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1901-11-08

House of Representatives.

Mr. Speaker took the chair at 10.30 a.m., and read prayers.

QUESTIONS

ALLEGED ASPERSIONS UPON NEW SOUTH WALES

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Mr JOSEPH COOK

- I wish to ask the Prime Minister a question without notice.

It was only last night that -I read certain statements which were made by the Minister for Trade and Customs at a public meeting which was held in Melbourne last Monday evening. It is to some of those statements that I wish to call attention. Amongst other things I find that the Minister for Trade and Customs asked " Was it right that one State should rule all the rest? " and he further stated that New South Wales had practically to be bought into the federation. He also inquired "Was it right that New South Wales should stipulate for the federal capital ?" What that has to do with the fiscal question, of course, I do not know. These statements were made at the meeting which was held in the Melbourne Town Hall the other evening. They were contained in a speech which was evidently strongly directed against New South Wales, and I ask whether the Prime Minister thinks it fair that his Ministers should be constantly casting aspersions upon the State which he is said to represent ?

Minister for External Affairs

Mr BARTON

- I do not think it is the intention of any particular Minister to cast aspersions upon the State from which I come. I think the remarks in question point to matters which are properly the subject of political argument, and not of questions in this House.

Minister for Trade and Customs

Mr KINGSTON

- May I be permitted to explain that I did not speak ill of the people of New South Wales. On the contrary, I spoke most highly of them. I did speak ill of their leaders, and I had in my mind some honorable members opposite.

INLAND PARCELS POST IN WESTERN AUSTRALIA

Mr E SOLOMON

asked the Minister representing the Postmaster-General, upon notice -

Whether the inland parcels post system exists in Western Australia ?

If not, will the Postmaster-General consider the advisability of extending this convenience to the people of the State in question, and when ?

Mr BARTON

- The answers to the honorable member's questions are as follow : -

The inland parcels post system does not exist in Western Australia.

The Postmaster-General will consider the advisability of extending this convenience to the people of the State in question, when fresh tenders are invited for the inland mail services.'

RATES FOR TELEGRAPHING MONEY ORDERS

Mr E SOLOMON

asked the Minister representing the Postmaster-General, upon notice -

What is the cost of telegraphing a money order for £10 from Perth to Fremantle ?

What is the cost of telegraphing a money order for £10 from Sydney to Parramatta?

If the Western Australian rate exceeds that in force in New South Wales, will the Postmaster-General reduce the former or increase the latter, and when may tin's assimilation of rates be expected ?

Mr BARTON

- The answers to the honorable member's questions are as follow : -

The cost of telegraphing a money order for £10 from Perth to Fremantle is 2s.

The cost of telegraphing a money order for £10 from Sydney to Parramatta is 6d.

The above are departmental charges, but the remitter in New South Wales has also to send a telegram to the payee ; which from Sydney to Parramatta would cost 6d.

The Western Australian rate exceeds that in New South Wales, but when regulations are issued in conformity with the Post and Telegraph Act of the Commonwealth, all rates subject to those regulations will, if possible, be assimilated.

PACIFIC ISLAND LABOURERS BILL

Bill read a third time.

INTER-STATE COMMISSION BILL

Second Reading

Debate resumed (from 7th November vide page 7037), on motion by Sir William Lyne -

That the Bill be now read a second time.

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Mr WILKS

- I rise chiefly with the view of asking the Government to postpone the consideration of this Bill. I think it will be recognised that we have before us very important matters, the discussion of which will occupy the remaining portion of this session. An important measure of this character, the provisions of which are so far-reaching, may well be allowed to stand over till next year, so that during the recess honorable members may have an opportunity of carefully considering it. The questions involved in the establishment of an Inter-State commission provoked the strongest debate in the Adelaide, Sydney, and Melbourne sessions of the Federal Convention. The

Opinions expressed by members of that Convention were absolutely at variance with the provisions contained in this Bill, which is one that can be discussed free from all party bias.

Sir William Lyne

- The Bill was framed

On the lines of the Convention discussion.

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Mr WILKS

- I do not think that is so, because Senator O'Connor, who introduced the subject to the notice of the Adelaide Convention in 1897, had in mind merely the regulation of the traffic upon the railways of the Federation by the Inter-State Commission. None of the subsequent speakers referred to anything else. Yet in this measure we find that there are shipping interests involved, and that an incursion has been made into commercial enterprises of various kinds. The best possible proof of the danger to be apprehended by hastily rushing this Bill through is -afforded by the very grave complaints concerning its provisions which have emanated from the whole of the commercial people of Australia. Since the Minister for Home Affairs laid this measure upon the table of the House in July last, he has seen fit to alter very vital portions of it. The amendments which have been submitted relative to the shipping interests are in themselves conclusive evidence of the wisdom of delaying its consideration. I am glad that last evening honorable members had the advantage of hearing the opinions of the honorable and learned member for Northern Melbourne, and the honorable and learned member for South Australia, Mr. Glynn, who subjected this measure to a most critical analysis. In a broad spirit, and as citizens of Australia, they viewed the proposed legislation, and presented such a picture to this Chamber as should have convinced the Minister for Home Affairs of the necessity for delay. The main provisions of this measure have been taken from the legislation of the United States and of Great Britain. But the positions are not at all analogous. In Australia the railways are State-owned, whilst in the United States they are owned and controlled by private individuals. Even in Great Britain the legislation at present operating is more limited than that which is proposed in this Bill. The shipping trade there is exempt from its provisions. I think honorable members will admit that the commercial classes are not prone at any time to take an active interest in political matters. Yet they have repeatedly expressed themselves as adverse to the far-reaching effects of this measure. It contains a multitude of vexatious provisions. Whilst I favour Government interference with private enterprise when such action is in the interests of the Commonwealth, unless some powerful reason is given, I shall object to conferring the powers contained in this Bill upon an Inter-State commission. To my mind such a tribunal will prove a most expensive one. The Bill provides, not only for commissioners at high salaries commensurate with the important duties they will have to perform, especially in the early stages, but also for costly departmental machinery. If Parliament desires in the future to have greater powers handed over to it by the States, the people can be

encouraged in that direction only by the practice of the most rigid economy, compatible with efficiency. The people to-day, rightly or wrongly, are regarding with some apprehension the expenditure of the Federal Government, and yet it is now proposed to provide costly machinery in order to meet difficulties which apparently can be solved on a very much simpler plan. I should not be surprised if, in the future, the tendency of the people is not in the direction of giving further powers to this Parliament, but in the direction of restricting the powers we now possess. Power is given in the Bill to investigate and control shipping. That is a great power in itself, and I am not prepared to vote for the second reading of the measure until I have a clearer exposition of its principles than we have had from the Minister in charge of it. The Attorney-General last night said that certain information would be given later on showing the necessity for speedily passing this measure into law. I shall be very pleased to hear that information, but however powerful the reasons may be, the Government cannot expect the Bill to become law this session. It has already been intimated that the Tariff will occupy the remaining time of Parliament, and while the fiscal question is being discussed in another place, plenty of work will be found for us in the legislation which is now before that Chamber. Then the framers of the Constitution did not lead us to believe that a measure of this kind, with such far-reaching powers, would be presented to us. In Quick and Garran's book on the Constitution we find it stated that the chief object of the Inter-State Commission is to secure an impartial and non-political tribunal to interpret and administer the laws of the Federal Parliament relating to rates on the State railways. That was the view taken by Senator O'Connor, who was answerable for the proposal for the formation of an Inter-State commission, and was also the view of the Prime Minister and other speakers at the Convention. It is remarkable that throughout the discussions which then took place we find that the strongest representations in favour of an InterState commission came from delegates from South Australia. The Victorian delegates, armed with knowledge of the experience of their own State, were divided in opinion, some being for a continuance of parliamentary power in these matters, and others for the erection of a tribunal of an Inter-State character. The New South Wales representatives were not very marked in their advocacy of an InterState commission. I am not afraid to legislate simply because we have had no experience of such a body as this in the past, but I am not prepared to legislate solely because the United States and Great Britain have similar Acts in force. If the conditions in Australia were at all analogous to those in America and Great Britain, there might be some reason for following the example of those countries ; but that, we know, is not the case. It is admitted that the Bill is too inquisitorial, providing, as it does, that inquiry may be made into the whole details of a man's business. If a body be armed with such powers, it is only reasonable to suppose that the people will revolt at a condition of things so foreign to the sentiments of Australians. It has been suggested that the Opposition are always in favour of delay.

Mr JOSEPH COOK

- And that suggestion is made after we assisted to pass two first class Bills last night.

