

# **BILL—DEEDS OF SEPARATION ALLOWANCES REDUCTION.**

*Second Reading.*

Debate resumed from the previous day.

**THE CHIEF SECRETARY** (Hon. C. F. Baxter—East) [9.3]: It is the duty of the Government to look into measures of the nature of this one, as very often they vitally concern people who are not able to take action to preserve their rights. That has been done in respect to this Bill, and as the result of inquiries the Government have decided to oppose its passage both here and in another place, should it be necessary. The position is that, if a man and his wife separate, and reduce their agreement to a deed of separation under which the husband agrees to make certain payments by way of maintenance to his wife, there is naturally no means by which the payments can be varied, except by the consent of both parties. Mr. Nicholson desires to alter that, to give power to a court of law to reduce the payments. His view apparently is that the position under such a contract is analogous to the position under a mortgage, under which interest has been reduced by the financial emergency legislation. But the Attorney General cannot see that there is any resemblance between payments under a deed of separation and payments under a mortgage. If the reduction is to be extended beyond the case of mortgages, then in the opinion of the Attorney General there is no reason why every periodical payment payable under a contract should not also be reduced, as there seems no logical reason for confining it to deeds of separation. For those reasons, and after listening to the remarks of Mr. Holmes, I intend to vote against the second reading of the Bill.

On motion by Hon. J. Nicholson, debate adjourned.

*House adjourned at 9.5 p.m.*

# **Legislative Assembly.**

*Wednesday, 25th November, 1931.*

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The **SPEAKER** took the Chair at 7.30 p.m., and read prayers.

## **MOTION—URGENCY.**

### *Wool Trade Dispute.*

Mr. **SPEAKER**: I have received from the member for Williams-Narrogin (Mr. Doney) the following letter:—

I beg to notify you that on the assembling of the House to-night it is my intention to move the adjournment of the House in order to discuss a matter of urgent public importance, namely, the strike in the wool stores at Fremantle.

Before the motion can be entertained it will be necessary for seven members to rise in their places.

Seven members having risen,

**MR. DONEY** (Williams-Narrogin) [7.37]: I forebore to pursue this matter last night as I had been given information tending to show that certain negotiations were in progress and that those negotiations seemed likely to yield good fruit. It would therefore have been very injudicious to intervene at that moment. The position, however, has undergone no change. The matter at present stands this wise: A strike has occurred in the Fremantle wool stores as a result of a decision by the wool-handling section of the Shop and Warehouse Assistants' Union not to accept the new rate of wages recently decided upon by the Arbitration Court. They have determined to adopt this extreme course despite the fact that the proposed reduction is in keeping with the provisions of the Financial Emergency Act, and despite the further fact that the rates they are receiving are substantially in excess of the rates now ruling for similar

work in the wool exporting ports of the Eastern States. Apart from that brief reference to wages, I shall be careful not to deal with any contentious matter. I feel that to do so would be unwise and probably unfair, but I think it necessary to say that the men concerned could certainly have chosen no more unfortunate time than the present for this particular action on their part. The effect of the strikers' action on woolgrowers and on their fellow workers in other industries is most harsh, and every member will realise that it will become harsher still as the days pass by. I am surprised that this aspect of the question did not deter the strikers and cause them to hold their hand. According to the Press, the position is that some 29,000 bales of wool changed hands at the recent sale. I understand the amount realised was about £300,000. I have taken the trouble to ascertain that those data are substantially correct. Ordinarily, brokers concerned in the wool sale would pay out cheques totalling £300,000 to the farmers, but the contract of sale contains a clause permitting brokers to withhold their payments should a strike by any chance occur and prevent the shipment of the wool.

The Minister for Agriculture: The purchaser does not pay the broker.

Mr. DONEY: Then the effect may be worse than I imagined. I certainly thought that the money had been withheld until such time as the wool was shipped, but the effect upon the woolgrowers and indirectly upon other interests in the State will probably be much harsher than I had thought possible. Perhaps the worst aspect is the effect of the strike upon future sales, and it is this aspect in particular that I wish the House to consider earnestly. Until the merchants do ship the 29,000 bales of wool, they cannot proceed with their preparations for the next sale, and if delay occurs, it is likely to have the most unfortunate results for the State in view of the highly critical financial position that I may say close to 100 per cent. of our woolgrowers find themselves in at present. There is also the uncertainty of the exchange position. Everyone realises that the exchange rate may drop at any moment, and a further bad effect is the possibility of the wool market receding from its present favourable position. I am sure every member will agree that it is absolutely

imperative, not only in the interests of the woolgrowers, but in the interests of the whole State, that such delays be not permitted to occur. I feel like saying that at this juncture nothing at all—that is, nothing within reason—should be allowed to interfere with the steady improvement in prices and in trading conditions now apparent throughout the State. Obviously no one can tell exactly to what limits the strike may extend and what further sections of industry may become involved. Equally plainly it may be seen that quite a big calamity may easily occur. I do not intend to labour the question. I shall purposely be brief in my remarks and I shall purposely be mild in my language. I merely say that I hope all reasonableness will be exhibited in the negotiations, and that the Premier and those associated with him will exert their utmost endeavours to see that a settlement between the brokers and the strikers is brought about. It is essential that the strike be controlled with all reasonableness and all commonsense. It is essential, too, to reflect on the fact that there are two sides to this question, as to every other question. I regard the matter as a most serious and urgent one, and such as warrants being brought before the House in this manner. I move—

That the House do now adjourn.

**THE PREMIER** (Hon. Sir James Mitchell—Northam) [7.46]: I doubt whether at this stage a lengthy statement would lead to much. We are all extremely concerned at the strike. Wool sales have been postponed, and £300,000 worth of wool remains at Fremantle. Further, there is £350,000 worth of wool still to sell, and the sale of this must be delayed. The matter is in the hands of the Arbitration Court, and I hope that moderation will prevail. I understand that the members of the Arbitration Court will be back in Perth tomorrow morning. My suggestion to the House is that we allow the matter to rest for the present, at any rate, so that it may be dealt with in the ordinary way, under the Arbitration Act. There is a proper tribunal to deal with these matters, and those who break the law are responsible for their actions. In the meantime the mover is perfectly right in calling attention to the seriousness of the position, which means the

withholding from circulation of a great deal of cash that is so very necessary now. We all regret that the strike has occurred, and I assure the hon. member that the position is being watched most carefully. I am convinced that anything that can be done to terminate the strike will be done by members of the House generally as well as by the Government. The matter must be left as it is for the present. I hope something will be done by the Arbitration Court tomorrow morning towards terminating the strike.

**HON. A. McCALLUM** (South Fremantle) [7.49]: Every member of the community will regret that this dispute has occurred. I am sure that the men involved regret it as much as any other section of the community can, because no matter what position the wool growers and brokers may be in, certainly the position of the wages men is worse. They cannot afford to lose the wages. I do not know what was the object of the mover in bringing the matter before the House. I listened for some proposal in his speech. When a matter such as this is brought before the Chamber, a proposal should be made as to what course of action may be taken to effect a settlement. The hon. member has made no suggestion of any kind. The most regrettable feature of the present position, to me, is that no negotiations are proceeding. All the hope that there is of effecting a settlement must centre on negotiations.

The Premier: The President of the Arbitration Court may be able to do something in the morning.

**Hon. A. McCALLUM**: The members of the Arbitration Court bench have been in Collie, where I understand they leave this evening, being due to return to Perth tomorrow morning. It is said that the court will take the case up. The court is one of conciliation as well as arbitration, and I should think it will step in and try to bring about an understanding as soon as its members have reached the city. I wish to impress upon the mover, and others who may be inclined to be hasty, that in such a position as the present, when feeling runs high, it is no use trying to rush matters.

**Mr. Doney**: You will have observed that my language was purposely unprovocative.

**Hon. A. McCALLUM**: I quite appreciate that. The hon. member was very mild in-

deed in the way he stated his case. However, I see the possibilities ahead of the dispute if endeavours are made to force the situation. The effect may be a widespread and most serious industrial upheaval. I recommend that every care and consideration be used before the position is forced. Let us allow the tribunal whom Parliament has charged with keeping industrial peace to function and to exercise the powers given to them by the law of the land. I hope that the members of the Arbitration Court, the moment they return to Perth, will take up this case. Now I should like to put the viewpoint of the men before the House. In doing so I do not wish to say anything that will tend to widen the breach. I hope that no remark of mine will be regarded as at all jeopardising any chance there may be of a settlement. Certainly I would not indulge in any comment whatever if I thought that was likely to be the result. The position, however, needs stating; and I believe I can show that the case of the men—whatever the members of the Country Party and the wool brokers may say about their having ceased work—is really based on a reason that is in the interests of the wool growers. That is apart from the stoppage of work. Under the financial emergency legislation these men, irrespective of the decision against which they are now protesting, have already suffered a reduction of 13s. 6d. per week. Here is a further reduction of 8s. 2d. per week on top of that—making a total reduction of £1 1s. 8d. in their weekly wages. On the 1st July, 1930, they were reduced 1s., and on the 4th March, 1931, 8s., and on the 5th November, 1931, 4s. 6d.; a total so far of 13s. 6d. per week. Now there is a further reduction of 8s. 2d. I am told that on the average this work gives employment for 20 weeks each year to about 200 men. Further, the wool brokers in July last simply notified the master carriers in Fremantle—without asking them to agree or to negotiate—that the rate for carting from Victoria Quay into store would be reduced from 5d. to 4d. per bale, and that the rate for carting from the North Wharf to store and back again would be reduced from 1s. to 9d. per bale. Bearing in mind that each sale means from 20,000 to 30,000 bales, we can calculate what those savings have meant to the brokers. Then there is the 13s. 6d. reduction which the men had suffered by the 5th November of this year. Not one penny-piece of

