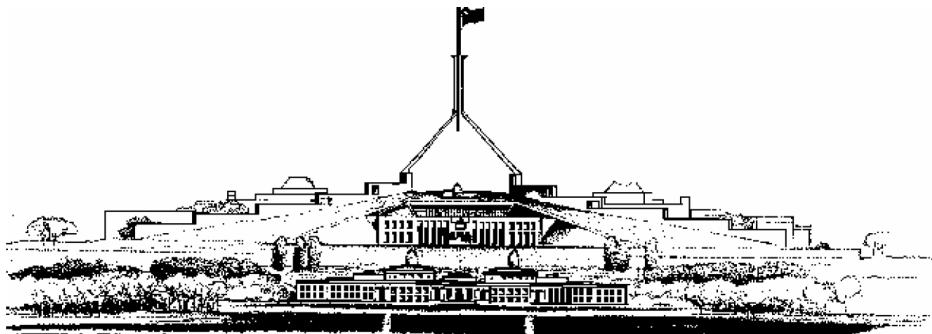




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 44, 1936
Tuesday, 27 October 1936

FOURTEENTH PARLIAMENT
FIRST SESSION—FIFTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

FOURTEENTH PARLIAMENT—FIRST SESSION; FIFTH PERIOD.

GOVERNOR-GENERAL.

His Excellency Brigadier-General the Right Honorable Alexander Gore Arkwright, Baron Gowrie, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Honorable Order of the Bath, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Victoria Cross, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia.

LYONS GOVERNMENT.

(FROM 10TH SEPTEMBER, 1936.)

Prime Minister and Vice-President of the Executive Council	The Right Honorable Joseph Aloysius Lyons, C.H.
Minister for Commerce ..	The Right Honorable Earle Christmas Grafton Page
Minister for External Affairs and Minister-in-Charge of Territories	Senator the Right Honorable Sir George Foster Pearce, K.C.V.O.
Attorney-General and Minister for Industry and representing the Minister for External Affairs in the House of Representatives	The Honorable Robert Gordon Menzies, K.C.
Minister for Defence and repre- senting the Postmaster-General in the House of Representatives	The Honorable Sir Robert Archdale Parkhill, K.C.M.G.
Minister for Repatriation and Minister for Health	The Right Honorable William Morris Hughes, K.C.
Minister for the Interior ..	The Honorable Thomas Paterson
Postmaster-General, and Minister- in-Charge of Development and Scientific and Industrial Re- search	Senator the Honorable Alexander John McLachlan
Minister for Trade and Customs..	The Honorable Thomas Walter White, D.F.C., V.D.
Treasurer	The Honorable Richard Gardiner Casey, D.S.O., M.C.
Minister without portfolio direct- ing negotiations for trade treaties	The Honorable Sir Henry Somer Gullett, K.C.M.G.
Minister without portfolio assist- ing the Minister for Commerce and the Minister for Industry	Senator the Honorable Thomas Cornelius Brennan, K.C.
Minister without portfolio assist- ing the Minister for Commerce	The Honorable Harold Victor Campbell Thorby
Minister without portfolio in charge of War Service Homes and assisting the Minister for Repatriation and the Minister for the Interior	The Honorable James Aitchison Johnston Hunter

(For designations of Ministers prior to 10th September, 1936, see preface to Volume 149.)

During the absence from the Commonwealth of the Minister for Commerce and the Attorney-General and Minister for Industry, the Honorable Harold Victor Campbell Thorby was Acting Minister for Commerce (17th February to 23rd August, 1936), and Senator the Honorable Thomas Cornelius Brennan, K.C., was Acting Attorney-General and Acting Minister for Industry (24th February to 2nd August, 1936).

THE MEMBERS OF THE SENATE.

FOURTEENTH PARLIAMENT—FIRST SESSION: FIFTH PERIOD.

President—Senator the Honorable Patrick Joseph Lynch.

Chairman of Committees—Senator Burford Sampson, D.S.O., V.D.

Temporary Chairmen of Committees—Senators Albert Oliver Badman, William Carroll (to 29th May, 1936), Charles William Grant, John Blyth Hayes and John Valentine MacDonald.

Leader of the Opposition—Senator Joseph Silver Collings.

Deputy Leader of the Opposition—Senator Gordon Brown.

Leader of the Country Party in the Senate—Senator Charles Hardy.