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Mr WILKS

- That is so. There is no need to defend the action of the Opposition, because all through, except in the case of fiscal matters, we have given the Government very little ground for complaint. We are all proud of the States we represent, and the letters " N.S.W." carry with them a good deal of weight ; but honorable members ought to understand that these letters do not mean on all occasions " not short winded." The letters may stand for "not short winded " when fiscal matters are under discussion ; but in regard to machinery legislation, which is intended to carry out the principles of Inter-State free-trade, the Government receive as much assistance from the Opposition as from any part of the House. There is no necessity to cavil at measures simply because they happen to be presented by the Government. But it is the duty of the Opposition, in the interests of Australia, to present their views as to the effect which such legislation will have on the people and the Commonwealth in the future. The railways of the whole of Australia are, with one or two exceptions, national railways ; and there should be no difficulty in the railway commissioners, who have no interest in evading Inter-State free-trade, carrying out all that an InterState commission would be able to accomplish. No State has any reason for preventing the realization of the full benefits of InterState free-trade. These railways are not private enterprises fighting one against the other, and it is not likely that there will be any war of rates, either preferential or differential. In the future, the States will not be fighting one against the other for trade, which ought

naturally to go in a certain direction, and I ask the Minister to allow this measure to stand over until next session, so that we may gain experience of our new conditions. Nothing very serious can occur in the meantime, and unless my suggestion be carried out, we shall be simply legislating in the dark. It takes no stretch of the imagination to see that if the Bill be carried now, a good part of next session will be occupied in the consideration of an amending measure. The fact that the Ministry have already voluntarily amended the Bill, is an admission on their part that there is good cause for delay, and it would be better for them to use the recess, when they will be free from fiscal and other troubles, to give to this Bill the full and fair consideration it deserves. This is purely a measure for legal minds, and I only urge the points which occur to me at the moment as affecting the commercial classes of the whole of Australia. Of course, a mere invasion of private enterprise is not sufficient to condemn the measure, if the invasion be warranted. If private enterprise, by some system of monopoly, were prejudicing the beneficial effects of Inter-State free-trade, that would be a very powerful reason for interference by this House ; but why cannot the railway commissioners have a conference, and settle any difficulties which may arise under our new conditions. If that experiment were tried, I believe it would be successful, and the commissioners would carry out the intentions of an InterState commission equally as well as the costly court which is proposed in the Bill. It has been admitted, not only by members of the Opposition, but by some of the most ardent supporters of the Government, including the honorable and learned member for Northern Melbourne, that the difficulty is to define the difference between preferential and differential rates. But after that matter is once decided, there will be practically nothing for the Inter-State commission to do. When the railways are placed in proper working order, and the difficulties and differences have been removed, very little work will arise requiring any appeal to an Inter-State commission. The proposal in the Bill, however, is that the commissioners shall be appointed for seven years, According to the honorable and learned member for Northern Melbourne, and according to the utterances of the Prime Minister at the Federal Convention, we find that it is proposed to create a new court, with powers of a very far-reaching character, in order to remove slight difficulties which will not recur. These are the reasons which prompt me to ask the Minister, in the interests of the whole of Australia, to postpone this measure, which, as it stands now, will prove absolutely injurious to the commercial, shipping, mercantile, and manufacturing classes, particularly in New South Wales. These classes very seldom interfere in political matters, but they have appealed by deputation and otherwise to the Prime Minister, and have shown in a reasonable way that the legislation will unduly harass their trading relations. The conditions of trade and commerce are sufficiently irksome without the additional burden which Would be created by an Inter-State Commission. I do not directly represent these classes, but I recognise that if they are needlessly interfered with, that that may have a prejudicial effect on the trade of Australia and of New South Wales in particular. I do not think that - any representative here is anxious to give one State an advantage over another ;

I believe they desire to carry out legislation which will be to the interests of the States as States, and as portions of the Commonwealth. The Bill can, perhaps, be best described as an elaborate system of interference. It is not introduced to deal with large waterways or canals, but practically to deal with State - owned railways in regard to which there is no difficulty. I think that the majority of members are in the position which I occupy. They will admit willingly that inexperienced as they are in the matters sought to be dealt with in this Bill so far as these States are concerned, and possessing little experience of the position in Great Britain and America, the)' are called upon to vote for a measure without knowing what it is likely to lead to. I do not intend to make any attempt to- " stone-wall " this measure. A man who has had practical experience in these matters can tell readily whether any speaker understands the subject, and I do not pretend to have any intimate acquaintance with it. In these circumstances I could not hope to hold the respect of the House if I were to attempt to speak at any great length upon the measure, nor would it be to the advantage of the people whom I represent. The fact remains, however, that mercantile and, in fact, all classes of the community, have protested strongly against this Bill. We have been told by the Minister that it is intended to overcome difficulties connected with the war of railway tariffs, but that is a matter which could be overcome by means of a conference between the Railways Commissioners. If they were unable to come to some agreement, it would then be soon enough for us to take action. As a matter of fact, a delay of six or eight months would enable us to obtain fuller information on the subject. Members who have so many important questions before them at the present time would have more

leisure to devote to the consideration of the true meaning of an Inter-State commission after the work of the session had closed. For myself I see nothing in it but a proposal to create a costly machine. If the creation of the commission is absolutely necessary, then those who are to constitute it should be well paid. The inducement should be sufficient to enable us to secure the services of the most skilled men ; and we have, also to remember that by paying them' a good salary we should remove them beyond influences which might lead them to take up other than a judicial attitude in dealing with the great questions brought before them. The matter is one of the greatest importance to New South Wales, because of her geographical position. On the north Queensland has been fighting for the trade from her mineral resources, while to the south Victoria has been fighting to obtain her Riverina trade. On the west, South Australia has had no occasion to fight New South Wales, because, by her railway system, she has been able to reap the benefit of the whole trade of Broken Hill. Therefore, I have special reasons for making an appeal on behalf of New South Wales, which has been exposed to the attacks of Queensland, South Australia, and Victoria in the direction of preferential railway rates. I think, also, that I can reasonably appeal to the Ministry not to seek to impose upon Australia a measure which will be most detrimental to the shipping interests of that State, unless they can give us powerful reasons for doing so.

Mr Wilkinson

- New South Wales first cut the rates on the Queensland border.

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Mr WILKS

- That was simply an act of retaliation. The interjection made by the honorable member reminds me of the fact that under this Bill the Inter-State commission will have no control over the internal affairs of the railways of any State. It will simply affect traffic on the through lines from one State to another. It is proposed, however, to give the commission power over carriage by water. I fail to see that there is any reason for such a proposal. Why should Australia, at this stage of her career, interfere with shipping interests simply because the United States commission controls shipping to some very slight extent! In Great Britain authority is exercised only over the railways and canals. The board has no power whatever over shipping. In some cases the railways there are huge monopolies, and no doubt it is in the interests of the people that legislative power has been taken over them. When this Bill was introduced, not only the Minister in charge of it, but the Prime Minister himself, asserted through the press, and in reply to deputations, that the Government were so satisfied with the necessity for it, and so pleased with its provisions, that they were not prepared to depart from it in any respect. It is a striking commentary upon those statements, however, that last night the Government came down with a number of amendments of a far-reaching character. I hope that the consideration of the Bill will be allowed to stand over. We have honorable members on this side of the House whose practical experience in large commercial enterprises and acquaintance with railway matters peculiarly fit them to address themselves to this subject. I should like to afford them a better opportunity of dealing with this Bill, for it has been considered unexpectedly. I do not ask for delay for party purposes, but because I feel that without due consideration we should not thrust upon the people of Australia a measure that will cause much irritation. It will be irritating to the whole Commonwealth, and absolutely unfair to New South Wales. That State will be affected to a far greater extent than will any other portion of the Commonwealth. I do not think that there is any desire to neutralize the effects of Inter-State free-trade. We have not yet experienced anything in that direction, and until we see such a tendency displayed we should refuse to pass the second reading of this Bill. Unless better reasons for its passage into law are presented to us than those we have heard already, I shall vote against the second reading simply as a precaution, and not because I am against an Inter-State commission. There are many other matters of importance which must occupy the attention of the House this session, and I trust the Ministry will not rush this measure through without affording proper time for its consideration. The fullest opportunity should be afforded us to take advantage of the advice and assistance which some honorable members of great commercial training and wide acquaintance with railways can give the House. Last night we were shown some of the intricacies of the preferential and differential systems of railway rates. You, sir, took part in the debate in the Federal Convention on the proposal for this commission, and you know that there was no more difficult matter which engaged the attention of that body. When Senator O'Connor introduced the clause relating to it, he said that the commission would deal only with the railways of the States. The Prime Minister, who followed, made a

similar statement, yet we have a measure introduced now which will interfere with the rights of every common carrier. Common carriers are to be subjected to inquisitorial powers hitherto unknown in Australia. ' It appears to me that the Bill which has been put before us is simply the result of the use of scissors and paste. Sections have been cut out of the United States and English Acts without regard to the question whether they have any bearing on the conditions which prevail in Australia. The conditions here are dissimilar altogether from those which prevail in the United States. Our railways are under State control, and I am sure the States themselves have no wish to evade the provisions made for Inter-State free-trade.