that saving has been passed on to the growers. The whole of it has been retained by the brokers. They have not reduced their charges to the growers by one iota. That reduction has simply gone to swell the dividends of the brokers, who now want a further reduction of 8s. 2d. imposed on the men. No matter what is the price of wool, the brokers have their fixed charges. To the grower they charge  $\frac{1}{4}$ d. per lb. for handling, and to the buyer they charge  $\frac{1}{2}$ d. per lb., irrespective of what the price of wool may be. Those are the charges of the brokers whether wool is bringing 3s. per lb. or 6d. per lb. They have not reduced their charges at all. On top of all that, they charge a commission of 3 per cent. on the first £200, and on £500 3 per cent. for the first £200 and 2 per cent. for the next £300, and in the case of amounts exceeding £500, similarly for the first £500 and  $1\frac{1}{2}$  per cent. for all in excess of £500. The price of wool has recently risen by about £2 per bale. The whole community knows that the shares of wool-broking companies have recently shown a substantial increase in value. But of all these advantages the woolgrowers themselves receive no share, while the men are called upon to suffer. Surely this is a case where the growers and the men should combine. I have talked with a number of the men concerned; and they have all told me that if the money deducted from them, £1 1s. 8d. per week, went to the growers, there would not be the same objection. However, not one penny of the decreases suffered by the men has been passed on to the growers. All the charges of the brokers remain the same as they were when wool was bringing as much as 3s. per lb. There comes a time when protests have to be made. You will remember, Mr. Speaker, when I was in charge of the Arbitration Bill before this House, we reached a deadlock with the Legislative Council. I protested strongly against a clause in which the Council sought to insist that certain figures that employers were able to hand to the court should be treated as confidential, and the other side to the dispute would not be allowed to peruse them. I agreed that trade secrets should be kept secret, but when it came to the financial position of a company or firm fighting a case in the Arbitration Court, I considered that such information should be made available to the workers' representative. If that were not made available, how would it be

possible for the union advocate to combat the case set up by the employer? In this instance, when the case that eventually led to the present dispute went to the court, the brokers or merchants, whatever we may choose to call them, handed in figures to the court and the union representative was not allowed to examine them. The workers are convinced—whether they are right or wrong, no one can say except the members of the court themselves—that the figures handed in would not stand examination, according to the information the workers have at their disposal. They say that if they had been given an opportunity to examine the figures, they could have convinced the court that there was no necessity or warrant for any further reduction in their wages, and that the firms asking for the reduction were simply making the application to improve their own financial position, without consideration being shown to the men who produce the wool or to those who handle it. The big firms were simply pocketing the money saved and they alone benefited. One can understand men who have already had one cut in their wages dating back to July of last year, and are told they must suffer another cut in their wages, strenuously opposing such an impost, seeing that they were not allowed to examine the figures upon which the application for a reduction was based, that they know the price of wool has been increasing, and that the value of the companies' shares has been going up.

Mr. Piesse: Would not all that information be at the disposal of the court?

Hon. A. McCALLUM: Yes, but the case has received the attention of the court and the decision has been given. The Leader of the Opposition emphasised the point, when the Financial Emergency Act was before Parliament, that the court would take it as an instruction and a direction from Parliament that a reduction of 18 per cent. or 20 per cent. was to be effected. It is true that effect has not been given to that reduction in all instances, but the case has been exceptional where that reduction has not been made. In nearly every instance, the decision of the court has been to make the reduction that Parliament provided. That determination of Parliament has been interpreted by the court as a direction and not much scope has been allowed for discretion. I do not desire to say anything likely to jeopardise the position. To the Premier and to the representatives of the woolgrowers in

this House and outside, I say that if my experience and knowledge of industrial matters, or my services can be of any avail in overcoming the present difficulty, I shall be only too glad to help where I can. I want to see the wheels of industry working smoothly. We know that when men have to sit down under circumstances such as I have outlined, while they see the big, wealthy concerns in this city making money along the lines I have indicated, at times when the wages of the workers are being cut down and in not one instance has that benefit been passed on to the growers, they are likely to enter a most emphatic protest. When they see the firms continuing to charge the same rates to the growers now as they did during the best of times, and the men themselves are being deprived of a proportion of their wages; when share values are increasing and the price of wool continues to be augmented, what is more natural than that the men will complain of the position they find themselves in? I do not think any hon. member will find fault with the men in entering their protest in view of all the circumstances. We shall all regret if the protest is carried to such an extent that it will mean an interference with the industries of the country, and more particularly with one that means so much to Western Australia. That industry has had a very rough spin during the last year or two, and only now are better prices enabling it to revive. I have given the facts so that hon. members can see that the case is not one-sided. When these big firms can go to the master carriers of Fremantle and, without so much as "by-your-leave" or "will you discuss the matter with us," or "will you negotiate with us," but simply announce that as from the next sale the prices they will pay will be such-and-such, one can understand trouble arising. In the Press this morning it was stated that no one knew, that the Trades Hall did not know, whether these firms were going to pass it on, and so on. Here I have given the facts, showing that one reduction dated back to July, 1930, and the other to July of this year, and not one penny of the money saved has been passed on to the growers. No one can deny that. To say that they did not know it—well, it was known to the world. I repeat, and I know the Premier will accept my assurance in the spirit in which it is given, that if my services can be of any avail—and I know I can speak for the Leader

of the Opposition as well—in assisting to effect a settlement so that the industry can be continued, I shall be only too pleased. We feel that the men have a grievance. They are asked to carry an impost that they cannot afford to shoulder. The men have told me that if the money that they were being deprived of had been passed on to those who produced the wool, they would not have felt so keenly about it all. At the same time, I do not want my statement to be interpreted to mean that if the reduction were passed on to the growers, the workers would accept it. I could not say that because I have no authority to speak on the point. With the member for Williams-Narrogin and the Premier, I hope a way out of the difficulty will be found. It is regrettable that the members of the Arbitration Court have been out of the city within the last few days, but when they return in the morning, perhaps some action will be taken in this matter. I hope that nothing I have said will tend to jeopardise a settlement being effected.

**MR. ANGELO** (Glascoyne) [8.9]: Every member of the House desires to see the wool shipped and the men back at work. From what has been said by the member for South Fremantle (Hon. A. McCallum), it appears it will be some time before the dispute can be settled. The members of the court will not be here until to-morrow, and I am sure it will take some time for the case to be dealt with and for both sides to be heard. Would it not be possible for the parties to agree to the appointment of an umpire, the men to accept what the brokers are offering, and the difference between that amount and the wages the men desire, to be handed to the umpire to be held in escrow until the case is decided by the Arbitration Court? If that could be done, I do not see why the men should not go back right away. The difference involved in the wages would be held in independent hands, to be handed over to either side in accordance with the ultimate decision of the court.

**Hon. P. Collier:** That policy has led to all our troubles during the past 12 years.

**Mr. ANGELO:** I cannot quite see the reason for that. How often in disputes that arise in business is an umpire appointed and the amount in dispute held by the umpire in escrow until a decision is arrived at? We should do all we possibly can to prevent the present trouble continuing.

The Minister for Works: Is this not a decision of the court?

Mr. ANGELO: The money could be handed over in accordance with the court's decision.

The Minister for Railways: There is a court appointed to handle these matters, and if it cannot decide them, then we should get rid of it.

**MR. SLEEMAN** (Fremantle) [8.10]: It seems to me a pity that the motion was moved unless it was for the purpose of giving more publicity to the case for the men. The member for South Fremantle put the case clearly and fully. As he said, it would be better, perhaps, at the present juncture, if not too much were said about the trouble. It is a fact that at the November sales 28,000 bales were put through at an advance of between 30s. and £2 per bale. None of that extra return went to the growers.

The Minister for Agriculture: It is hardly correct to say that none of that return went to the growers. It all went to them except the commission.

Mr. SLEEMAN: The brokers did not reduce their charges, and got the commission on the extra amount.

Hon. A. McCallum: All the reductions effected have gone to the merchants themselves.

Mr. SLEEMAN: Some £49,000 extra was paid out at the sales and the whole of the benefit from the extra commission on the augmented prices went to the merchants themselves. The peculiar part of the business is that only the larger firms have been affected. The wool, skin and hide people at Fremantle are still working, and the men are performing their usual duties. The bigger firms are endeavouring to take advantage of the emergency legislation, and, in my opinion, this Parliament is at the bottom of the whole trouble. When we passed the Financial Emergency Act, we started all this sort of thing. That legislation should never have been introduced.

Mr. SPEAKER: Order!

Mr. SLEEMAN: The Bill that was presented to us was different from that which was agreed to in other States. Parliament is at the root of the whole trouble, and if we had not passed that emergency legislation the dispute would have been left to the Arbitration Court, the employers and employees to determine, I am sorry the matter

has been raised in Parliament, but, at the same time, I congratulate the member for Williams-Narrogin (Mr. Doney) on the moderate tone of his speech. I trust that a settlement will be arrived at in the near future.