Abbott, Macartney	New South Wales
Arkins, James Guy Dalley	New South Wales
Badman, Albert Oliver	South Australia
Brand, Charles Henry, C.B., C.M.G., C.V.O., D.S.O.	Victoria
Brennan, Hon. Thomas Cornelius, K.C.	Victoria
Brown Gordon	Queensland
(¹)Carroll, William	Western Australia
Collett, Herbert Brayley, C.M.G., D.S.O., V.D.	Western Australia
Collings, Joseph Silver	Queensland
Cooper, Walter Jackson, M.B.E.	Queensland
Cox, Charles Frederick, C.B., C.M.G., D.S.O., V.D.	New South Wales
Crawford, Hon. Thomas William	Queensland
Dein, Adam Kemball	New South Wales
Duncan-Hughes, John Grant, M.V.O., M.C.	South Australia
Foll, Hattil Spencer	Queensland
Gibson, Hon. William Gerrard	Victoria
Grant, Charles William	Tasmania
Guthrie, James Francis	Victoria
Hardy, Charles	New South Wales
Hayes, John Blyth, C.M.G.	Tasmania
Hays, Hon. Herbert	Tasmania
Johnston, Edward Bertram	Western Australia
Leckie, John William	Victoria
Lynch, Hon. Patrick Joseph	Western Australia
MacDonald, Allan Nicoll	Western Australia
MacDonald, John Valentine	Queensland
McLachlan, Hon. Alexander John	South Australia
McLachlan, James	South Australia
McLeay, George	South Australia
(²)Marwick, Thomas William	Western Australia
Massy-Greene, Hon. Sir Walter, K.C.M.G.	New South Wales
Millen, John Dunlop	Tasmania
Payne, Herbert James Mockford	Tasmania
Pearce, Rt. Hon. Sir George Foster, K.C.V.O.	Western Australia
Plain, William	Victoria
Sampson, Burford, D.S.O., V.D.	Tasmania
Uppill, Oliver	South Australia

(¹) Death reported 10th September, 1936.

(²) Chosen by State Parliament 19th August, 1936.

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

FOURTEENTH PARLIAMENT—FIRST SESSION: FIFTH PERIOD.

Speaker—The Honorable George John Bell, C.M.G., D.S.O., V.D.

Chairman of Committees—John Henry Prowse.

Temporary Chairmen of Committees—Thomas Joseph Collins, Eric Fairweather Harrison, John Norman Lawson, Norman John Oswald Makin (from 28th October, 1936), George William Martens, Walter Maxwell Nairn, Horace Keyworth Nock, David Riordan (to 15th October, 1936), John Solomon Rosevear.

Leader of the Opposition—John Curtin.

Deputy Leader of the Opposition—The Honorable Francis Michael Forde.

Leader of the Country Party—The Right Honorable Earle Christmas Grafton Page.

Deputy Leader of the Country Party—The Honorable Thomas Paterson.