Mr A McLEAN

- It is not my intention to refer to this measure at any length. I am not prepared to deal with its provisions, because, having regard to the late hour of the session, and the congested condition of the business-paper, I had entertained the hope that we should hear no more of this matter until more pressing legislative demands, which must necessarily be dealt with, had been disposed of. My only object in rising on the present occasion is to appeal to the Government to give consideration to this matter. What is proposed in this Bill is the creation of a costly permanent department. As I have stated on several occasions during this session, before we create any department that is not absolutely essential for present purposes, I think we should make provision for its cost. Until the Tariff has been disposed of, the Government cannot possibly judge what amount of revenue will be received. If we are to judge by the speeches on the motion of censure a great many attempts will be made to reduce the revenue.

Mr Wilks

- And justly so.

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Mr A McLEAN

- I do not go so far as to say that. Some may be just and some maybe unnecessary. These attempts will be made, however, and I think it would be wise for the Government to hold over this Bill, which is not by any means a pressing one. I do not want to under-estimate the importance of the matters to be dealt with under it. We know that they are of very great importance, but there is no pressing necessity to deal with them before we have disposed of the Tariff. The commission will have to deal with the State railways. There are only five continental States and five railway systems to be dealt with. Would it not be wise, before incurring a heavy expenditure on the creation of a body such as that proposed by this Bill, to see whether some satisfactory arrangement could not be arrived at between the Government of the Commonwealth and the Governments of the various States ? They are not restricted by any constitutional provision which would deter them from dealing with the matter in a comprehensive and just manner. On the other hand, I contend that this commission, if created, would be restricted by the provisions of the Constitution to an extent that would detract very greatly from the usefulness of its work. According to the provisions of the Constitution, before altering any rates, they must have regard to the financial necessities of the railways that are affected. They, must give due consideration to the question of whether the rates are desirable for the development of the territory of the particular State in which they are imposed. It is, therefore, absolutely impossible for them to. deal with many matters under the Constitution, and I presume that we cannot by any legislation give powers to this commission which the Constitution does not authorize us to give. This is one of the provisions of the Constitution to which I took exception some years ago. I pointed out that an Inter-State commission created in accordance with the provisions of the Constitution could not possibly deal with the matter in such a way as to be fair to all the States. I can easily imagine that the commission would find itself in this position - that they might prevent one State from imposing preferential rates, but might not be able to prevent an adjoining State from imposing differential rates, which would have precisely the same effect. They might prevent one State from competing with another, without being able to prevent the second State from competing with the first. Bad as is the present condition of things are, I think that would be infinitely worse. I put these views before my constituents some three or four years ago, and I am glad to find that the honorable and learned member for Northern Melbourne entertains similar opinions. We know his calm and judicial mind, and that probably there are few better legal authorities in Victoria than he is. On a matter of this kind, his opinion is certainly worthy of very serious consideration. He evidently thinks that a commission, created under the provisions of any Bill that may be passed in accordance with the Constitution, will not be able to deal out

even-handed justice between the various States. There is no such restriction imposed upon the Governments of the States. The latter have control of the railways in Australia, and we have no reason to believe that they will refuse to rectify the grievances which induced the Federal Convention to make provision for the establishment of an Inter-State commission. The matter is not a difficult one. There are only five railway systems to be considered. If the State authorities agree amongst themselves to do away with rates which are unjust as between one State and another, there is nothing to prevent their doing so, and it is in the interests of the Commonwealth that they should do so. That task could well be performed by the Railways Commissioners of the different States. Surely we ought to endeavour to come to some sensible business understanding of that kind before we create a body, which after once dealing with railway rates would have no more work to do. With regard to the proposed interference with ocean freights and common carriers, I sincerely hope there will be no serious attempt to proceed in that direction, unless some strong necessity arises - greater than exists at the present time. We should surely wait to see whether what the Constitution has made illegal will be persisted in under the altered conditions before we create a costly tribunal. The effect of hampering the operations of land or sea carriers will be to make transit dearer for the people. Every additional restriction that we place upon Inter-State trade will involve an additional cost upon the public. I give the Government every credit for trying to bring into operation as soon as possible the machinery provided for in the Constitution, and I do not blame them for introducing this Bill. But I ask them to postpone its further consideration until we can see whether we shall have the necessary revenue to meet the requirements of the Commonwealth and of the States. If they cannot see their way to postpone the Bill until after this session, they might defer its consideration until the Tariff has been dealt with, until we have ascertained our financial position more clearly than we know it at present, and until we have given an opportunity to those charged with the management of the various railway systems to comply with the law. We were told last night by the honorable and learned member for South Australia, and by the honorable and learned member for Northern Melbourne, that the most pressing questions arising under the Constitution might be dealt with by the State law courts pending the creation of an Inter-State commission, and under these circumstances the Government might be content with passing the second reading of the Bill on the clear understanding that its consideration in committee will be delayed until the Tariff has been dealt with.

Sir William Lyne

- Does the honorable member mean that the Bill should be postponed until after the Tariff has been dealt with by this House, or by both Houses.

Mr A McLEAN

- I think we should know what our revenue is likely to be before we create this new department.

Sir William Lyne

- I hope we shall be able to give a fair idea of that when the Tariff has passed through this House.

Mr A McLEAN

- If the matter were postponed until then, it would give time for consideration.

Sir William Lyne

- I shall be quite prepared, if honorable members will agree to the second reading, not to deal further with the Bill, until the Tariff has been passed through this House.

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Mr A McLEAN

- I would ask the Government to further consider the desirability of holding a conference between the Governments of the Commonwealth and the States, with a view to arriving at some arrangement which would render it unnecessary to appoint the Inter-State commission, and thus place a permanent load of taxation upon the people. It is our clear duty to save expense in every way we can, because if we go on adding to the public service we must add to the taxation which the people have to bear. I feel very strongly that before the commission can do even-handed justice to the States it will be absolutely necessary to amend the Constitution, because the hands of the commission will be tied under the Constitution as it now stands. I hope honorable members will vote for the second reading on the understanding indicated by the Minister for Home Affairs.

Mr. THOMSON(North Sydney).I think that under this Bill we are attempting to create a very expensive piece of machinery to accomplish very little, and if the Government will listen to the criticisms that have

been offered, and further consider matters connected with this measure, they will come to the same conclusion as the honorable member for Gippsland, namely, that there ought to be no need under our conditions to erect within the Commonwealth the proposed expensive tribunal. Our conditions are very different from those of Great Britain or the United States. In both those countries the railways are owned by private companies and not by the State, and they have very considerable canal and lake inland traffic, which we do not possess and never will possess. "We have the States to deal with as the owners of the railways, and we must anticipate that they will show a reasonable desire to meet the requirements of the Commonwealth Government and of the Constitution, and so render unnecessary what must be a hampering and expensive tribunal for both the Commonwealth and the States. In Great Britain and the United States the guiding principle of the legislation has been that where there is a practical monopoly there shall be regulation. They do not attempt to take power over traffic where there is no monopoly, and their control is limited to railways and canals.

Sir William Lyne

- In Great Britain the powers of the Board of Trade extend to shipping connected with railways.

Mr THOMSON

- That is only where combined rates are charged in connexion with shipping owned or controlled by a railway or canal company.

Mr Deakin

- This Bill, in its amended form, will not go very much further than that.

Mr THOMSON

- It will go further. The amendment seems to me to impinge on the sea-going steam-ship traffic.

Sir William Lyne

- The amendment does not deal with sea-going ships, unless their rates are charged in conjunction with the railways.

Mr THOMSON

- The second sub-section of paragraph (c) in clause 2, as proposed to be amended, provides that the control shall extend to goods carried by common carriers under a common control, management, or arrangement, or for continuous carriage, with the carriage of the goods by land or water. That is somewhat akin to the English Act, but the clause reads on - in vessels which belong to or are chartered or worked by the carriers of the goods by land or water within the Commonwealth, or in which such last-mentioned carriers procure the goods to be carried.

Sir William Lyne

- I have undertaken, if that is not sufficiently clear, to have it made so clear that there shall be no doubt as to the intention.