**MR. DONEY** (Williams-Narrogin—in reply) [8.13]: I do not wish to prolong the discussion. All I sought was a brief debate, and I do not think I can profitably pursue any of the points that have been touched upon. I appreciate very much the conciliatory tone of the remarks of the member for South Fremantle (Hon. A. McCallum) and of the member for Fremantle (Mr. Sleeman). The point regarding the abatement of wages having any beneficial repercussionary effect on the wool growers is, I take it, one between the growers and the brokers. I can assure the House it is a point that we have in mind, and we are not likely to lose sight of it. My motion has secured its immediate objective, and I am quite willing, if the House concurs, to withdraw it.

Motion by leave withdrawn.

### QUESTION—CATTLE-RAISERS, RELIEF.

Mr. LAMOND asked the Minister for Lands: 1, Is he aware that cattle stations in the North-West, other than those in the Kimberleys, will not receive relief under the Land Act Amendment Bill (No. 2) which has just passed this House? 2, Will he, in justice to those stations, make arrangements to have the Bill amended in another place, so as to have those stations brought under the provisions of the Bill?

The MINISTER FOR RAILWAYS (for the Minister for Lands) replied: 1, No. The Bill makes the necessary provision. 2, Answered by No. 1.

### BILL—COMPANIES ACT AMENDMENT.

Read a third time and transmitted to the Council.

### BILLS (2)—RETURNED.

No. 1, Land Agents' Act Amendment.

No. 2, Forests Act Amendment (No. 2).  
Without amendment.

## **BILL—DIVIDEND DUTIES ACT AMENDMENT.**

*Council's Message.*

Message from the Council received and read notifying that it insisted upon its amendment No. 1, disagreed to by the Assembly.

## **BILL—HOSPITAL FUND ACT AMENDMENT.**

*Second Reading.*

**MINISTER FOR HEALTH** (Hon. C. G. Latham—York) [8.20], in moving the second reading, said: The main provision of the Bill is to amend Sections 11, 12 and 13 of the Act. It has been found necessary to ask for some alteration because of difficulties that have arisen through the country hospitals. Many people who normally are entitled to free hospital accommodation are now being harassed because certain provisions were made under the Act which entitle certain people to free treatment and makes it obligatory that others shall pay. I propose to ask the House to leave the fees of hospital patients as they were prior to the passing of the Act, to leave the question entirely to those who are conducting the hospitals. I want to show how unfairly the Act operates in some cases. A claim was made by a person who, it was known, had £2,000 in the bank. That person assured the authorities that he had not earned anything during the year, and so he claimed free hospital treatment. It seems very unfair that those who have a considerable amount of capital should be permitted to come under the hospital fund. If these amendments are made, they will allow the hospital committees and the department to obtain payment from those who can afford to pay, and release others who cannot afford to pay. At present a married person on £208 per year can obtain free hospital treatment, whereas a man on £232 with a family of nine children cannot obtain free treatment. The hospitals have always been run to the satisfaction of the people generally. I do not know that any question of unfair treatment to hospital patients has ever been raised in the House, and I think that satisfactory state of affairs will continue if we give the hospitals the necessary power. That is the main provision in the Bill. There is another pro-

vision to allow the Taxation Commissioner to rebate to the taxpayer any contribution he may have made to a hospital. The question was fully discussed at one time here, and while I have my doubts about a great deal of money being available from this source, still if we can encourage public-spirited people to make contributions to hospitals, we should be prepared to allow a corresponding deduction in their tax. The Bill limits the rebate to the amount of the tax that will be payable, so no person can hope to get the full amount back again.

Mr. Piesse: What about recouping the people of Katanning who are contributing to their hospital?

The **MINISTER FOR HEALTH**: The hon. member has raised a question affecting the Katanning people. This Bill has nothing whatever to do with that. If we were to do what the hon. member desires, there would be found very many others legitimately entitled to claim recoup for moneys they have put into hospitals. But the State lent to the Katanning hospital a certain sum of money. In other districts the people find the whole of the money themselves. All that the Katanning people are doing at present is to pay interest and sinking fund to redeem the loan that was made to them. So that hospital is no worse off than is any other hospital in the State. In the Act there is no provision for a refund if requested by a person who, through error, has been charged for hospital treatment, and so we are asking permission to include that provision. This is to meet the situation where a payment for treatment has been made, and the person who paid has subsequently discovered that he was entitled to free hospital accommodation. Under the Act he is not entitled to any such refund. I move—

That the Bill be now read a second time.

On motion by Hon. S. W. Munsie, debate adjourned.

## **BILL—DEBT CONVERSION AGREEMENT (No. 2).**

*Second Reading.*

Debate resumed from the previous day.

**HON. J. C. WILLCOCK** (Geraldton) [8.27]: I do not think much good can be done by carrying on the debate on the Bill.

for it is part of the Premiers' Plan, and almost all the other Parliaments of Australia have already passed it. But I want to enter a protest against the manner in which public business is being carried on, and against the repudiation which has taken place in regard to our national obligations. I think probably this could have been done in another way. For in the conversion loans we have put off the payment of all this stock for seven years. There is not a loan of any kind maturing in Australia during the next seven years, and the payments which will be made to the National Debt Commission will amount to a very considerable sum during that period, considerably more than the £16,000,000 worth of bonds not yet converted. In the "Commonwealth Year Book" I find that for the year ended 30th June, 1929, the income of the National Debts Commission was nearly £6,000,000. It means that if no money was necessary for the redemption of the loans overseas, the whole of this amount of £16,000,000 which was not converted could have been paid off in Australia during the next three years if the same rate of payments had been made. From the same source I learn that from Consolidated Revenue nearly £2,500,000 was provided for sinking fund, repayments of sundry loans about £260,000, war service homes nearly £800,000, half net profit Commonwealth Bank £349,000, reparations, £876,000, interest on investments £30,000, and contributions by States £21,000, the amount made available to the National Debt Commission being £5,761,467. The Sinking Fund Commission will have had sufficient to pay the amount off in three years. We could reasonably, rationally and honestly have said to the people that whilst the immediate repayment of the amount due at redemption might not be possible within the next six or 12 months, we could within three years make available an amount sufficient to redeem all that was outstanding, and not converted. That would have reflected far more credit upon the community, and avoided that disastrous reputation referred to by the Leader of the Opposition and the member for South Fremantle, in regard to the desirability of people investing in the loans of the State. The whole thing seems to show that repudiation is a dreadful sin and is absolutely wrong when advocated by a comparatively small number of people, but when agreed to by a big majority of

the people no harm is seen in it. The whole trend of the negotiations at the Premiers' Conference, and afterwards, in relation to debt conversion and the financial emergency in which the Commonwealth finds itself, seems to show that the original proposals of the Labour Government in regard to taxation of interest upon these bonds would have been a much more satisfactory solution of the whole position than the one undertaken. I do not see how any Government in Australia could go on the local market, and successfully float a loan within the next four or five years, certainly not whilst people have a vivid and clear recollection of what has happened in the matter of compulsory conversion. This is recognised as a matter of Government policy to-day. If it is done once the people will see no reason why it should not be done over and over again. While people have money to invest in a secure manner, either in mortgages or some other security, they will be more inclined to do that than to lend money to Governments which have no tangible assets to offer them. It may be said that the credit of the country is behind these loans, and that the whole of the revenue of the Commonwealth and the States will be backing the interest payments on the loans, but that has been said repeatedly year after year. People now find that these things are taken no notice of, that, when it suits a country to repudiate obligations solemnly undertaken, it does so. I protest against this method of conducting public business. Even now I would urge that some arrangement be made to finance the redemption of the loans on the due date out of money which will come to the National Debt Sinking Fund in the course of the next two or three years.

**MR. SAMPSON** (Swan) [8.34]: I regret the circumstances that have rendered imperative the passing of this Bill. We seem to have no alternative but to carry it, especially as it is part of the Premiers' Plan. Nevertheless we have reached a stage which amounts to repudiation of a most unfortunate character. Many people, because of the special appeal made by Mr. Lyons, transferred their money from savings banks to take up the loan. They did this not so much for the sake of the interest as for patriotic reasons. It was set out in eloquent terms that the needs of the Commonwealth were so great that it was imperative this assist-



ance should be given. In view of the wonderful response with which the appeal was met, it is regrettable that this so-called voluntary conversion should now be turned into a compulsory conversion. When one notes the small percentage of persons who dissented, one's regret is the more keen. Surely those who were responsible at the time must have known that the repayment of the money at so early a stage was impossible. Apparently no great effort was made to find the small amount involved to pay off the dissenters. We hear a great deal about the evils of inflation, but I think inflation to the extent involved in paying off the dissenters would have been much better than that the fair name of Australia should have suffered.

The Minister for Railways: It would not have stopped at that.

Mr. SAMPSON: We would have been wise to inflate to that extent, and to hope that some slight turn of fortune's wheel might make it possible to pay the debts as they became due. This was a voluntary conversion loan according to the notices appearing in the Press. It seems to me that the term "voluntary" was pure hypocrisy.

Hon. S. W. Munsie: Of course it was.

Mr. SAMPSON: There was nothing to justify the use of the word.