Abbott, Hon. Charles Lydiard Aubrey	Gwydir (N.S.W.)
Baker, Francis Matthew John	Griffith (Q.)
Barnard, Herbert Claude	Bass (T.)
Beasley, Hon. John Albert	West Sydney (N.S.W.)
Bell, Hon. George John, C.M.G., D.S.O., V.D.	Darwin (T.)
Blackburn, Maurice McCrae	Bourke (V.)
Blain, Adair Macalister	Northern Territory
Brennan, Hon. Frank	Batman (V.)
Cameron, Archie Galbraith	Barker (S.A.)
Cameron, Sir Donald Charles, K.C.M.G., D.S.O., V.D.	Lilley (Q.)
Casey, Hon. Richard Gardiner, D.S.O., M.C.	Corio (V.)
Clark, Joseph James	Darling (N.S.W.)
Collins, Thomas Joseph	Hume (N.S.W.)
Corser, Bernard Henry	Wide Bay (Q.)
Curtin, John	Fremantle (W.A.)
Drakeford, Arthur Samuel	Maribyrnong (V.)
Fairbairn, James Valentine	Flinders (V.)
Fiskin, Archibald Clyde Wanless, M.C.	Ballaarat (V.)
Forde, Hon. Francis Michael	Capricornia (Q.)
Francis, Hon. Josiah	Moreton (Q.)
Frost, Charles William	Franklin (T.)
Gander, Joseph Herbert	Reid (N.S.W.)
Garden, John Smith	Cook (N.S.W.)
Gardner, Sydney Lane	Robertson (N.S.W.)
Green, Hon. Albert Ernest	Kalgoorlie (W.A.)
Green, Roland Frederick Herbert	Richmond (N.S.W.)
Gregory, Hon. Henry	Swan (W.A.)
(¹)Groom, Hon. Sir Littleton Ernest, K.C.M.G., K.C.	Darling Downs (Q.)
Gullett, Hon. Sir Henry Somer, K.C.M.G.	Henty (V.)
Harrison, Eric Fairweather	Bendigo (V.)
Harrison, Hon. Eric John	Wentworth (N.S.W.)
Hawker, Hon. Charles Allan Seymour	Wakefield (S.A.)
Holloway, Hon. Edward James	Melbourne Ports (V.)
Holt, Harold Edward	Fawkner (V.)
Hughes, Rt. Hon. William Morris, K.C.	North Sydney (N.S.W.)
Hunter, Hon. James Aitchison Johnston	Maranoa (Q.)
Hutchinson, William Joseph	Indi (V.)
James, Rowland	Hunter (N.S.W.)
Jennings, John Thomas	Watson (N.S.W.)
Lane, Albert	Barton (N.S.W.)
Lawson, George	Brisbane (Q.)
Lawson, John Norman	Macquarie (N.S.W.)
Lazzarini, Hubert Peter	Werriwa (N.S.W.)
Lyons, Rt. Hon. Joseph Aloysius, C.H.	Wilmot (T.)
Mahoney, Gerald William	Denison (T.)
Makin, Norman John Oswald	Hindmarsh (S.A.)
Maloney, William	Melbourne (V.)
Marr, Hon. Sir Charles William Clanan, K.C.V.O., D.S.O., M.C., V.D.	Parkes (N.S.W.)
Martens, George William	Herbert (Q.)
McBride, Philip Albert Martin	Grey (S.A.)
McCall, William Victor	Martin (N.S.W.)
McClelland, Hugh	Wimmera (V.)
McEwen, John	Echuca (V.)
Menzies, Hon. Robert Gordon, K.C.	Kooyong (V.)

FOURTEENTH PARLIAMENT—*continued*.

Mulcahy, Daniel	Lang (N.S.W.)
Nairn, Walter Maxwell	Perth (W.A.)
Nook, Horace Keyworth	Riverina (N.S.W.)
Page, Rt. Hon. Earle Christmas Grafton	Cowper (N.S.W.)
(¹) Parkhill, Hon. Sir Robert Archdale, K.C.M.G.	Warringah (N.S.W.)
Paterson, Hon. Thomas	Gippsland (V.)
Perkins, Hon. John Arthur	Eden-Monaro (N.S.W.)
Price, John Lloyd	Boothby (S.A.)
Prowse, John Henry	Forrest (W.A.)
(²) Riordan, David	Kennedy (Q.)
Rosevear, John Solomon	Dalley (N.S.W.)
Scholfield, Thomas Hallett, M.C., M.M.	Wannon (V.)
Scullin, Rt. Hon. James Henry	Yarra (V.)
Stacey, Fred Hurtle	Adelaide (S.A.)
Stewart, Hon. Sir Frederick Harold	Parramatta (N.S.W.)
Street, Geoffrey Austin, M.C.	Corangamite (V.)
Thompson, Victor Charles	New England (N.S.W.)
Thorby, Hon. Harold Victor Campbell	Calare (N.S.W.)
Ward, Edward John	East Sydney (N.S.W.)
Watkins, David Oliver	Newcastle (N.S.W.)
White, Hon. Thomas Walot, D.F.C., V.D.	Balaciaya (V.)

(*) Knighthood conferred 23rd June, 1936.

(*) Death reported 15th October, 1936

THE COMMITTEES OF THE SESSION.
(FIFTH PERIOD.)

JOINT.

HOUSE.—The President (Chairman), Senator Brand, Senator Carroll (to 29th May, 1936), Senator Cooper, Senator Foll, Senator Grant, Senator J. V. MacDonald, Senator Uppill (from 1st October, 1936), Mr. Speaker, Mr. Drakeford, Mr. Gardner, Mr. R. Green, Mr. James, Mr. Martens, and Mr. Price.

LIBRARY.—Mr. Speaker (Chairman), the President, Senator Collett, Senator Collings, Senator Dein, Senator Duncan-Hughes, Senator James McLachlan, Senator Millen, Mr. Abbott, Mr. Brennan, Sir Donald Cameron, Mr. Francis, Dr. Maloney, and Mr. Rosevear.

