. W. D. JOHNSON asked the Acting Minister for Works: Whether in view of the adverse criticism of the Fremantle harbour extension scheme (as propounded by the Engineer-in-Chief) since the proposal was submitted to Parliament, will the expenditure on the scheme be limited to the £2,000 mentioned by the Minister for Works, and will Parliament be given another opportunity to consider the matter before there is any additional expenditure or commitment?

The ACTING MINISTER FOR WORKS replied:—The promise made by the Minister for Works when introducing the Leighton-Robb's Jetty Railway Bill will be kept.

BILL—FINANCIAL AGREEMENT.

Second Reading.

Debate resumed from the previous day.

HON. G. TAYLOR (Mount Margaret) [4.35]: I touch upon this debate with great hesitation. I have read a good deal of what has been said in most of the Parliaments of the Commonwealth as well as in the Commonwealth Parliament itself. From the Prime Minister right down along the line every political speaker has prefaced his remarks by saying that this was the most important question his Parliament has been called upon to consider for a number of years, even since the early days of Federation. Knowing that, and realising how the matter affects Western Australia I naturally hesitate to embark upon a debate of this kind. This is a question dealing with finance. Not many men in Australia are capable of handling such a topic, because it seems to me that this type of finance stands alone. I wish to quote from a number of authorities, in support of my contention that the agreement is not only bad for Western Australia, but that it is also bad for the particular States referred by those authorities. We could deal with innumerable questions in discussing the Bill, but I will content myself with remaining in the company of a few reputable men who hold views similar to mine, men who do not represent the same shade of political thought