Hon. S. W. Munsie: Lyons told the people, if they did not convert voluntarily, they would be made to convert.

Mr. SAMPSON: The urge to convert voluntarily was a misnomer. It was sheer coercion. It would have been better if the right terms had been used rather than hypocritical terms.

Hon. J. C. Willcock: The big stick was behind it.

Mr. SAMPSON: I do not know anything about that. We heard rumours, but the great bulk of the people were hopeful that the statements made by the Federal leaders were honest, straightforward and true, and that the voluntary aspect was to be lived up to. I do not know that any great good will be done by speaking about this regrettable position, but to cast a silent vote on this occasion when the honour and fair name of Australia is suffering a severe blow is something one cannot do. Australia's position has been discredited all over the world.

The Minister for Lands: The newspapers did not say that.

Mr. SAMPSON: Statement were made in the English, Canadian and the United States journals. They held up Australia to the admiration of the world, and we began to feel that we were a very fine people.

The Minister for Railways: And three per cent. of them let us down.

Mr. SAMPSON: The reduction in interest had been agreed to, but because three per cent. of the people would not agree to conversion, coercion was to be used.

The Minister for Railways: That is not right.

The Minister for Lands: People bought up stock and made a profit out of it.

Mr. SAMPSON: That is another question. We were receiving great credit from people in all parts of the world. The people of Australia were to be admired because of their readiness to assist the Commonwealth Government. And that was so. The other day I was speaking to a man who had £100 which he put into this loan. He has been out of work since last September, 12 months. I believe he will be given consideration and will get his money. Nevertheless, the principle is wrong. When people invest on a definite contract there is no discredit to them if they dissent. They have a perfect right to do so. All honour to those who in a time of the nation's need came to the aid of the Commonwealth Treasury and found the money.

Hon. S. W. Munsie: Do you not think they came to their own aid as well? Why the Commonwealth Government? It was to their own interests to do so.

Mr. SAMPSON: They came to the aid of the Commonwealth and State Governments to help the country.

The Minister for Railways: Who make up the Government? Are they not the people? You want three per cent. of the people to rob the rest.

Mr. SAMPSON: It is not a question of robbing them.

Mr. SPEAKER: Order! The member for Swan is addressing the Chair.

Mr. SAMPSON: The Minister for Railways suggests that he thinks it is a discreditable thing to dissent. When a loan is taken up on a definite contract, the suggestion that dissent is improper is entirely wrong. I hope it will be possible for our future obligations to be met. Many heavy problems have to be faced in the future. Fortunately things are looking a little bet-

ter. Wheat and wool have improved in price, but we have a tremendous bill to meet. There is a British loan due next year of 21½ millions, the following year one of 27 millions, in the next year 32 millions, and, in 1934, 40 millions, a total in four years of 120 millions. That makes the position of the people of the Commonwealth very difficult. It is very much to be regretted that the meaning of the word "voluntary" was not observed by those who dealt with this conversion matter. The use of the word was entirely wrong. It savours of hypocrisy, stark and unashamed.

**MR. NORTH** (Claremont) [8.43]: I support the Bill. I do so firstly because I do not see why those who have failed to convert should get off scot free. My second reason is that this is part of the Premiers' Plan, and that this Plan depends upon the Commonwealth Bank. We must know that if this measure and the others we have agreed to this session had not been passed, the Commonwealth Bank would have refused to carry us for a month. We, therefore, passed the measures, under compulsion. This is another Bill we have also got to pass. In this morning's paper I read a very comforting doctrine enunciated by Professor Cassel. He pointed out that we were not altogether to blame for these troubles. He said in the first place that this deflation mania, of which this Bill forms a part, began with the attempt of the American central banking system to fight the stock exchange speculation in 1928 and 1929. He also said that there was another disease which had seized everybody. This was rather well put and is worth reading. He said—

The state of the patient seized by the second type of financial disease, the liquidity fever, is deplorable. At first he tries to change his assets into short-term claims. Then he no longer relies on those but wants to have his money in the bank. Next he does not trust the bank, but takes his money out in bank notes, which he locks up in his safe. The final stage is that he does not even rely on the bank notes, but tries to get gold for them.

It will be seen that we are trying to do a lot of things to overcome the troubles for which other parts of the world are responsible, and which we cannot control. The professor concludes his article not by saying that compulsory conversion will effect what we desire, but he says that it would help if the gold countries—the United States

and France—made a radical turn in their foreign exchange policy, definitely abandoning deflation and affecting an inflation consciously raising the commodity prices to a new stabilised level by using their gold reserves for that purpose. He concludes "There is no other way out of the present state of affairs." All those who have suffered have never really been told who is the author of their misfortunes. We have all heard the blame cast on the Parliaments and the local banks. Many seem to hold that impression, and therefore I was surprised to find Professor Cassel, in his analysis of our present troubles, leaving out altogether the State Parliaments. I consider that more should be made of the fact that the existing troubles have not in any way been caused by the State Parliaments or the banks, but that they are entirely due to world causes, over which we have no control. I congratulate the "West Australian" on having had the courage to publish this article which makes it so apparent that the cause of the present depression throughout the world is not due to those reasons that we have heard so much about in recent months. There are gangs of people going about waiting for the time to arrive in about 18 months when the elections will be held, to empty out the whole of this Parliament, because they feel quite sure that the cause of the conversion and all the emergency legislation has nothing whatever to do with world difficulties, but that it is entirely local. It is about time the correct side of the matter was disclosed, and I am glad the "West Australian" newspaper published the article.

**MR. PIESSE** (Katanning) [8.50]: Much as we dislike doing so, we are almost compelled to vote for this Bill to complete the Plan entered into at the Premiers' Conference. I was disappointed that more information was not given by the Premier as to the manner in which necessitous cases are to be dealt with. We are still in doubt about the method to be adopted in dealing with local cases that will be affected by the Bill. I remind the Premier that there is a doubt in the minds of investors as to how to go about this procedure. A few days ago I had occasion to seek information on the subject, and I was referred to a Commonwealth Bank official. Even then I was not able to get the information that I required. Some advice should be given

by our Treasury to those in necessitous circumstances. We could, as far as possible, take all the sting out of the Bill by giving every assistance we can to those people. One case came under my notice of an investor who dissented from the conversion, and who is in rather an awkward position. He purchased a property and had made considerable payments, and was reckoning on completing the purchase out of £2,000 worth of bonds falling due next month. Now he is forced to convert, and he will have to pay a higher rate of interest for the accommodation that he will be compelled to seek to enable him to pay the balance of the purchase money. It will ease matters and facilitate conversion if the Premier will tell us what provision is to be made within the State to assist those who will be forced to convert, and whose circumstances are similar to those of the case I have just mentioned.

**THE MINISTER FOR LANDS** (Hon. C. G. Latham—York) [8.53]: I am extremely sorry that it has been necessary to bring down this Bill. It is a great pity, as the member for Swan mentioned, that the reputation of Australians should suffer by our having to submit measures of this description to compel three per cent. of investors to compulsorily convert. It is admitted there are necessitous cases, and it is the intention of the Federal Treasurer as far as possible to meet those cases. Those who have not voluntarily converted will be compelled either to convert under much more unfavourable conditions than those who voluntarily converted, or a penalty will be imposed. All I am sorry for is that we are to-day placing those people exactly on the same footing as those who voluntarily converted. If the Federal Treasurer had been able to find money with which to buy up all this stock at the ruling price, the probability is that there would not have been so many people writing in or saying that they refused to convert. I admit that there was a good deal of speculation carried on, and stocks were bought at the lowest figure, even below market rates, with the object, of course, of obtaining payment later.

Mr. Withers: A lot of those people would not mind if they could obtain their money when it falls due.

**The MINISTER FOR LANDS:** They will be no worse off by the passing of this Bill. The Treasurer is not in a position to make payments: we have to realise that. One would think from the discussion that has taken place that members had failed to realise the unfortunate position the Federal and the State Treasurers were in. While it would have been well to have been able to obtain the 16½ millions with which to buy up this stock, the difficulty that then would have occurred would have been in the direction of finding sufficient cash with which to carry on the functions of Governments in Australia. This kind of legislation is distasteful, but it is of no use saying that the whole thing has been spoilt simply because we have brought down a compulsory conversion Bill. Something had to be done, and all I am surprised at is that the Parliaments of Australia have been prepared to let off those who deliberately set themselves out to exploit others that were being forced to convert at a time when they could ill afford to do so. I am pleased to know that the Treasurer is to make available money from the sinking fund for necessary payments.

Hon. W. D. Johnson: There is nothing in the Bill to show that.

**The MINISTER FOR LANDS:** The Federal Treasurer informed the State Governments, through the Loan Council, that he would be prepared to do this.

Hon. W. D. Johnson: It will be in the hands of one man.

**The MINISTER OF LANDS:** No: the Loan Council will deal with it probably at the next meeting. I hope the House will not be influenced by the remarks made that the Bill will have the effect of breaking down the fine reputation enjoyed by Australian people in Great Britain.