PRINTING.—Senator J. B. Hayes (Chairman), Senator Badman, Senator Cox, Senator Hardy, Senator Leckie, Senator Allan MacDonald, Senator J. V. MacDonald, Mr. Frost, Mr. Gander, Mr. A. Green, Mr. Hutchinson, Mr. Jennings, Mr. McBride, and Mr. McEwen.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Collings, Senator Crawford, Senator Gibson, Senator Guthrie, Senator Payne, Senator Plain, and Senator Uppill.

REGULATIONS AND ORDINANCES.—Senator Abbott, Senator Brown, Senator Collett, Senator Cooper, Senator Duncan-Hughes, Senator J. V. MacDonald, and Senator McLeay.

STANDING ORDERS.—The President, the Chairman of Committees, Senator Brown, Senator Crawford, Senator Hardy, Senator Herbert Hays, Senator E. B. Johnston, Senator A. J. McLachlan, and Senator Plain.

HOUSE OF REPRESENTATIVES.

STANDING ORDERS.—Mr. Speaker (Chairman), the Prime Minister, the Chairman of Committees, the Leader of the Opposition, Mr. Beasley, Mr. Blackburn, Sir Littleton Groom (to 6th November, 1936), Mr. Makin, and the Right Hon. Earle Page.

THE ACTS OF THE SESSION. (FIFTH PERIOD.)

AIR NAVIGATION ACT 1936 (No. 93 of 1936)—

An Act to amend the *Air Navigation Act* 1920.

APPLE AND PEAR BOUNTY ACT (No. 2) 1936 (No. 46 of 1936)—

An Act to amend the *Apple and Pear Bounty Act* 1936.

APPROPRIATION ACT 1936-37 (No. 59 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June One thousand nine hundred and thirty-seven and to appropriate the Supplies granted by the Parliament for that year.

APPROPRIATION (WORKS AND BUILDINGS) ACT 1936-37 (No. 31 of 1936)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June, One thousand nine hundred and thirty-seven for the purposes of Additions, New Works, Buildings, &c., and to appropriate such sum.

AUSTRALIAN SOLDIERS' REPATRIATION ACT 1936 (No. 67 of 1936)—

An Act to amend sections forty-five F, forty-five L, forty-five AO, forty-five AD, forty-five AE and forty-five AG of the *Australian Soldiers' Repatriation Act* 1920-1935, to repeal sections forty-five AF, forty-five AN and forty-five AO of that Act and to enact other sections in lieu thereof, and to insert in that Act a new section forty-five AGA.

BILLS OF EXCHANGE ACT 1936 (No. 74 of 1936)—

An Act to amend the *Bills of Exchange Act* 1909-1932.

COINAGE ACT 1936 (No. 86 of 1936)—

An Act to amend the *Coinage Act* 1909.

COLONIAL LIGHT DUES COLLECTION ACT 1936 (No. 90 of 1936)—

An Act to amend the *Colonial Light Dues Collection Act* 1932-1934 and for other purposes.

COLONIAL LIGHT DUES (RATES) ACT 1936 (No. 91 of 1936)—

An Act to amend the *Colonial Light Dues (Rates) Act* 1932.

COMMONWEALTH PUBLIC SERVICE ACT 1936 (No. 72 of 1936)—

An Act to amend the *Commonwealth Public Service Act* 1922-1934.

COMMONWEALTH PUBLIC WORKS COMMITTEE ACT 1936 (No. 92 of 1936)—

An Act to amend the *Commonwealth Public Works Committee Act* 1913-1921 and for other purposes.

COMMONWEALTH RAILWAYS ACT 1936 (No. 87 of 1936)—

An Act to amend the *Commonwealth Railways Act* 1917-1925.

CUSTOMS ACT 1936 (No. 85 of 1936)—

An Act to amend section one hundred and fifty-one A of the *Customs Act* 1901-1935 and to insert in that Act a new section one hundred and fifty-one B.

CUSTOMS TARIFF (No. 2) 1936 (No. 68 of 1936)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF (No. 3) 1936 (No. 76 of 1936)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF (No. 4) 1936 (No. 80 of 1936)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF (CANADIAN PREFERENCE) (No. 2) 1936 (No. 70 of 1936)—

An Act to amend the *Customs Tariff (Canadian Preference)* 1934, as amended by the *Customs Tariff (Canadian Preference)* 1936.

CUSTOMS TARIFF (CANADIAN PREFERENCE) VALIDATION ACT 1936 (No. 53 of 1936)—

An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.