Mr THOMSON

- It seems to me that power is proposed to be taken to control ocean traffic to an extent that is entirely unnecessary. We have never found any necessity, arising from the action of shipping companies, to introduce a measure to control their rates. The ideas of the Minister for Home Affairs, as expressed in his speech explaining the Bill, were entirely out of keeping with those of the framers of the American and English Acts. The Minister seemed to think that the State railways were not to be allowed to charge low rates though they gave no preference, and, further, that steam-ship companies which might for perfectly good reasons charge differential though not preferential rates should also be controlled. The Minister suggested that goods might come down from Riverina to Melbourne or Adelaide, and be taken by steamer to Sydney as ballast, and he seemed to think that that would be an interference with Inter-State free-trade ; but I contend that there would be no unfair competition involved in such a case. If it pays a company to carry dead-weight cargo as ballast to certain markets, that is a natural condition of trade that we should not interfere with. No natural advantages ought to be sacrificed by a measure of this sort. If we do sacrifice any natural advantages in any part of Australia, we shall not only injure the State that is interfered with, but we shall injure Australia generally, and render her less able to compete in the markets of the world. That is recognised in Great Britain under its Railways and Canal Act. It is also recognised in the United States. The principle there is that they do not object to low rates. Low rates, they say, are in the interests of the producer and of the consumer. But they do object to any preference being given. Therefore, I think that the whole of this measure - judging from the remarks of the Minister for Home

Affairs - has been framed on a mistaken idea of the proper functions of such a tribunal.

Mr JOSEPH COOK

- Is there any need for the Bill at all?

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Mr THOMSON

- I quite agree that it ought to be possible, and that, at any rate, the attempt should be made, to arrive at some arrangement between the State authorities and the Commonwealth Government which would render the creation of an Inter-State commission quite unnecessary.

Sir William Lyne

- Has the honorable member noticed that even within the last two or three weeks, instead of coming together, the State authorities have gone further apart in the matter of imposing differential rates?

Mr THOMSON

- What has been done in New South Wales could not be interfered with by the Inter-State commission if established.

Sir William Lyne

- What about South Australia?

Mr THOMSON

- I do not know exactly the conditions which obtain in South Australia, but so far as I understand the matter an Inter-State Commission could not interfere with the action which has been taken in New South Wales.

Mr A McLEAN

- In any case there has been no attempt made yet to come to any arrangement.

Mr THOMSON

- That is just what I was remarking. I wish to point out why no interference could take place by the InterState Commission with the action of New South Wales. I understand that the Government of that State has reduced its long distance rates on certain goods, and that it has not done so in any particular direction. It has done so throughout the State.

SirWilliam Lyne. - I was not particularly referring to that. I was referring to the rates lately published regarding the Broken Hill traffic.

Mr THOMSON

- I cannot answer the Minister's question, because I do not intend to deal with a matter with which I am unfamiliar. But I ask honorable members to notice how limited are the powers of the proposed commission under the Constitution. The Constitution provides -

There shall be an Inter-State commission, with such powers of adjudication and administration as the Parliament; deems necessary for the execution and maintenance, within the Commonwealth, of the provisions of this Constitution relating to trade and commerce and of all laws made thereunder.

Very well ; outside of railways the powers of the Commission practically refer only to wharfage rates.

Then section 102 lays it down that -

The Parliament may by any law with respect to trade or commerce forbid, as to railways, any preference or discrimination by any State, or by any authority constituted under a State, if such preference or discrimination is undue and unreasonable or unjust to any State.

Honorable members will see what a margin that allows for differences of opinion. That is perhaps a reason for appointing an InterState commission. Such a tribunal has to adjudge any rate a discriminating one before it can be declared to be so. Section 104 limits the powers of this commission enormously. It provides -

Nothing in this Constitution shall render unlawful any rate for the carriage of goods upon a railway, the property of a State, if the rate is deemed by the Interstate Commission to be necessary for the development of the territory of the State, and if the rate applies equally to goods within the State, and to goods passing into the State from other States.

Sir William Lyne

- That does not take away from the power of the Inter-State Commission. It rather adds to it.

Mr THOMSON

- I do not agree with the statement of the Minister. The section distinctly says that no rate shall be

deemed unlawful which comes within that definition. It lays down a limitation of the powers of the commission, and surely it is a very strong limitation.

Mr A McLEAN

- There is another limitation imposed - the commission must have regard to the financial responsibilities of the States.

Sir William Lyne

- It is left to the commission to decide whether, in their opinion, those conditions come in.

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Mr THOMSON

- I quite agree that it is left to the commission to determine the matter ; but surely that body must be guided by evidence. Then, again, as the honorable member for Gippsland has pointed out, the financial necessities of the railway line have to be taken into consideration. All these restrictions leave very little power indeed to the Inter-State Commission. In point of fact, all the result of the powers which that body would be able to exercise could be obtained by the Commonwealth Government if they approached the State authorities in the proper way. This Bill goes further than either the American or the English Act. It deals with every carrier crossing our borders in all portions of Australia. There is no bullock-driver crossing one of the borders but may be brought before this tribunal. Any man desiring goods to be carried by such bullock team can put the carrier to enormous inconvenience. Under the proposals of this Bill, it will actually be impossible in many cases for teams to conduct the internal business of these States when crossing the borders. Surely, that is an enormous interference. The Minister for Home Affairs stated that it was perfectly evident the United States legislation was meant in the first place to apply to something more than railways, inasmuch as it was enacted before the railways were constructed. I think he was wrong in making that statement, although I am perfectly aware that the power existed in the Constitution before railways were constructed there. But inasmuch as no need has arisen in the United States, with all the difficulties accruing from competitive carrying concerns owned by private corporations which exist there, is it not evident that we have no need to interfere with the road traffic of Australia?

Sir William Lyne

- Every report of that commission states that they ought to have further powers in order to deal with it.

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Mr THOMSON

- Only in regard to water carriage. They never ask for powers over road carriage, independently of railways. Does the Minister not know why the American commission wants these powers? On the northern borders of the United States there are enormous lakes, where a gigantic traffic is conducted, in which Canadian steamers, as well as United States steamers, take part. It has been found that Canadian goods come over the American lines, and viceversa, and the desire of the United States Inter-State Commission is to get control of the Canadian traffic. No such conditions are presented in Australia, and, therefore, we ought not to go beyond the powers which exist in the United States. As the Minister has said he is going to postpone the measure, I may omit points on which, otherwise, I should have spoken ; but I desire to call attention to the enormous and unnecessary expense that will be incurred by the creation of this commission on the lines proposed in the Bill. There will, I suppose, be three commissioners, although, in spite of the use of the plural in the Constitution, I think we might appoint only one. In any case, the intention is to have three highly-salaried commissioners, who have to take into consideration all carrying rates which prevail throughout the States. The Minister has said that it is the intention to amend the Bill in this respect, but I take it that the commissioners will have to deal with all inland rates for carriage across the borders, by any means of conveyance in any part of the Commonwealth. The commissioners will have to deal with the varying road rates in different seasons, ranging from £1 to £20 per ton and more. According to the Minister's proposal, all rates which naturally differ in different directions will have to be considered. A bullock team, for instance, takes goods in a certain direction at a certain rate, and carries goods back at a lesser or greater rate. All these rates will have to be inquired into in order to see that no undue preference is given ; and that means, in addition to the commissioners, a large staff of officials. If such a tribunal is to be created, we ought to have the best of reasons, and I do not think we have had those reasons placed before us. We ought to consider whether all that is possible - and not a great deal is possible under the Constitution - cannot be attained

by ordinary means, and at infinitely less expense. I am not looking at this matter in a party light. I should support the Government measure heartily if I could, but I cannot do so, because I think it means the unnecessary creation of an expensive tribunal to accomplish very little. It has been urged by the honorable and learned member for Bendigo that there is reason for bringing ocean-going rates under review. But in my opinion, as I have already said, there is no such reason, unless it can be shown that some gigantic trust is working adversely to a particular State. That has never been the case in Australia, and there can be no reason for allowing the operations of this tribunal to cover the sea where there is free passage for all competitive traffic. If the rights of monopoly are given on a railway track through the country, or the monopoly of a water-way, such as a canal, is given, there is every reason, as Great Britain and America have found, for seeing that the monopoly is not taken advantage of as against the interests of the consumers and producers of a State. But when there is a fair field - when there is a road where not one bullock team but a thousand may go and where there is an ocean which may be traversed by any number of vessels - there is absolutely no need for interference under ordinary conditions. It has not been shown that such extraordinary conditions exist in the shipping traffic as to justify our incurring the expense of giving the commissioners control over the water ways. As an illustration of the good reason for controlling the coastal shipping traffic, it has been said by the honorable and learned member for Bendigo that a preference is given in connexion with the rates from Sydney to Townsville. But how does the honorable and learned member arrive at that conclusion? The rate from Sydney to Townsville is 25s. per ton, but the honorable and learned member says that, as the rate from Sydney to Brisbane is 10s. per ton, and the rate from Brisbane to Townsville is 20s. per ton, therefore there is a preference of 5s. How absurd that is ! The rate to Townsville is a through rate, there being no expense for transshipment at Brisbane. It is naturally a lower rate, and it would be most unjust to charge the same rate where goods go right through as where there is transshipment. I venture to say that there are no differences on coastal lines of steamers, except when there is good natural reason. It may be that the goods consigned are in large quantity, or that the ship-owner takes cargo at a lower rate when going in a particular direction in order to save the cost of ballast; or there may be some other condition of trade, such as that goods are more plentiful in one direction than in another.