**MR. BROWN** (Pingelly) [8.59]: The passing of this measure will cause considerable hardship to some people. Take, for instance, an old couple who have saved a couple of thousand pounds, and in their old age decide to invest it in what they consider a gilt-edged security, being induced to do so by advertisements in the newspapers to put their money into Commonwealth bonds, and in that way derive an income of £120 per annum. The conversion means that they will receive only £80 per annum, the loss to

them being no less than £40. Then take another aged couple who have saved nothing during their lifetime, and who in the form of pensions will draw £91 per annum. Thus the couple who were thrifty are in a worse position to the extent of £11 than the couple drawing the old-age pension. Let me give another instance. I am a member of the Pingelly Repatriation Committee. We had invested £100 in a Commonwealth loan, and at one of our meetings decided that as we did not know when we might require the money, we would not convert. Under this Bill, however, we shall be compelled to convert, and the money will be fixed for a considerable period.

Hon. W. D. Johnson: You will never see it.

Mr. BROWN: Possibly not. If it could be proved to the satisfaction of the authorities that an individual's living was involved, such a person should be permitted to refrain from converting.

The Minister for Lands: But where is the money to come from?

Mr. BROWN: The case I have mentioned is typical of many. People did not feel inclined to convert because they required the money for their subsistence. I realise that in order to fulfil our obligations we have no alternative to passing the Bill and falling in with the Premiers' Plan. I understand that all the other States have passed a similar measure and consequently we must do the same. For all that, I think something should be done to meet cases of hardship. The old couple I mentioned with an income reduced to £80 a year would not be eligible for an old-age pension and their position is rendered not only hard but absurd.

On motion by the Minister for Railways, debate adjourned.

## BILL—SECESSION REFERENDUM.

### *Second Reading.*

Debate resumed from the previous day.

HON. A. McCALLUM (South Fremantle) [9.3]: I have not much to add to the case presented by the Leader of the Opposition last night. He stated the views of members of our political line of thought fairly completely. The question to be decided in favour of a referendum is entirely distinct from the question whether one favours Federation

or not. The issue to be determined is whether a referendum can have any effect. I cannot see how it can be of any avail at all, and that is the point I wish to emphasise. It is not a question of whether one is for or against Federation. A referendum will be absolutely futile and can have no effect whatever as regards getting us out of Federation. We agreed to enter an indissoluble partnership under a definite Constitution, and that Constitution provides means whereby it may be amended. If we are to petition the Home authorities, as suggested, and ask them to pass a measure to free us from the Commonwealth, would it not be reasonable for them to remind us that we adopted the Constitution with our eyes open—a Constitution that provides means for amending it—and must abide by the bargain we made. What else could they say? Could they undertake to break a bargain we made with the other States, irrespective of the terms of the bargain? If they did it for us, they would have to do it for every other State. If two or three States sought to separate from the Commonwealth without consulting us, and sought to leave the obligations of Federation on us, I venture to say the people of this State, particularly those who have been petitioning for a referendum, would be the first to complain. They would say, "We entered the Federation under a distinct agreement that other parts of Australia would co-operate with us and shoulder their responsibility." Suppose New South Wales, which is probably the richest part of the continent, desired to separate and leave us to carry the burden of Federation, to suggest that we should not be consulted would be quite unreasonable. Yet that is the action which it is proposed we should take. To argue that because the Imperial Parliament passed the Commonwealth Constitution and therefore we can look to that authority to amend the Constitution Act would be to deny the existence of the Federation. The reason why the Imperial Parliament passed the Commonwealth Constitution was that there was no central authority here to deal with it. There was no governing body that could speak for the whole of the continent.

The Minister for Railways: The people spoke.

HON. A. McCALLUM: Yes, spoke by referendum, drafted a Constitution, and asked that it be made binding upon us. It is a farce and a deception to suggest that

the Bill will have any effect. On the other hand, there is a grave possibility of its doing considerable harm, particularly to the overseas credit of the country. I suppose investors abroad, when asked to lend money to Australian Governments, regard them as an ordinary business concern. If the investors found that the stocks had decreased considerably, that the members of the partnership were squabbling amongst themselves, and that some of them desired to pull out and terminate the business arrangement under which the money had been lent, it could have none but a detrimental effect upon the credit of that concern.

The Premier: That only refers to money raised since 1929.

Hon. A. McCALLUM: It would affect the credit of the country from now onwards. Australian stocks have slumped and the value of bank shares and commercial shares has slumped, and now the partnership is squabbling and one party wishes to break the Constitution. All this must detrimentally affect the credit of Australia overseas. It is most undesirable that this Bill should have been proposed at the present juncture. Many people seem to regard the people of the Eastern States as if they were a lot of foreigners. Judging by the Premier's speech in moving the second reading of the Bill, one would have thought the State had received no benefits at all from the Commonwealth Constitution or from the Eastern States.

The Premier: I do not think we have, either.

Hon. A. McCALLUM: Only a week ago the Premier told the House and the country that the savings of our people would have been lost if the Commonwealth had not come to our assistance.

The Premier: Under Federation we gave up banking.

Hon. A. McCALLUM: No, we had the bank. The Premier told us the Savings Bank would have collapsed and the people's savings would have been lost if the Eastern States had not come to our assistance.

The Premier: We gave up the control of banking and the right to issue notes. The Commonwealth alone have the right to issue notes.

Hon. A. McCALLUM: What has that to do with the question?

The Premier: Everything.

Hon. A. McCALLUM: We know that the Commonwealth had been negotiating for 10

years to get the State Savings Bank. Twice during the Collier Government's term of office, propositions were made to take over the bank, and we refused them. When the Premier wished to make arrangements about the bank, he approached the very people with whom he was in competition and who were desirous of taking over the bank. Those are the people whom he asked for money to finance the State Savings Bank and enable it to carry on. It was like going to a business competitor, one who was anxious to close the Premier's business, and telling him he was bankrupt and would have to close unless the competitor lent him money to continue the competition.

Mr. Sampson: The Commonwealth did compete when the great gold steal took place.

Hon. A. McCALLUM: What has that to do with the question? The Premier told us that the people's savings would have been lost if the Commonwealth had not come to his assistance. Yet even as late as this evening the Premier says he does not think we have received any benefit from the Commonwealth. The Premier proposes to spend £5,000 to take a referendum that can have no effect other than merely recording the views of the people, and this at a time when there are women and children without sufficient to eat, without clothing and without homes. Poverty is stalking the land and the Premier proposes to spend £5,000 on a useless referendum. It is an atrocious proposal. Where is the Premier going to get the £5,000? At the moment he shows a deficit of £900,000 for the four months of this year. His only means of raising the money is to borrow it. He cannot pay his way now. Where would he borrow the money? He takes the views of those who are advocating secession, that the people in the Eastern States are thieves, robbers and oppressors; that they have taken everything possible from the State; and he, the Premier, wants to get rid of them. If the referendum is carried in the affirmative, he will say this will lead to the emancipation of Western Australia. Before he can set about these things, he has to get £5,000. He has to go to these robbers, thieves and oppressors of Western Australia and say, "This is what I think of you; we want to get away from you; but first of all we must take a vote; will you please lend us £5,000 with which to do it?" It is a most humiliating position for the Premier to place the State in. I do not re-

gard this as a serious proposition. It is purely a political dodge, a political deception to play on the people's passions, to take away criticism from the State Government and direct it to the Commonwealth Government. If there is a change in the Commonwealth Government shortly, I would not be surprised if all this agitation ceased. I do not propose to treat the matter as a serious one. I will not waste my time or any effort or energy in stalking over the country to fight such a doctrine as this. Let them have their referendum. The people will then awaken to the real position, and see what a political fraud this is.

The Premier: What about a vote on unification?

Hon. A. McCALLUM: If that question comes up, there will be no doubt about my attitude.

Hon. W. D. Johnson: And of the whole of the people of Australia.

Hon. A. McCALLUM: The Constitution provides how that question shall be determined. We shall all be charged with the duty of declaring our position. This Bill is futile and useless, and merely a political dodge. It is put up to direct attention from important matters which should be occupying the attention of public men. To bring a Bill down for that reason is little short of a political crime. When the people have voted, they will see how useless it all is, and will awaken to the facts. I will vote against the Bill because I want to save the £5,000. I do not want the Premier to humiliate the people by having to borrow the money. He has undertaken that all borrowed money will be spent on reproductive works. All borrowed money is to show a quick return. Here is a reproductive work indeed! In the first four months of this financial year the Premier has broken yet another record. He has the biggest deficit per head of the population of any Government in Australia, and still he goes on creating new records every month. He will want to borrow money from the very people he denounces so bitterly in order to carry on a useless campaign. I hope the House will vote out the Bill. Whatever becomes of it, I am certain it will have no real effect.

HON. W. D. JOHNSON (Guildford-Midland) [9.20]: This Bill demonstrates how very casual Parliament can be at times, and

how irresponsible Governments can be. The present Government must have known that this Bill will prove of no value whatever in influencing anyone beyond those who actually go to the poll. The measure should have had a preamble. All Bills of this kind should have a preamble to state why they are introduced and under what authority the matter is being submitted. In a Bill dealing with the loan conversion, that we have already had before us, there appears a preamble referring to Section 102 of the Constitution, which permits of agreements being entered into between the Commonwealth and the States. That Bill goes on to say that by virtue of this section it is proposed to do certain things. The same thing should have applied to this Bill. Section 128 should have been the foundation of it, and the authority upon which it was framed. I am of opinion that the preamble was deliberately kept out. The Parliamentary draftsman could not have put that in as a preamble to the Bill, and drafted a measure of this kind, forgetting the Federal Constitution. He had to imagine this was purely a local matter. If he had taken Section 128 into consideration, he would have known that the Bill would be absolutely misleading to electors. We can only get out of Federation in the manner described by the Constitution. We agreed to enter Federation on the terms set out in the Constitution. I am prepared to admit that if we could get all the people of the State to rise with a unanimous voice in protest against very grave injustices that were being done, we might then appeal to the Imperial Parliament. There must be an absolutely unanimous claim that we are suffering from a grave and unfair set of conditions, because of the imposition on the part of someone having might and power.