CUSTOMS TARIFF (EXCHANGE ADJUSTMENT) ACT (No. 2) 1936 (No. 69 of 1936)—

An Act to amend the *Customs Tariff (Exchange Adjustment) Act* 1933-1934, as amended by the *Customs Tariff (Exchange Adjustment) Act* 1936.

THE ACTS OF THE SESSION—*continued.*

CUSTOMS TARIFF (EXCHANGE ADJUSTMENT) ACT (No. 3) 1936 (No. 77 of 1936)—

An Act to amend the *Customs Tariff (Exchange Adjustment) Act 1933–1934*, as amended by the *Customs Tariff (Exchange Adjustment) Act 1936* and by the *Customs Tariff (Exchange Adjustment) Act (No. 2) 1936*.

CUSTOMS TARIFF (EXCHANGE ADJUSTMENT) ACT (No. 4) 1936 (No. 81 of 1936)—

An Act to amend the *Customs Tariff (Exchange Adjustment) Act 1933–1934*, as amended by the *Customs Tariff (Exchange Adjustment) Act 1936*, by the *Customs Tariff (Exchange Adjustment) Act (No. 2) 1936*, and by the *Customs Tariff (Exchange Adjustment) Act (No. 3) 1936*.

CUSTOMS TARIFF (EXCHANGE ADJUSTMENT) VALIDATION ACT 1936 (No. 52 of 1936)—

An Act to provide for the Validation of Adjustments in Duties of Customs under Customs Tariff (Exchange Adjustment) Proposals.

CUSTOMS TARIFF (INDUSTRIES PRESERVATION) ACT 1936 (No. 82 of 1936)—

An Act to amend the *Customs Tariff (Industries Preservation) Act 1921–1933*.

CUSTOMS TARIFF (PAPUA AND NEW GUINEA PREFERENCE) 1936 (No. 84 of 1936)—

An Act relating to Duties of Customs on goods imported into Australia from the Territory of Papua or the Territory of New Guinea.

CUSTOMS TARIFF VALIDATION ACT 1936 (No. 51 of 1936)—

An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.

DEFENCE EQUIPMENT ACT 1936 (No. 55 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of Two million pounds for Naval Construction, for other Defence purposes and for the Development of Civil Aviation.

FEDERAL AID-ROADS ACT 1936 (No. 63 of 1936)—

An Act to authorize the Execution by or on behalf of the Commonwealth of Agreements between the Commonwealth and the States in relation to the Construction, Re-construction, Maintenance or Repair of Roads, and to make provision for the carrying out thereof.

FINANCIAL RELIEF ACT (No. 2) 1936 (No. 29 of 1936)—

An Act to amend laws relating to Financial Emergency, and for other purposes.

FINANCIAL RELIEF ACT (No. 3) 1936 (No. 73 of 1936)—

An Act to amend the *Financial Relief Act (No. 2) 1936* in relation to Adjustments of salaries, wages, pay and allowances by reason of Variations in the Cost of Living.

INCOME TAX ACT 1936 (No. 66 of 1936)—

An Act to impose a Tax upon Incomes.

INCOME TAX ASSESSMENT ACT (No. 2) 1936 (No. 88 of 1936)—

An Act to repeal the provisions of the *Income Tax Assessment Act 1936* relating to the special property tax, to amend the provisions of that Act relating to leases of land, and to amend sections twenty-three, thirty-six, thirty-seven, seventy-two, seventy-eight, one hundred and fifty-nine, one hundred and seventy and two hundred and eighteen of that Act.

INVALID AND OLD-AGE PENSIONS APPROPRIATION ACT 1936 (No. 50 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for Invalid and Old-age Pensions.

LANDS ACQUISITION ACT 1936 (No. 60 of 1936)—

An Act to amend the *Lands Acquisition Act 1906–1934*.

LOAN APPROPRIATION ACT 1936 (No. 30 of 1936)—

An Act to authorize the Expenditure of a certain Sum of Money.

NATIONALITY ACT 1936 (No. 62 of 1936)—

An Act to amend the *Nationality Act 1920–1930*.

NORTHERN TERRITORY REPRESENTATION ACT 1936 (No. 65 of 1936)—

An Act to amend section five of the *Northern Territory Representation Act 1922–1925*.

ORANGE BOUNTY ACT (No. 2) 1936 (No. 44 of 1936)—

An Act to provide for the Payment of a Bounty on the Export of Oranges from the Commonwealth during the year One thousand nine hundred and thirty-six.

PAPUA AND NEW GUINEA BOUNTIES ACT 1936 (No. 83 of 1936)—

An Act to amend the *Papua and New Guinea Bounties Act 1926*.