Mr JOSEPH COOK

- A vessel may be three parts full, and may take cargo at a lower rate in order to fill up.

Mr THOMSON

- But that is an advantage which is given to anyone who comes with cargo. In the same way, some ports have natural advantages. Why should they be robbed of these advantages ? The object of a measure of this sort ought to be not to remove natural advantages, but to develop them to the full. Whether they are due shortness in distance, the volume, or the natural flow of traffic, these advantages are of value, not only to particular places, but to the whole of Australia.

Mr Page

- Then why do we want the Bill?

Mr THOMSON

- I agree that the Bill is, at any rate, too early. There has not been sufficient effort made to accomplish what is desired without incurring all the expense of an Inter-State commission. Are we to be told that the State railway commissioners, or other authorities, are too pig headed or too stupid to settle these matters if they are asked to do so by the Commonwealth? The railway commissioners might be called together by the Commonwealth, which has behind it the power of dealing with them, and told that the Commonwealth does not want to create an Inter-State commission, which might be hampering and troublesome to them, but that what is desired is to have the conditions of the Constitution carried out. Are we to be told that under such circumstances the State authorities would be so unreasonable as not to say that they preferred to do without the Inter-State Commission - that although nothing could be done before, because the States were separate, and there was no authority representing all Australia, now that there is such an authority, and the Commonwealth, if it chose, could bring in a measure to compel equality, they are not willing to do without the institution proposed to be set up by this Bill?

Sir William Lyne

- Why do the States not do that ?

Mr THOMSON

- They have not been asked.

Sir William Lyne

- Why should they be asked if they wish to do it ?

Mr THOMSON

- Why have the Premiers been meeting in Melbourne during the last week ?

Sir William Lyne

- Because they asked that the meeting should be held.

Mr THOMSON

- If the Commonwealth Government asked the Premiers to meet---

Sir William Lyne

- That is not so.

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Mr THOMSON

- But surely we are not going to spend £10,000 or £20,000 a year on a mere question of etiquette. The Commonwealth Government could intimate to the States authorities that action was about to be taken, but that there was a desire to see if some arrangement could not be arrived at. If an arrangement can be arrived at, what more is necessary ? I have shown how expensive, troublesome, and unnecessary this Inter-State Commission will be, if it is going to deal with all the subjects mentioned in the Bill, even with the amendments given notice of by the Minister. But supposing the commission is not going to deal with the subjects mentioned in the Bill, what do we come to? Practically the railways. And with regard to the railways what will an Inter-State Commission have to do ? It cannot fix rates, although apparently it was the idea of the Minister when he introduced the measure that the commission would have that power.

Mr Poynton

- The commission may recommend rates.

Mr THOMSON

- That is so, but the commission cannot fix rates. I do not think we should be willing to give the commission power to raise the rates on the producers of the country, and the only power which I think this House will give is that of seeing that no rate discriminates against a State. When the Inter-State Commission has settled that point, what more is there for it to do? I know, of course, that the Bill goes much further ; but I would point out that the railways are owned only by a few States. We are not like America, or Great Britain, where there are large numbers of private companies to deal with.

Mr Poynton

- But the States have rights as much as individuals have in America.

Mr THOMSON

- Of course they have. What I mean is that the work of the commission will practically be confined to seeing that the railway rates are not discriminating, and yet it is proposed to have an enormously expensive commission of three members. There is good reason why the measure should be postponed until steps have been taken to negotiate with the State authorities, and an endeavour has been made to try an experiment which may render the Inter-State Commission unnecessary. If it be found, after that effort, that there are reasons why such a body should be created, then we should see whether the Constitution will allow of the appointment of only one commissioner. If that cannot be done, the commissioners, who must be appointed for seven years, ought to be gentlemen who can be referred to on occasion, and who will be paid by fees for each reference. We ought not to create a department, because if we do that the commissioners will want so many clerks to begin with. If we confine the business of the commission - which, I believe, the House is inclined to do - not to the fixing of rates, but to the prevention of discriminations, then the payment of fees for occasional services, as cases arise, will prevent the creation of positions and the payment of large salaries for work which will not fully employ the officials appointed. For that reason I hope the Minister will consider the whole question, and endeavour to come to some arrangement with the States before we decide as to the second reading.

Mr. BATCHELOR(South Australia).We are called upon to deal with this Bill under very great difficulties. I hardly know whether it is worth while addressing myself to the subject at this stage, because it is impossible to gather from the Minister in charge of the Bill what is the attitude which the Government take up. From the remarks which he made in reply to a request by the honorable member for Gippsland, that

the Bill should be postponed until the Tariff has been disposed of, I gather that that is the intention of the Ministry.

Sir William Lyne

- Only so far as the committee is concerned. I said the Government would not attempt to force the Bill through committee until we had dealt with the Tariff.

Mr BATCHELOR

- Then we are to have another postponement for some indefinite period. No doubt the Government have had some difficulty in dealing with this measure, but the manner in which it has been placed on the notice-paper from time to time has made it exceedingly difficult for us to give our attention to it. In the first instance we had a speech by the Minister for Home Affairs, who gave us an exceedingly clear and lucid utterance, setting forth its provisions. After the lapse of a month another speech, on the second reading, was given. The debate was adjourned for a month, when still another speech was delivered, and finally, after a further interval of something like three or four weeks, the Bill has been brought before us once more, but at a time when we were expecting to be called on to proceed with the Tariff. I came to the conclusion that the Government were anxious to go on with the Tariff without any delay, in view of the extreme anxiety which they displayed last week that the want-of-confidence motion should be disposed of immediately. It appears, however, that the Bill is introduced now as a kind of stop-gap. If that is so, I do not feel disposed to take up the time of the House in addressing myself to it. If this Bill is to be postponed again indefinitely

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Sir William Lyne

- We propose to proceed with it after the Tariff has been dealt with in committee, so that the honorable member may safely continue his speech now on the understanding that we intend to deal with it definitely.

Mr BATCHELOR

- After to-day, no doubt, the debate will be postponed until we have dealt with the Tariff.

Mr Barton

- We hope to put the Bill into committee before the Tariff is dealt with, but only proforma.

Mr BATCHELOR

- Ministers must see that the way in which the Bill has been brought on from time to time places honorable members in a considerable difficulty. Such a method of dealing with it does not lead us to believe that the Government has any deep interest in the measure. So far as my parliamentary experience goes, there is only one way in which a Bill can be passed into law, and that is by keeping closely to it until it is dealt with finally.

Mr Poynton

- This is only a stopgap.

Mr BATCHELOR

- I have said that already. I do not think we shall derive any benefit from this measure if the manner in which it has been dealt with so far is to be continued. I have heard it suggested that the Government propose to abolish all the provisions relating to oversea traffic and affecting common carriers. I do not know whether that is so.

Mr Thomson

- According to the amendments circulated by the Government, it is not so.

Mr BATCHELOR

- Such an intention does not appear in the present list of amendments; but in committee we may have a still further list put forward embodying the views of honorable members. It is difficult to know what we are called upon to discuss at the present time, owing to the confusion which prevails. It would be absurd to say that a Government should stand or fall by such a measure, but I like to see a Ministry when it has come to the conclusion that a certain policy is a right one, adhere to that policy until the House by a majority shows that it is not in agreement with it. No doubt a great deal of pressure is being brought to bear to induce the Government to lay aside this measure. The speeches that we have heard this morning have been in that direction, and in the direction of showing that the measure is unnecessary. It is urged that the Bill should be postponed, and that some arrangement should be made through the agency of the Governments of the States to prevent any interference with freedom of trade by means of preferential

rates on railways. It seems to me that it is not a question of whether the Government should be expected to make some arrangement with the States. We are pledged absolutely to the appointment of a commission under' the terms of the Constitution.

Mr JOSEPH COOK

- When it is required.

Mr BATCHELOR

- That is another matter. This Parliament is clearly pledged to the appointment of a commission.

Mr Poynton

- Its appointment was one of the levers used to carry the Federal Bill in South Australia.

Mr BATCHELOR

- And in all the States.

Mr Page

- For what do we need it?

Mr BATCHELOR

- Does not the honorable member recognise that just as clearly as it is laid down in the Constitution that there shall be a Parliament to govern the Commonwealth, so it is laid down in the Constitution that there shall be an Inter-State Commission.

Mr Page

- But what is it wanted for ?

Mr BATCHELOR

- What does that matter ? The fact remains that the Constitution provides that there shall be an Inter-State Commission.

Mr JOSEPH COOK

- When?