Mr. Piesse: This Parliament should set a good example.

Hon. W. D. JOHNSON: But there is no chance of getting unanimity on this question, which is an open one. It is true that a section of the people have organised and conducted a campaign with the object of influencing public thought, and trying to induce the public to take action as unanimously as possible, and thus lodge a big protest against the Federation. That organisation has not flourished. Its voice is like that of one crying in the wilderness. The meetings have not been a success, and the speeches have been unconvincing. Practically

ally on every occasion the leaders of the movement have avoided any reference to the question of how the people are to get out of Federation. They have always dodged that. I suppose one of the main speeches was made on behalf of the Dominion League by Mr. Hartrey. His remarks were published in pamphlet form and distributed. I read them very carefully, but could find no reference in them showing how the dissolution was to be accomplished. The speakers have followed the lines set out in the Premier's speech. They claim that injustices have been perpetrated upon the State by successive Federal Governments. No indication is given how we are to get out of the bond, even if this Bill be passed.

Mr. Sampson: Mr. Hartrey gave full details.

Hon. W. D. JOHNSON: His criticism was similar to the Premier's criticism of the Federal administration. Under Section 128 of the Constitution a definite means of getting out of Federation is provided. We can only get out of it with the consent of the people of the Eastern States. If the Premier's claim is just that we have lost so much because of Federation, our losses must have been someone else's gains.

The Premier: They certainly have been.

Hon. W. D. JOHNSON: If, then, the Eastern States have gained so much through our being associated with them, it is not likely that they will vote to release us. If the Premier's statement is correct—I do not think it is—the very soundness of his contention precludes any possibility of the Eastern States voting with us. If we are of financial assistance to them, to our own detriment, they will hold us to the Federal compact. Therefore we cannot expect the Eastern States to support this proposal, and without their support we cannot get out of Federation. Again, how does the Premier think he will get a vote on the question in this State? I think I have said sufficient to show that we shall not get support from the East. I would like the Premier, when replying, to tell us how he is going to get a vote here.

The Premier: How did you get into Parliament?

Hon. W. D. JOHNSON: I got here because I contested an election in which two parties fought, where there were a definite Government policy and a definite Opposition policy. In those circumstances one can

get a vote. But we cannot get a vote on a question such as this. An active participant in public debate and agitation like the member for South Fremantle (Hon. A. McCallum), has declared to-night that he will not take any part in this business. An old campaigner like the member for South Fremantle declares that he will not worry about this kind of thing, which must be useless. He asks why he should go through the country taking a hand in trying to educate the people on the merits and demerits of this futile proposition. And that is the standpoint of tens of thousands of people. Certainly the Bill will not help them to take any other view. Suppose we pass the Bill, and the Chief Electoral Officer gets the powers proposed in it. I shall not labour that aspect. The Bill deals with an important question in a most casual way, the importance lying in the fact that an expenditure of £5,000 to £7,000 is involved. That waste is the only important phase of the measure. The Bill would not worry me a bit if its passage did not mean a waste of £5,000 or £7,000. The Government have approached the drafting of the Bill in a most casual way. They do not go into details as to how the referendum shall be taken, but simply say that the Electoral Act shall apply as far as it can apply, and that where it cannot apply the Chief Electoral Officer shall be the deciding factor. Surely Parliament should be a little more definite than that! If the Electoral Act has to be modified, it surely should be done by Parliament, or by the Governor in Council, or by some person over whom we have more control than we have over the Chief Electoral Officer. I have every confidence in that officer, but it is not the custom of Parliament to let an election be held while giving one individual the right to modify the Electoral Act for the purposes of the election. No doubt the members of the Dominion League, in order to live up to what they have been claiming for the last 12 or 18 months, would be most active in the referendum. I have no doubt the members of the league would do their best to bring voters to the poll. But who is going to oppose them? What kind of poll shall we get? Suppose the secessionists get a majority vote, as they claim they will. That majority vote might be 60 per cent. of the total of votes cast, but what proportion will the total votes cast bear to the total of electors

in the State? The poll would be very small, and those who favoured secession would represent a majority of that small poll. Those in favour of secession will go and vote, and no doubt carry the proposal. Those opposed to secession, however, will not trouble to go to the poll at all. The decision, consequently, will have no influence outside Western Australia, and very little influence inside Western Australia, on account of the smallness of the number voting. I trust that the Bill will not pass; but if we are going to take the referendum, let us have compulsory voting. How otherwise shall we get a vote at all? Who is going to take up the cudgels on behalf of those Western Australians who are opposed to severing the Federal tie? The Dominion League will play one part, but who will play the other? Will the people who are opposed to secession, realising the impossibility of getting out of Federation spend money? I admit the Dominion League have spent a limited amount of money on the campaign, trying to educate public opinion to their point of view; but no organisation would put up money to combat that point of view. I do not think the Government are taking the Bill very seriously; the drafting of the measure demonstrates that. However, if the question is to be treated seriously, Parliament must put the proposal on a compulsory voting basis. If we say to the people, "We want an expression of your opinion," we must adopt means to get that expression of opinion; and the only means of getting it is to compel everyone to express his or her view. If the Bill gets into the Committee stage, I shall endeavour to secure the insertion of a compulsory voting clause, so that the £5,000 or £7,000 will not be absolutely wasted. With compulsory voting we shall get an expression of opinion one way or the other. I have attended meetings addressed by Dominion League speakers, and I have judged public opinion from the attendance at those meetings; and I venture to express my belief that the result of the referendum will be against secession. That is my honest opinion. The best we can expect with compulsory voting would be 60 per cent. in favour of the severance of the Federal bond, and 40 per cent. against it. The result would not mean anything. If the Premier is really concerned about the condition of Western Australia under Federation, he is going to make the

position decidedly worse for himself by getting the people to vote against his point of view and to strengthen the Eastern States' point of view that all is well with Western Australia from the aspect of Federal administration. Therefore I say that the Bill, if it passes, should contain provision for compulsory voting. Again, the very question which the Bill proposes to submit to the people is not one we are justified in asking—

Are you in favour of the State of Western Australia withdrawing from the Federal Commonwealth established under the Commonwealth of Australia Constitution Act (Imperial)?

In submitting that question to the people, this Parliament will be saying the Western Australia can withdraw from the Commonwealth, and we have no right to say that to the people. The Premier has given no assurance that if the referendum is carried, we should be able to withdraw. He gives no authority for that belief. He did quote two eminent King's Counsel, but the very quotation he made indicated the difficulty of withdrawing from the Federal compact. The only authorities he has quoted are against the possibility of our doing what he conveys to the people will be done if the referendum is carried.

The Minister for Lands: We could not approach the Imperial Parliament without some backing.

Hon. W. D. JOHNSON: No. How do the Government propose to get the backing?

The Minister for Lands: By a vote of the people.

Hon. W. D. JOHNSON: The Bill asks the people not for backing in approaching the Imperial Parliament, but for leave to withdraw from the Federation. Suppose the Bill were passed with a compulsory voting clause, and 80 per cent. of the people voted for secession. Then those 80 per cent. would look to Parliament to carry out the direction to withdraw from the Commonwealth. If we could not do it, what explanation would we give? They would say to us, "You passed a law to ask us to express an opinion; and now that we have expressed it in the way that the majority of Parliament desires, you are doing nothing; you are not carrying out the direction we gave you." I submit that the proper question to submit to the people is whether



they are in favour of efforts being made to approach the Imperial Parliament for the purpose of amending the Federal Constitution. The Bill is wrong. Parliament has nothing upon which to base the opinion that if the people vote in favour of secession, secession can be brought about. I am utterly opposed to the Bill. I regard it as a dreadful waste of time. I greatly regret that the Government should have introduced such a measure. I do not like Parliament being brought into ridicule as it is by this Bill. The measure cannot possibly be of any value, and yet we propose to spend £5,000 or £7,000 in giving effect to it. The very idea of the Bill being introduced caused strong organisations to declare against it. The Labour Party are strong enough to form Governments in this State, and they always represent a formidable Opposition, even if only in numbers, and their votes are of some importance, the party constituting 50 per cent. of the voters, and sometimes more. Now, the Labour Party have definitely declared themselves opposed to secession. There is no manner of doubt as to where the Labour movement stands in this matter. The Labour Party do not favour the disintegration of the Commonwealth. They are in favour of strengthening the Commonwealth and making Australia a mightier nation than it is to-day.

The Minister for Railways: Through unification?

Hon. W. D. JOHNSON: It is possible to strengthen Australia through unification proposals.

The Minister for Railways: Keep to your argument. You said the Labour Party stood for strengthening the Federation. I ask, by unification? Unification is what the Labour Party stand for.