PETROLEUM OIL SEARCH ACT (No. 2) 1936 (No. 89 of 1936)—

An Act to amend the *Petroleum Oil Search Act 1936*.

PRUNE BOUNTY ACT (No. 2) 1936 (No. 43 of 1936)—

An Act to amend the *Prune Bounty Act 1936*.

REFERENDUM (CONSTITUTION ALTERATION) ACT 1936 (No. 61 of 1936)—

An Act to amend the *Referendum (Constitution Alteration) Act 1906–1928*.

SALES TAX ACT (No. 1) 1936 (No. 32 of 1936)—

An Act to amend the *Sales Tax Act (No. 1) 1930–1931*.

SALES TAX ACT (No. 2) 1936 (No. 33 of 1936)—

An Act to amend the *Sales Tax Act (No. 2) 1930–1931*.

SALES TAX ACT (No. 3) 1936 (No. 34 of 1936)—

An Act to amend the *Sales Tax Act (No. 3) 1930–1931*.

SALES TAX ACT (No. 4) 1936 (No. 35 of 1936)—

An Act to amend the *Sales Tax Act (No. 4) 1930–1931*.

SALES TAX ACT (No. 5) 1936 (No. 36 of 1936)—

An Act to amend the *Sales Tax Act (No. 5) 1930–1931*.

SALES TAX ACT (No. 6) 1936 (No. 37 of 1936)—

An Act to amend the *Sales Tax Act (No. 6) 1930–1932*.

SALES TAX ACT (No. 7) 1936 (No. 38 of 1936)—

An Act to amend the *Sales Tax Act (No. 7) 1930–1931*.

SALES TAX ACT (No. 8) 1936 (No. 39 of 1936)—

An Act to amend the *Sales Tax Act (No. 8) 1930–1931*.

SALES TAX ACT (No. 9) 1936 (No. 40 of 1936)—

An Act to amend the *Sales Tax Act (No. 9) 1930–1935*.

SALES TAX AMENDMENT ACT 1936 (No. 78 of 1936)—

An Act to amend the Law relating to the Imposition, Assessment, Collection, and Recovery of a Tax upon the sale value of goods.

SALES TAX EXEMPTIONS ACT 1936 (No. 41 of 1936)—

An Act to amend the *Sales Tax Exemptions Act 1935*.

SOUTH AUSTRALIA GRANT ACT 1936 (No. 49 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the purposes of Financial Assistance to the State of South Australia.

SPECIAL ANNUITY ACT 1936 (No. 45 of 1936)—

An Act to provide for the payment of an Annuity to the Widow of the late William James McWilliams, Esquire.

STATES' GRANTS ACT 1936 (No. 54 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund sums for the purposes of Financial Assistance to the States of the Commonwealth.

STATES GRANTS (UNEMPLOYMENT RELIEF) ACT 1936 (No. 71 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund sums for the purposes of Financial Assistance to the States of the Commonwealth in the provision of Assistance to persons out of employment.

SUPPLY ACT (No. 2) 1936–37 (No. 28 of 1936)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June One thousand nine hundred and thirty-seven.

TASMANIA GRANT ACT 1936 (No. 48 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the purposes of Financial Assistance to the State of Tasmania.

THE ACTS OF THE SESSION—*continued..*

TRADE AGREEMENT (BELGIUM) ACT 1936 (No. 57 of 1936)—

An Act to approve a Provisional Commercial Agreement between the Government of the Commonwealth of Australia and the Government of Belgium and Undertakings given in relation to that Agreement.

TRADE AGREEMENT (CZECHOSLOVAKIA) ACT 1936 (No. 56 of 1936)—

An Act to approve a Treaty of Commerce made between the Commonwealth of Australia and the Czechoslovak Republic, the Final Protocol to that Treaty, and Undertakings given in relation to that Treaty.

TRADE AGREEMENT (FRANCE) ACT 1936 (No. 79 of 1936)—

An Act to approve an Agreement contained in an Exchange of Notes between the Government of the Commonwealth of Australia and the Government of the French Republic.

TRADE AGREEMENT (SOUTH AFRICA) ACT 1936 (No. 58 of 1936)—

An Act to ratify and approve an Agreement between His Majesty's Governments in the Union of South Africa and the Commonwealth of Australia in relation to Duties of Customs.

TRADE COMMISSIONERS ACT 1936 (No. 64 of 1936)—

An Act to amend the *Trade Commissioners Act* 1933.