Mr BATCHELOR

- The Constitution does not fix the date. The honorable member knows, however, that it is a miserable quibble to say that in consequence of that fact the appointment of the commission can be postponed indefinitely.

Mr Barton

- The Constitution provides that there shall be a tribunal to meet the difficulties which the Convention foresaw, and which are now occurring.

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Mr BATCHELOR

- Quite so. It means that there shall be a tribunal constituted to see that no preferential railway rates are imposed which would interfere with the freedom of trade between the States. So long as any such cutting rates prevail the existence of that tribunal must certainly be necessary. I take it that the Constitution provides that there shall be an Inter-State Commission in order that freedom of trade shall not be interfered with, and that each State shall have the full advantage of its geographical position. I hold the opinion with other honorable members, that the powers of this commission are very inadequate ; that they do not go far enough to enable the commission to do anything of a satisfactory nature towards the promotion of true freedom of trade between the States, and the regulation of the flow of trade between them.

Mr Thomson

- That is the fault of the Constitution.

Mr BATCHELOR

- Yes ; it is a defect which we cannot rectify. It is inherent in the Constitution. The wording of the section providing for the appointment of an Inter-State Commission is such that it seems to me that nothing can really be done except in the case of railways making differential rates in respect of traffic crossing the State borders. Practically it does not provide for more.

Mr JOSEPH COOK

- Is not that enough ? I know what the honorable member wants.

Mr BATCHELOR

- I want simply to see that no interference with perfect freedom of trade throughout the States shall be

possible. In this matter, I believe in free-trade. When we support protection against the outside world, we openly put up a barrier. But when we adopted Inter-State free-trade it was to allow trade between the States to flow along its natural channels. We invited the people of the States to give up their powers of self-government in certain respects in order that there should be no barriers to Inter-State trade and commerce. I think we are likely to make Inter-State free-trade a by-word and a reproach if we allow conditions to prevail which take trade from the channels along which it should flow naturally. It would make people believe that this costly Federal Parliament, of which we are members, was not worthy of the trouble involved in its establishment. I feel strongly on this question, because during the federal campaign in South Australia I took up an attitude antagonistic to the Constitution, because I believed that under it no true free-trade could exist between the States. I held that view in the face of the opposition of almost all the public men of South Australia. I considered that the powers proposed to be conferred on the Inter-State Commission would be altogether inadequate to meet such a case as that of the Broken Hill trade.

Mr Knox

- South Australia cannot have the Barrier trade taken away from her.

Mr BATCHELOR

- Yes, she can, just as surely as before federation ; and yet there is no doubt that the Barrier trade belongs to

South Australia. There is nothing to prevent New South Wales from arranging for differential rates on her own railways for the purpose of developing her own territory, and thus diverting the Broken Hill trade from the South Australian lines, over which it now passes.

Mr JOSEPH COOK

- And we hope to get across to Broken Hill soon.

Mr BATCHELOR

- No doubt; but that would be distinctly a robbery of the commercial advantages belonging to South Australia. It would neutralize the commercial advantages that should attach to South Australia owing to her geographical position. I admit that it would be perfectly legal to do as I have described under the terms of the Constitution, and for that reason I have always considered that the powers given to the Inter-State Commission are utterly inadequate.

Mr JOSEPH COOK

- I thought the honorable member believed in developing home trade.

Mr BATCHELOR

- Will the honorable member for Parramatta try to see the difference between the condition of a number of States acting independently of one another and that of a number of federated States ?

Mr JOSEPH COOK

- Is Broken Hill nearer to Lithgow or to England, the country from which the mining companies get all their coal and coke ?

Mr BATCHELOR

- Commercially speaking, I suppose England is the nearer.

Mr JOSEPH COOK

- I say that it is a long way farther off.

Mr BATCHELOR

- The point is, which is the more expensive for the Broken Hill companies - to get their coal and coke from England or from Lithgow?

Mr Fowler

- The doctrine of cheapness is coming in now.

Mr JOSEPH COOK

- We have no railway line from Lithgow to Broken Hill yet.

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Mr BATCHELOR

- Whatever question is raised in this Parliament, free-trade cant phrases are always being used by honorable members opposite. There is no doubt that in a commercial sense England is nearer to Broken Hill than is Lithgow, because the coal and coke can be obtained more cheaply from the old country.

However, in the present case no such question arises, because undoubtedly the South Australian ports are a great deal nearer to Broken Hill than is Lithgow or Sydney.

Mr JOSEPH COOK

- We say that Broken Hill should take her coal and coke from Lithgow, and not from England.

Mr BATCHELOR

- I think the honorable member is right in that, and it is a very good protectionist idea. I am afraid that after all very little will come of this debate. Though the Bill may not be of much use, and although the Inter-State Commission may not be able to do all that should be done in the way of preventing interference with freedom of trade between the States, I take it that we have a mandate from the people, and that the Constitution imperatively demands that we shall set up this tribunal to do such work as it can. I do not think it will do much, but, at the same time, this Parliament will make a great mistake if it breaks faith with any of the States, or with any of those persons who voted for Federation, because the Constitution included a provision that a tribunal should be set up to prevent interference with free-trade between the States.

Mr Page

- This day five years will do.

Mr BATCHELOR

- Certainly not. The cutting of rates is going on now, and it ought to be stopped. If any arrangement could have been brought about between the States, it would have been entered into before this. In what way have conditions changed to lead members to suppose that an arrangement is likely to be entered into between the States now?

Mr A McLEAN

- Our Constitution makes preferential rates illegal.

Mr BATCHELOR

- Our Constitution makes them illegal only under certain conditions, and we have no tribunal at present that is capable of saying whether such rates are illegal or not. In 1895 the conditions were more favorable to an agreement between the States than they are now. No doubt an agreement should have been arrived at in 1895, and if some compact had then been entered into, the Inter-State Commission would probably have been considered unnecessary. The provisions relating to over-sea carriage, and also to the regulation of common carriers, have aroused a good deal of opposition and unnecessary alarm. But for this, there would have been no great outcry. As the Bill is intended to deal primarily with railways, these provisions, to which so much objection has been taken, are not necessary. When it is found that common carriers either by sea or land interfere with the freedom of trade between the States, we may pass some such drastic provisions as it is now proposed to apply to them, but up to the present no necessity has been shown for legislating in that direction. We should not overload the Bill with anything that is unnecessary, and these provisions may be very well discarded. Some honorable members have complained of the expense that would be incurred in connexion with the Inter-State Commission, but there should be no necessity for spending £10,000 a year or more in order to bring this commission into existence. There is no need to appoint commissioners solely for the purpose of discharging the functions of the Inter-State Commission. It might be possible to utilize the services of the members of the High Court or of the Railway Commissioners in the capacity of Inter-State Commissioners. Whilst admitting the full force of all the arguments that have been raised against the creation of the Inter-State Commission, I do not think sufficient reason has been advanced for abandoning the measure. It has been urged, that because the railways of Australia are owned by the States, there is no necessity for such a tribunal as the Inter-State Commission, but it seems to me that that is the chief reason why such a tribunal shall be created.

Mr A McLEAN

- That is a great reflection upon the Parliaments and Governments of the States.

Mr BATCHELOR

- It is a reflection upon the Parliament and Government of my own State, and I am willing to take my own share of the responsibility attaching to it. If the owners of our railways had been private individuals, no such measure as this would have been necessary. The State railways are in the position of business rivals competing for particular lines of traffic, and they are backed up by all the resources of the States in

carrying on that competition.

Mr Henry Willis

- What particular trade are they competing for ?

Mr BATCHELOR

- The trade that lies along the borders of the States, which properly belongs to the nearest ports. It would be absurd to say, for instance, that the Mount Gambier trade in South Australia should be dragged all the way to Adelaide.

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Mr Page

- If there were another Broken Hill at Mount Gambier, would not South Australia want to secure to Adelaide the advantage of the trade ?

Mr BATCHELOR

- Of course it would. But the fact that it would want to do so is not a sufficient reason for adding to the cost of carrying on trade with any particular locality. Queensland is a standing example of decentralization - an example which all the rest of the States would do well to follow. If the other States had adopted the same course as that followed by Queensland it would have been a great deal better for them. We unnecessarily add to the burdens of the producers if they have to bear the cost of dragging their goods down to some central port from outside places.

Mr Henry Willis

- What about the Darling trade ?

Mr BATCHELOR

- That trade used to belong to South Australia before the adoption of cut-throat railway rates.

Mr Henry Willis

- Is not that the trouble in South Australia?

Mr BATCHELOR

- One of the troubles of South Australia is that her natural trade has been interfered with by differential and cut-throat railway rates.

Mr Poynton

- The honorable member might instance the rate from Serviceton to Dimboola, as against that from Dimboola to Serviceton, which is a much higher rate.