Hon. W. D. JOHNSON: The Minister need not get hustled about this. The Labour movement of this State believes in strengthening the powers of Government for the better protection and guidance of the people, the Commonwealth and the States.

The Minister for Railways: Where do they say that?

Hon. W. D. JOHNSON: That is the aim and object of the Labour movement.

The Minister for Railways: You are not entitled to speak for them.

Hon. W. D. JOHNSON: The Minister knows that I have been loyal to the Labour movement for many years.

The Minister for Railways: But the Labour Party has a platform.

Hon. W. D. JOHNSON: It has its ideals, too.

The Minister for Railways: Never mind about the ideals.

Hon. W. D. JOHNSON: The written platform represents little to me; it merely guides me in regard to some matters of pressing moment. The idealism of Labour is what I stand for, and I rejoice in having taken an active part during the last 35 years in endeavouring to direct the workers of this State and other parts along paths that are best for the working class. But the workers of this State and of the Commonwealth consider that a Government such as we have in the Commonwealth is the best for Australia. They have no intention of interfering with it without the whole of the people being consulted. The Minister for Railways seems to have an idea that there is a movement towards unification. If I were permitted to draft a proposal for unification, I would be a unificationist. If I were to be empowered to draft such a proposal, it would make the government of Australia cheaper and better than it is to-day and in those circumstances I would stand for unification. On the other hand, neither you, Mr. Deputy Speaker, nor I, can say, "I am a unificationist." We cannot say that until we see the terms and conditions upon which unification is to be brought about. We cannot continue to govern Australia as we are doing to-day. We cannot continue with the number of Parliaments that exist and all the expense that is associated with them.

The Minister for Lands: I agree with you, and all we want is our own Parliament to deal with our own State.

Hon. W. D. JOHNSON: The present system has to be reviewed, and we must see to it that some scheme is introduced that will be in the interests of Western Australia. The Premier, the Minister for Mines and I must wait until we get some concrete scheme before we can declare for or against it. The idea that secession or unification, according to the views of the in-

dividual, will be good for the State, conveys nothing in its broad application.

Mr. Piesse: We have partial unification now.

Hon. W. D. JOHNSON: We are getting nearer to unification every day. The Premier made an advance towards unification when he handed over the State Savings Bank to the Commonwealth. "Hansard" records that many years ago I related a conversation I had with the then Prime Minister, Mr. Andrew Fisher. I had been attending a Ministerial conference as the representative of the Labour Government, and Mr. Fisher discussed with me the question of unification and the cost of Government. That was many years ago, but even in those days he said most emphatically, "Australia will have to come to unification. The financial relationship between the States and the Commonwealth is bound to help achieve that end." That tendency has been going on all the time, and the Commonwealth have been gradually but surely working towards that end. They have taken over Savings Bank. As I pointed out when speaking on the State Savings Bank Transfer Bill, that institution had proved a profitable concern, and every year the State Treasurer had secured a dividend from the operations of the bank. It was a most lucrative proposition, so the Commonwealth Government took it. Whenever the Commonwealth reduced the powers of the State, it was always by taking a revenue-producing activity. They have never relieved us of any activity involving expenditure. Slowly but surely they are taking away the sources of revenue and increasing, wherever they possibly can, the burden of expenditure. That tendency has been displayed by no single Government alone. The Bruce-Page Government were more active in that respect than any other Government.

The Minister for Lands: They could not have been worse than the present Government.

Hon. W. D. JOHNSON: That is a matter of opinion. I think the Bruce-Page Government did more to force unification upon Australia than did any other Government.

The Premier: The Government that put the Financial Agreement through helped in that direction.

Hon. W. D. JOHNSON: It was the Bruce-Page Government that was responsible for that agreement. I do not want to go into that phase of the question, but the fact remains that unification is being gradually but surely forced upon us. I do not desire it to be achieved piecemeal, and the trouble is that we are getting it that way. The Federal people are forcing unification upon us on their own terms. The mere fact that they have taken over our State Savings Bank is another indication of the piecemeal manner of their enforcement of unification. At the earliest possible moment, I want some definite scheme submitted so that we shall be able to review it and protect the interests of our State, and so obviate the gradual but certain submergence of our interests. It is going on and I am afraid that one of these days we will wake up to find that there is nothing left to be done but for the Premier of the day to ask the Commonwealth Government to take us over on the best possible terms that he can secure. If the State continues to lose revenue and to increase expenditure, the day will come when we shall have to face the end. We will have to come to terms with the Commonwealth. Therefore I want a concrete proposition advanced with a view to making the States more definitely a part of the Commonwealth, and ensure that the Commonwealth will not be able further to undermine our resources. I desire to reach a stage at which we shall have a definite understanding, and hon. members can call it unification or anything they choose. I want to reach the stage at which this drift towards submergence will cease. All this, however, is by the way.

The Minister for Railways: It is very much not by the way.

Hon. W. D. JOHNSON: I did not want to be led into dealing with the matter at such length.

The Minister for Railways: But all this is not the proposal that you are pledged to.

Hon. W. D. JOHNSON: I do not know that I am pledged to secession or unification.

Mr. Wells: You are putting up good arguments for secession.

Hon. W. D. JOHNSON: I am concerned about the welfare of Western Australia, and the sooner we get some definite proposal by

which stability will be secured to the State, the better will it be for both State and Commonwealth. I am not afraid of the possibilities. I want to reach that stage at the earliest possible moment, so that we may arrive at a definite position under which we will have to shoulder a smaller burden of expenditure and have greater possibilities from the revenue standpoint. We must have our proper proportion of revenue from the larger populations of the Eastern States. It has to be realised that we cannot continue to develop Western Australia as it should be developed, seeing that Loan funds are now so difficult to procure. How can we possibly develop the North and North-West of this State? There are fewer white people there now than there were 10 years ago.

The Minister for Railways: If we had a River Murray there, we could have three States in the North.

Hon. W. D. JOHNSON: I hope the people of Australia will realise that they must shoulder their share of responsibility for developing the more remote parts of the Commonwealth. I believe we could arrive at some scheme whereby the financial obligations of the States and the Commonwealth would be so arranged that the burden of expenditure will not be so great on the State and the responsibility for development will be more pronounced where the Federal Government and the people of the more populous States are concerned. As a result of Federation, New South Wales and Victoria have prospered exceedingly, and their population has increased enormously. It is true that our population has increased, but nevertheless the wealth of Australia is centred largely in New South Wales and Victoria. In this State we have little power in shaping our destinies because our finances are governed from the Eastern States. We have no big institutions here, none possessing the power to declare a policy. I visited one big institution to discuss a matter, but I was told they could do nothing here as such questions were decided in the Eastern States.

Mr. Doney: What sort of an institution was that?

Hon. W. D. JOHNSON: A financial and commercial institution.

The Minister for Railways: That applies to all our institutions.

Hon. W. D. JOHNSON: Our banks and commercial institutions are all controlled from the Eastern States. That makes West-

ern Australia's position very difficult. We cannot continue under such conditions. I have raised my voice against these conditions consistently during the past 25 or 30 years. In fact, Western Australia's complaints started with the inauguration of Federation. We have had to complain about the unsatisfactory position of Western Australia from a financial and a commercial point of view. Our trade has always been dominated and directed from the Eastern States.

Mr. Piesse: There is no reason why we should be dominated politically.

Hon. W. D. JOHNSON: We are not dominated to-day. We have a voice in the Federal Parliament. It is true our representation is small compared with that of the other States, but we have a voice in proportion to our population. Our members endeavour to influence the Federal Government to give greater consideration to the requirements of Western Australia.

The Minister for Railways: And to whom do they appeal—the representatives of the other States.

Hon. W. D. JOHNSON: I admit that, and that is why I want the present position to be reviewed. I want it to be reviewed in such a way that we will place the responsibility of developing Australia on the shoulders of all the people of the Commonwealth, and not place it upon the shoulders of 400,000 Australians alone. It is useless to think we can do it. We have been groaning under the burden for the last 25 years, always complaining about it, but making no progress. We have impoverished our people too much. They cannot shoulder the burden, and they will be wise if they make representations to secure a review of the position. They must secure a re-organisation of the financial relationship and of the responsibility for the development of the outer parts of the Commonwealth.

The Minister for Lands: You know the 6,000,000 people of Australia will not do any better than has been done with the Northern Territory.

Hon. W. D. JOHNSON: I believe they will do better, and that the people in the more thickly populated parts of Australia are thinking seriously of instituting some better scheme than that which exists to-day. I am not afraid of the term "unification." It is overdue, and it will be in the interests of the people generally that we shall secure more stability. In addition

to the Labour Party, which does not exercise an insignificant influence in political matters, other influential bodies have already declared against secession. And again, quite an influential section of the Returned Soldiers' League has called on their executive to take a stand on this matter, and the direction given is against secession. Again, the A.N.A. have issued a declaration which is worth reading. I do not suppose any other organisation in the Commonwealth did more to establish Federation than did the A.N.A. They educated public opinion and ultimately influenced the leaders of thought in Australia to start the framing of the original Constitution; and they kept going with their public education until Federation was actually consummated. That organisation appeals to the people of the State in the following terms, which I think should find a place in "Hansard."

The Minister for Lands : There is a very limited circulation of "Hansard."