TRADE MARKS ACT 1936 (No. 75 of 1936)—

An Act to amend section one hundred and fifteen of the *Trade Marks Act* 1905–1934.

WESTERN AUSTRALIA GRANT ACT 1936 (No. 47 of 1936)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the purposes of Financial Assistance to the State of Western Australia.

WINE OVERSEAS MARKETING ACT 1936 (No. 94 of 1936)—

An Act to amend the *Wine Overseas Marketing Act* 1929–1934 and for other purposes.

WOOL TAX ASSESSMENT ACT (No. 2) 1936 (No. 42 of 1936)—

An Act to amend the *Wool Tax Assessment Act* 1936.

BILLS OF THE SESSION.

(FIFTH PERIOD.)

ACTS INTERPRETATION BILL. Initiated in Senate. Advanced to consideration of House of Representatives' Message.

ARBITRATION (PUBLIC SERVICE) BILL. Initiated in House of Representatives and advanced to committee stage in previous period.

BANKRUPTCY BILL. Initiated in House of Representatives. Advanced to second reading stage.

BRITISH SHIPPING PROTECTION BILL. Initiated in Senate. Advanced to second reading.

COMMONWEALTH RAILWAYS BILL. Initiated in House of Representatives and advanced to second reading in previous period.

***CONSTITUTION ALTERATION (AVIATION) BILL.**

***CONSTITUTION ALTERATION (MARKETING) BILL.**

CRIMES BILL. Initiated in Senate and advanced to committee stage in previous period.

IMMIGRATION BILL. Initiated in House of Representatives and advanced to second reading in previous period.

LONDON NAVAL TREATY BILL. Initiated in Senate. Advanced to second reading.

NEW GUINEA BILL. Initiated in Senate and advanced to second reading in previous period.

SERVICE AND EXECUTION OF PROCESS BILL. Initiated in House of Representatives and advanced to committee stage in previous period.

STATUTE OF WESTMINSTER ADOPTION BILL. Initiated in House of Representatives. Advanced to second reading.

* Passed by both Houses and awaiting a referendum of the people.

CONTENTS

TUESDAY, 27 OCTOBER 1936

CHAMBER

Papers.....	1282
Commonwealth Oil Refineries Limited	
Report and Balance-Sheet	1282
Northern Territory	
Appointment of Administrator	1282
Question	
TRADE DIVERSION	1288
Question	
MIGRATION.....	1289
Question	
REPATRIATION.....	1289
Question	
CEMENT DUTIES	1289
Question	
VISCOUNT ELIBANK AND SIR MONTAGUE BURTON	1290
Question	
AERO CLUBS.....	1290
Personal Explanation.....	1290
Question	
ENGLAND- AUSTRALIA AIR MAIL	1291
Question	
TELEPHONE CHARGES	1291
Question	
WAR SERVICE HOMES	1292
Question	
NATIONAL INSURANCE	1292
Question	
MONETARY AND BANKING SYSTEMS.....	1292
Question	
WATERSIDE LABOUR	1292
Kennedy By-election.....	1292
The Late Mr. Edmund Jowett	1293
Constitution Alteration (Marketing) Bill 1936	
Second Reading.....	1293

QUESTIONS IN WRITING

Answers To Questions

Broadcasts of Speeches Through National Stations: Cricket Broadcasts.....	1345
Canberra : Official Transport Service.....	1345
Newspaper Circulation: Wireless Licences	1346
Lady Northcote Trust	1347

NORTHERN TERRITORY.

APPOINTMENT OF ADMINISTRATOR.

Mr. ABBOTT (Gwydir).—*by leave*—Last week, during my absence in my electorate to fulfil an engagement, the honorable member for the Northern Territory (Mr. Blain) saw fit to make certain statements in regard to me. So far as I can understand the honorable member's speech, he accused me, first, of being the mouthpiece of certain speculative interests in the territory, who had endeavoured to secure finance and concessions from the Government; secondly, of having prepared a pamphlet, setting out the objectives of these speculative interests, which was not in accordance with facts; and, finally, of having some personal interest or of being pecuniarily interested in putting forward the case of the Barkly Tableland lessees. I desire to state most definitely that the charge that I am personally interested, or have any pecuniary interest, in this particular matter, is absolutely false. I have no interest in any land either in Queensland or in the Northern Territory, nor has any member of my family. All the land interests that I have are in the State of New South Wales. I have always regarded as an entirely non-party matter the development of the Northern Territory, and have so discussed it with members of all parties in this House. I am quite sure that my friend the honorable member for Kalgoorlie (Mr. A. Green), who has a motion on the notice-paper in regard to the construction of a railway from Wyndham east into the territory, will confirm the statement that I have discussed that matter with him on various occasions, and have given him certain information concerning the Wyndham meat works and the cattle treated at them, which I had collated.