Mr BATCHELOR

- I need not give illustrations. The trade of a river ought surely to travel down that river. Trade which naturally belongs to a river ought not to be diverted from its proper channel, and carried overland for a long distance, at greater cost to the community, for the sake of the merchants of a particular port. If, under natural conditions, trade would flow down a river to its outlet - the sea, anything which attracts it from that channel, at an enhanced cost to the producer and the community, is an interference which is unjustifiable and which ought to be prevented. That is all that South Australia claims. We do not wish to secure the trade which legitimately belongs to any other State. At the same time, we do not believe that the advantages which naturally belong to us, by reason of our geographical position, should be taken away from us by means of differential railway rates, or anything of that kind. It is because we are all commercial rivals, and anxious to get as much as we can of the trade of our neighbours, that this tribunal is necessary. The fact that the railways belong to the States does not make the necessity for the appointment of an Inter-State Commission any the less. It is too late to express the pious hope that the Government will push on with this measure immediately, as they have already indicated their intention of deferring its further consideration until the Tariff has been dealt with. I hope for very little from the Bill. I do not think that much good can result from it, but, inasmuch as Parliament is pledged to place it upon the statute-book, we ought to set up the contemplated tribunal in the cheapest and most economic form.

Mr V L SOLOMON

- A great deal was made of it in South Australia at the time of the federal referendum.

Mr BATCHELOR

- Yes, so much was made of it that when I declared that we would not accomplish much by the appointment of an Inter-State Commission which could exercise only the powers conferred by the Constitution I was held up to derision by the legal members of the House. Those who advocated the

adoption of federation, and; pointed out the splendid advantages which would accrue to South Australia if she entered into the compact, have now a somewhat difficult task to perform in meeting the objections which have been raised by the honorable and learned member for Northern Melbourne, and the honorable and learned member for South Australia, Mr. Glynn, as to the utter inadequacy of the provisions of the Constitution in regard to such a tribunal. I hope that the Government will not defer the further consideration of this Bill, till, next session, but will endeavour to carry out the pledges they have made to set up this commission in some form or other.

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Mr KENNEDY

- I do not purpose occupying the time of the House at any great length, because I do not propose to deal with the general provisions of the Bill. The question with which I am chiefly concerned is, whether it is really necessary, at the present time, to bring into existence what, to-

Try mind, will be another department of State. I can hardly appreciate the frame of mind of the honorable member who has just resumed his seat. He says it is imperative that Parliament should forthwith constitute this commission, because the Constitution provides that such a tribunal should be set up at some time or other. In the same breath he declares that when it is appointed there really will be nothing for it to do. Yet he has no hesitation in telling us that we must have the commission established instantaneously. I think the honorable member for Gippsland rather mixed the issues when he stated that he could not see his way to support this Bill, unless the funds to defray the cost of the commission were first provided.

Mr A McLEAN

- I did not say that I should support it if they were. I said that that should be our first consideration before creating any department.

Mr KENNEDY

- My first consideration is as to whether it is really necessary to constitute this tribunal at the present time.

Mr A McLEAN

- I suggested a conference between the Federal Government and the State Governments with a view to arriving at some agreement.

Mr KENNEDY

- I did not understand the honorable member to say that. In regard to the explanation which he has now made, I may say that I am to a great extent in accord with his views. Instead of being a measure to preserve the freedom of trade and commerce between the States, the Bill, as drafted, to my mind will hamper and restrict trade and commerce, because the teamster upon the road will not be able to yoke up his bullocks without an order from the commission. The same remark is applicable to the carriers throughout the length and breadth of the Commonwealth. When this commission is appointed it will have very large powers, not only in dealing with questions relating to the carriage of goods, but also in regard to the conveyance of mails and to telephonic communication. It will also exercise supreme control in regard to water conservation and irrigation, which is a question that looms very largely upon the horizon of Australia. I object to the establishment of an Inter-State commission at the present time, because such a body will not have power to interfere with discriminating rates upon the railways. I am aware that, where a preference is given to goods that matter can be dealt with by the commission. But has any such preference been given in any of the States up to the present time?

Mr Poynton

- In every State.

Mr KENNEDY

- Then surely the commonsense of the Australian people will overcome a little difficulty of that sort without the necessity of establishing a tribunal which will cost, at the least, £10,000 or £15,000 annually. The honorable and learned member for South Australia, Mr. Glynn, claims that there will be insufficient work, for some years to come, to keep the members of this commission fully occupied. But I have yet to hear of any individual who is in receipt of a high salary who fails to find sufficient work to engage his attention. It may fairly be assumed that this commission, if appointed, will find enough work to keep it fully occupied, even if it does so to the annoyance of the general public by the imposition of arbitrary regulations and restrictions. Surely the commonsense of our people is sufficient, where a preference is given by railways or steam-boat companies to insure a satisfactory adjustment of the difficulty. I suggest that the Prime

Minister should take into his confidence the Premiers of the different States.

Sir William Lyne

- That would be handing over the management of the Commonwealth to the States.

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Mr KENNEDY

-- It would not, in my judgment, be handing over to the States the management of the Commonwealth. It has been pointed out that the conditions under which some of the rates are administered at the present time are to a considerable extent in contravention of the Constitution Act j and surely common sense suggests the necessity of altering the conditions without imposing on the general taxpayer the cost of an expensive tribunal. Practically the only difficulty the Inter-State Commission will have to deal with is that of the prevention of preferential rates. In my opinion, discriminating rates cannot be interfered with, because there is a clear distinction between discriminating and preferential rates. Where there is no preference to goods or individuals of one State over those of another, the Inter-State Commission must be powerless to interfere. Looking at the matter from that stand-point, I do not intend to take up the time of the House by dealing with the general provisions of the Bill, further than to say that I hope the Government will leave nothing undone to see whether the difficulties of the situation cannot be met without bringing into existence an expensive court of the character proposed in the Bill. In years to come difficulties and friction may arise and a larger field be open for the operations of an Inter-State Commission ; but at the present time I do not see that such a body is necessary. I feel sure that the common sense of the first Federal Parliament of Australia will rise to the occasion, and do something in the direction I have indicated, without forcing on the people an immense expense which is altogether unnecessary.

Mr KNOX

- I have somewhat the feeling that we are dealing with an exhumed body, after it has had a sort of decent burial. I had hoped that the measure would either have been withdrawn, or have been brought forward with such distinct amendments as to present entirely new proposals. I am perfectly prepared to admit that if we are to get all the advantages, privileges, and benefits which ought to accrue from inter-state free-trade, we must, in some measure, make an effort to secure uniformity of conditions. But I have always considered that the object which the framers of the Constitution had in view was an Inter-State Commission, which would prevent powerful agencies, owned by individual States, from unduly interfering one with the other. It was not intended that the Inter-State Commission would interfere with private businesses, because if that were allowed, we should be curbing a very necessary incentive to individual enterprise. If we establish an expensive body it will, as some honorable members have suggested, seek to justify its existence by creating seeming incongruities, and in this way a very great deal of harm may be done. The honorable member for South Australia, Mr. Batchelor, spoke of the situation of the Barrier trade in relation to his State. It has often been suggested that New South Wales might construct a railway from the present terminus in that State to the Barrier, and it has been demonstrated, I think beyond reasonable possibility of contradiction, that goods could not be carried over such a railway from the Barrier to Sydney without loss. The natural outlet of the trade of the Barrier is through South Australia to Adelaide, and it seems to me that if such an attempt as I have indicated were made by New South Wales, an Inter-State Commission would have proper grounds for interference. It would be unreasonable for New South Wales to take away the trade which at the present time entirely belongs to South Australia.

Mr A McLEAN

- That is just what could not be prevented by the Inter-State Commission under the Constitution as it stands, because such a railway would not mean a preference.

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Mr KNOX

- I understand that the Inter-State Commission under the Constitution will have power to make recommendations and suggestions, and that legislative effect will have to be given to these by this House. There has been rather a disposition - I am sure from perfectly just and proper motives - on the part of the Government to crowd into this session an amount of legislative work which is more than we can properly consider before the prorogation, and to anticipate difficulties before we have had any experience of the results of our attempts to effect adjustments between the States. When the Constitution was being framed it was seen that difficulty might arise between the States, owing to undue use of the

States powers, and it was because of this that an Inter-State Commission was proposed. My own belief is that all that was then contemplated could be accomplished if one or two members of the Government were, as members of the Government, appointed members of an Inter-State Commission, with the powers contemplated by the Constitution, thus obviating the creation of an elaborate and expensive department, which would in all probability create work. These two or three Ministers would deal only with matters of urgent importance. They would be concerned entirely with railways, and, with the consent of the various States, they could take the Railway Commissioners into consultation. By that means machinery would be created for dealing with any irregularities, or any efforts of one State to take away the trade of another/and there would be no appreciable additional expense to the Commonwealth. I originally expressed a fear that I should be unable to support the Bill as it stands. The amendments which have been circulated do not remove what I consider to be objections to the measure ; and I rise for the one purpose of entering my protest against the creation of a commission which will interfere with private operations and private enterprise, which lie at the root of our success and progress as a community. Such a tribunal would be an expensive incubus on the Commonwealth, which already has to face a large expenditure; and I fear that the measure will require many more amendments before I can support it.