Hon. W. D. JOHNSON: No, a very large section of the community reads "Hansard." Recently I met in the train an intelligent old gentleman who asked me if it was possible to get "Hansard." Accordingly, I arranged to send him a copy. Within the last 48 hours I met him again, and he said, "These 'Hansard' reports are astonishing."

The Minister for Lands: There is no doubt about that.

Hon. W. D. JOHNSON: He said, "If you read Parliament in the columns of the newspapers you question the ability of Parliament, but when you read the speeches in 'Hansard,' you gain a totally different impression."

The Minister for Railways: Because they have all been corrected to the ideas of members!

Hon. W. D. JOHNSON: No, I never alter mine. I have reason to think that "Hansard" can always make for me a better speech than I myself can make, and so I never alter anything in the report. However, this is the declaration of the A.N.A.:—

1. Even if the referendum were carried in this State it would be a futile expression of opinion only, because the only means whereby this State could be separated from the Commonwealth would be by an Act of the Imperial Parliament, and this could only be passed with the approval of the people of Australia, which it is obvious is unobtainable.

2. That a referendum on such a vital issue would create disruption, dissension and discord at a time when unity and co-operation are essential to the State's recovery.

The Minister for Railways: That applies to any public question.

Hon. W. D. JOHNSON: But more particularly to this question, for it will cause disruption, dissension and discord. It is a wonder that it has not caused more discord in this Chamber than it has. Probably it is because members are not taking it very seriously. The A.N.A. declaration continues:—

3. That the present abnormal times preclude a dispassionate vote on the question of secession.

4. It is imperative that authentic figures be compiled by an authoritative and unbiased investigation before the people are asked to vote on a matter so vital to the future of the State. The implied financial benefits to W.A. of separation, adduced by secessionists, and upon which they have procured a great deal of support, are mere conjectures.

5. A referendum would cause false hopes to electors whose troubles are foreign to the issue.

6. At the present period of national reconstruction it is inopportune for one State to attempt to unduly press its own claims as against national interests.

7. That the improving national credit of Australia, and of this State in particular would be endangered if, because of the referendum, overseas financial interests sensed political disruption.

8. That the agitation for secession is of a transient nature, having arisen through the depressed prices obtained for our primary products, due to world-wide economic instability.

The Minister for Railways: And to the Federal tariff.

Hon. W. D. JOHNSON: That, of course, has helped. It can be argued that the tariff has injured us, but also it can be argued that the tariff has assisted us. I could instance where the tariff has been of vital assistance to this State.

The Minister for Lands: It all depends on where your interests lie.

Hon. W. D. JOHNSON: I feel capable of putting up a case in favour of the tariff from a Western Australian point of view. I admit that I could also make out a case against the tariff. As I say, there is a case for and against. The tariff has helped the State and is helping it to-day in some cases, but not in all. I believe the tariff could be reviewed with advantage to the State, but not abolished with advantage to the State. The A.N.A. declaration continues—

9. In view of the approach of the Federal elections and the possibility of a double dissolution, when the people will be asked to vote on the tariff and the extension of Federal

powers, the electors of W.A. will have an ample opportunity of expressing their attitude towards Federation.

The Minister for Railways: They will have five seventy-fifths of a voice.

Hon. W. D. JOHNSON: But so long as we have one man one vote, what more do you want?

The Minister for Lands: It is only one-sixth of a voice in the Senate.

Hon. W. D. JOHNSON: But this will be a question for the electors, and on the principle of one man one vote. So even a voter in the North will have as great a voice as one in the metropolitan area, and when it comes to electorates the same principle of one man one vote obtains. So the only difference between electorates is that one is of a larger area than another.

The Minister for Railways: But it is people we should consider, not area. Is it right that area should be taken into consideration?

Hon. W. D. JOHNSON: It is right that we should give consideration to the relationship between the undeveloped States and the other States. That relationship requires reviewing. I want to assist the hon. member to get that review. But we shall never get it by a Bill like this. As a matter of fact, we shall be getting farther away from it, because we shall be alienating all support.

The Minister for Railways: You are getting away from the point now.

Hon. W. D. JOHNSON: No. I have already made my point. I know where I stand and what I want, and I know what is required by the movement with which I am associated. We say that the more thickly populated parts of Australia should contribute more towards the undeveloped parts. If you can get it by giving increased representation, that is something upon which negotiations should take place and upon which the review could be concentrated. If you can do it in some other way financially, then do it that way. But I do not think we are giving any special advantage to the people of the North-West by saying that a limited number up there shall elect a member. All we do is to give them a member capable of voicing the opinion of a few people scattered over a very large area, but for the purposes of development, it is of no great assistance. We do not help the North-West out of proportion to the revenue paid by the people

in that part of the State. As a matter of fact, we are not doing enough for the North-West. That question has been debated in the Chamber recently. I want the Minister for Railways to assist me to get the relations of the State and the Commonwealth reviewed.

The Minister for Railways: We are as a voice crying in the wilderness.

Hon. W. D. JOHNSON: Under existing conditions we have difficulties. Our isolation is a penalty. Our undeveloped condition is something that cannot be allowed to continue, but I want the Minister to co-operate with me in getting the matter reviewed in the only practical way, and that is within the Commonwealth Constitution. We cannot go outside the Commonwealth Constitution and get any reform. We cannot alter existing conditions by a Bill of this kind. We want to review the relations. Let us approach the matter in a proper way and in a way suggested by the A.N.A. They say that on the tariff and the extension of Federal powers, the electors of Western Australia will have ample opportunity to express their attitude towards Federation. I do not agree that if we submitted a referendum to the people of Australia, Western Australia would have a chance to influence the decision. It would be just a repetition of what we have in the matter of representation. The big voting power is in the Eastern States and our vote is small. True, our State vote does count when it comes to constituting a majority of the States. But I do not want it done that way. I want it done in a practical way and I believe a proposal for unification may have some virtue.

The Minister for Railways: You know that the decision on an election is the decision of the Eastern States.

Hon. W. D. JOHNSON: And a decision at a Federal referendum would be largely on the same lines, particularly if taken during an election. The tenth point is that the parlous position of the State Treasury does not warrant the expenditure involved in the conduct of a referendum. That is referring to the £5,000 or £7,000 required to take a referendum. I appeal to the Chamber not to waste the money. I appeal to members to regard the matter seriously and not be influenced by an organisation that has been very persistent. Its members, a rowdy and militant minority, are a very

small section of the people after all, and why should we go to the expense of taking a vote that will be of no value when taken, that will not assist the State, but will bring it into ridicule and will weaken our position from a Federal point of view. The Bill should not be passed, but if it is passed, the only way of getting a practical vote would be by providing for compulsory voting.

**MR. WITHERS** (Bunbury) [10.14]: I rise to make an explanation on the question involved in the Bill. It is not a question of whether we are in favour of secession or otherwise. The Bill has not been discussed from that angle. When the Premier was moving the second reading of the Bill, I made an interjection, and he said that I was a unificationist and he was a secessionist. The Premier had no authority for saying that I was a unificationist because I have never said I was. I have never said that I was an anti-secessionist or a secessionist, but I have said that I am not in favour of this Bill. My reasons for saying that were those outlined by the members of the Opposition who have spoken to the Bill. I want to know whether the Premier has any definite idea as to how he will achieve the objective if the referendum be carried. He merely stated that if it were carried, it would influence the Imperial Government to grant our request for separation. I hope and trust that before the Bill is passed the Premier will indicate to the people how the object will be attained. As a representative of the people, I do not want to see the country committed to the expenditure of money for a purpose which we fully realise will be absolutely futile. In the event of the Bill being carried, will the Premier arrange to take a referendum at an early date so that the minds of the people may be set at ease? Further if the referendum is in favour of secession, will he then hurry the matter on to prove whether it is possible to give effect to the desires he has expressed? If the referendum should be favourable to secession, I do not want the uncertainty to be held over the heads of the people for a considerable time. If the Bill be passed I should like to see the referendum taken as soon as possible, so that it can be shown to the people of Australia, and more particularly to those advocating secession, whether it is possible to bring secession about. Apart from the question of whether one

may be a secessionist or an anti-secessionist, I hope the Bill will not be passed.

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

Ayes	..	..	..	23
Noes	..	..	..	19

Majority for .. 4

#### AYES.

Mr. Angelo	Mr. James Mitchell
Mr. Barnard	Mr. Patrick
Mr. Brown	Mr. Piesse
Mr. Doney	Mr. Richardson
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. J. M. Smith
Mr. Lindsay	Mr. Thorn
Mr. H. V. Mann	Mr. Wells
Mr. J. I. Mann	Mr. North
Mr. McLarty	

(Teller.)

#### NOES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Fenton
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Lamond	Mr. Willcock
Mr. Marshall	Mr. Wither
Mr. McCallum	Mr. Wilson
Mr. Millington	

(Teller.)

Question thus passed.

Bill read a second time.

*House adjourned at 10.22 p.m.*

## Legislative Council,

*Thursday, 26th November, 1931.*

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Bills: Land and Income Tax Assessment Act Amend-	
ment (No. 3), 3r., passed	5476
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Amendment, 2r., Com., Report	5493
Loan (No. 2), £2,450,000, 2r., Com.	5496

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

### ASSENT TO BILL.

Message from the Administrator received and read, notifying assent to the Stamp Act Amendment Bill (No. 4).