Mr. FOWLER(Western Australia).I do not intend to detain the House very long, for the simple reason that I have had very little hesitation in coming to a decision on the question which we are now discussing, and I think I shall be able to put my position in a very few words. So far as the State which I represent is concerned, we have, undoubtedly, some peculiar conditions there with regard to traffic, which require the consideration of a federal tribunal of some description. The Government of "Western Australia, acting, probably, on what they considered good and sufficient reasons, created preferential rates that in several respects have been objected to very strongly by the business men of Perth and Fremantle, as well as by residents of the gold-fields. In one instance we have a distinct preference given in regard to the carriage of coal produced within the State as against that which is imported. Of course, the reason which the Government give for having made that preference is one which, probably, had sufficient weight with them, and for which I am willing to give them every credit. I believe they made the preference in thoroughly good faith. Their idea was to develop the local coal industry. But I have contended always that, so far as an industry of that kind is concerned, it ought to be well able to stand on its own legs, and that a very large majority of the community should not be taxed in order that a section may obtain a particular advantage. As regards certain conditions of that kind which exist in Western Australia, I am fully of opinion that action is necessary on the part of the Federal Government. But I am unable to follow the Government in their intention to create an unnecessarily expensive and cumbrous tribunal to decide matters which I feel certain could be settled within a very few hours by competent business men. I am willing to admit that there is a good deal of work to be done in the direction of codifying and reducing to some general principle the varying rates throughout Australia. I recognise the necessity for the appointment of competent men to do the work, but I fail utterly to see where a tribunal constituted on the basis proposed by the Government will be able to find sufficient work after these preliminaries have been properly adjusted.

Mr Deakin

- The Constitution defines the very character of the tribunal.

Mr FOWLER

- I admit that the Constitution makes it incumbent upon the Government to do something.

Mr Deakin

- But it defines the character of the tribunal.

Mr Isaacs

- That is the only thing they can do under the Constitution. I protested against it during the Convention, but it was done deliberately.

Mr FOWLER

- I am prepared to follow honorable members who have expressed the opinion that a very considerable modification of the proposals of the Government can be accomplished with advantage to the Commonwealth, and without any hindrance to the correction of those objectionable conditions, referred to so frequently, as having been created by the jealousies of the various States. Until I see that a permanent tribunal of this kind is necessary, I shall take up the position that at present, at all events, it would be

unwise for this House to go on with the establishment of the tribunal proposed by the Government. I consider that it would be unnecessarily expensive and cumbersome, and for the present, at least, if we have to choose between such a tribunal and no tribunal at all, I shall most certainly prefer the latter.

Debate (on motion by Mr. Isaacs) adjourned.

PROPERTY ACQUISITION BILL

Resolved (on motion by Sir William Lyne) -

That the Bill be recommitted for the reconsideration of clauses 7, 8, 14, and 51.

In Committee- (Recommittal).

Clause 7 -

Upon the publication of such notification in the Gazette, the land described in such notification shall by force of this Act be vested in the Commonwealth for the purposes of this Act for an estate in fee simple in possession.....

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Minister for Home Affairs

Sir WILLIAM LYNE

. - The amendments which I have to propose are simply formal. They were promised when the Bill was going through committee, and, therefore, it will not be necessary for me to explain them. I move -

That the words "for the purposes of this Act for an estate in fee simple in possession, " lines 4 and 5, be omitted.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 51 (Commonwealth may dispose of superfluous land).

Sir WILLIAM LYNE

- I promised when this clause was under discussion that an amendment would be inserted, providing that when any remanet of land was sold, a return of such sale should be laid before both Houses within 30 days, if Parliament were then sitting, or if not, then within 30 days after the next meeting of Parliament. It was pointed out that objection might be taken to the sale of small pieces of land, and that is why I made the promise. I move -

That the following new sub-clause be added to the clause : -

When any land has been disposed of under this section the Minister shall within 30 days if the Parliament be then sitting, and if not, within 30 days after the next meeting of the Parliament, cause to be laid before both Houses of the Parliament a return showing the land so disposed of and the manner in which it has been disposed of.

Amendment agreed to.

Clause, as amended, agreed to.

Remaining clauses verbally amended and agreed to.

Bill reported with further amendments.

Report adopted.

Bill read a third time.

ADJOURNMENT

Victorias Fifth Contingent. - Order of Business

Motion (by Mr. Deakin) proposed -

That the House do now adjourn.

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Mr CROUCH

- I should like to bring under the attention of the leader of the House, a matter of very great importance to one of my constituents, if not to the whole Commonwealth. It relates to the Victorian Fifth Contingent.

Among the members of that contingent was a young man named Parry, who came from St. Albans, near Footscray. His friends here wrote to him, but finally one of their letters was returned, accompanied by the following note : -

Utrecht, East Transvaal,

16 | 8 | '01.

Dear Sir, - Your letter to your son was opened at the end, no I thought I would write and let you know that

your son had left our contingent, and have not heard from him or his whereabouts. I bare kept the list of killed and wounded. Hoping I have not done wrong. - I remain, dear sir, yours obediently, A. Jeffery, Sergeant Major E Company.

The letter bears the signature of the Sergeant Major of Parry's company. On learning that, about the time named, three members of the contingent, including a man named Steele, were ordered to be shot, but were sent subsequently to England to undergo a term of imprisonment, Parry's parents applied to the Defence department to ascertain the names of the other two men. After sending a number of messages to the Defence department, Mr. Parry paid for the cost of sending a cable on the subject to the Imperial authorities. He received a reply from Mr. D. W. Ramsay, Contingents'- office, as follows: - Cable message received from Capetown. Shipped England message ends. This, I think, refers to your cable.

It appears from this that Parry was shipped to England, and was one of the three sentenced to death. Mr. Parry, sen., has written to the department, but they say they have no knowledge of the names of the two men, ' besides Steele, who were sent to England. No notification was sent to the department although the men who were sentenced to death were Victorians, and recruited in Victoria, and incarcerated without our knowledge in English prisons. The relatives of these men are very much distressed, and I would respectfully submit that it is the duty of the Government to ascertain the names of any men belonging to the contingents sent from Australia, who may have been ordered to be punished, particularly if they have been shipped to England without our knowledge. Mr. Parry writes to me as follows: -

I have been informed by some returned men that the 5th contingent could not muster 500 on active service in the field. Are other parents and relatives being treated as I have been? When I gave my consent for my son to go a second time to uphold the credit of the Empire, I expected that my parental feelings would have been considered. Had it not been for a copy of the death warrant appearing in the papers in respect to Steele, from an outside source, we should have all been in the dark - they might all have been shot, and no one any the wiser.

I should like to have a promise from the Government that the whole of the circumstances connected with the 5th contingent will be inquired into. Statements are being continually made that one of the officers, holding high rank, who was sent away from Victoria, was really incapable, and that during a great part of the time that he was leading the men he was suffering from delirium tremens. If any such state of things has existed, it is the duty of the Government to appoint a board entirely outside the departmental influences to inquire into the whole matter. It is bad enough that our people should not know what has happened to their relatives, but it is still worse for us to hear that we have been sending men away under an officer who had been incapacitated through drink. I. shall hand these papers to the Attorney-General.

Sir WILLIAM McMILLAN

- I should like to know if it is intended to proceed with the Tariff on Tuesday?

Attorney-General

Mr DEAKIN

. - In reply - The first business on the paper will be the resolution relating to New Guinea, which I hope will be disposed of without much delay. After that, the Tariff will be proceeded with. I have heard the information supplied by the honorable member for Corio with as much surprise as regret. There has been as a rule so much news cabled from South Africa in regard to individual soldiers who have been wounded or transferred that, as one of the public, I supposed that the most complete information had always been available regarding our soldiers. I shall ask my honorable colleague, the Minister for Defence, to inquire into the whole of the circumstances of the particular case to which the honorable member has referred, and also into the state of things which the honorable member's remarks have indicated. It seems somewhat extraordinary that Parry did not write to his parents, as probably he had every opportunity of doing so.

Mr Crouch

- When he was in gaol?

Mr DEAKIN

- Certainly. I know our own prisoners have, under certain restrictions, the right to carry on correspondence, and I presume that the same facilities would be afforded to English prisoners from a distant country, especially when such a grave sentence was passed, as in the cases under consideration.

I shall certainly invite my honorable colleague to make the closest inquiry.
Question resolved in the affirmative.

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14:21:00

House adjourned at 2.21 p.m.