Mr. A. GREEN.—That is quite true.

Mr. ABBOTT.—And from the viewpoint of development from the Queensland side I also discussed this matter with the late honorable member for Kennedy (Mr. Riordan), whose most untimely death we all very greatly deplore. He and I had even reached the stage of having made tentative plans to visit the Gulf of Carpentaria together.

The attack upon me by the honorable member for the Northern Territory is

House of Representatives.

Tuesday, 27 October, 1936.

Mr. SPEAKER (Hon. G. J. Bell) took the chair at 3 p.m., and read prayers.

PAPERS.

The following papers were presented:—

Commonwealth and State Ministers—Conference held in Adelaide, 26th to 28th August, 1936—Proceedings and Decisions. Ordered to be printed.

Meteorology Act—Regulations amended—Statutory Rules 1936, No. 133.

Naval Defence Act—Regulations amended—Statutory Rules 1936, Nos. 146, 147.

Papua Act—Ordinances of 1936—

No. 5—Shipping.

No. 6—Supplementary Appropriation (No. 1) 1935-1936.

No. 7—Sago.

No. 8—Quarantine.

No. 9—Customs Tariff.

No. 10—Supplementary Appropriation (No. 2) 1935-1936.

No. 11—Uncontrolled Area.

No. 12—Appropriation 1936-1937.

No. 13—Uncontrolled Area (No. 2).

No. 14—Shipping (No. 2).

No. 15—Uncontrolled Area (No. 3).

COMMONWEALTH OIL REFINERIES LIMITED.**REPORT AND BALANCE-SHEET.**

Mr. LYONS (Wilmot—Prime Minister).—*by leave*—I desire to inform honorable members that copies of the report of the directors, and of the balance-sheet as at the 30th June, 1936, of the Commonwealth Oil Refineries Limited, have been placed on the table of the Library.

the more incomprehensible in that both he and I attended a meeting of these Northern Territory lessees which was held in Sydney towards the end of 1935. In confirmation of that statement I desire to read a letter that I have received from the then acting secretary of that particular group of lessees, dated the 23rd October, 1936. It reads—

Dear Mr. Abbott,

With reference to meetings of the Barkly Tableland lessees in regard to the development of the tableland, a meeting was held in the latter part of 1935, at which both Mr. Blain, M.P., and yourself were present by invitation. The matter was fully discussed, and it was agreed that a statement of the whole case should be prepared by you. Mr. Blain was present during the whole of this meeting and promised the lessees his fullest support. I may add that the question of remuneration to yourself was never discussed or even thought of. The meeting expressed its appreciation of the assistance you and Mr. Blain were prepared to render in the obtaining of its objectives for the Barkly Tableland.

Yours faithfully,
(Sgd.) D'ARCY GILLIGAN.

As that letter states, it was agreed at that meeting, at which the honorable member for the Northern Territory promised his full support, that I should prepare a statement of the case for the lessees. I direct particular attention to the fact that the decision of the Government upon the scheme put forward by the lessees was conveyed to those lessees by letter from the Minister for the Interior (Mr. Paterson) dated the 6th December, 1935, and that this meeting was held subsequent to that date. It was thought that, in pamphlet form, the information which had been accumulated in relation to the problems of the Northern Territory would be useful both to the public and to the Parliament. In this connexion the honorable member for the Northern Territory promised to render all the assistance of which he was capable.

I also wish to inform the House that I have not been present at any meeting that has taken place between the Barkly Tableland lessees and any member of the Government, and that I have not introduced a deputation to any Minister. I am confident that that statement will receive confirmation from the present Minister for the Interior (Mr. Paterson), as well as from the Minister for Defence (Sir Archdale Parkhill), the honorable

member for Wentworth (Mr. E. J. Harrison) and the honorable member for Eden-Monaro (Mr. Perkins), all of whom have been Minister for the Interior within the last few years.

In the foreword to the pamphlet that I prepared, and which constituted one of the reasons for the attack upon me by the honorable member for the Northern Territory, I said this—

If this scheme is successful, and there is no reason why it should not be, undoubtedly further portions of the territory can be developed . . . notably the western section from Wave Hill and Victoria River Downs towards Wyndham. Success means closer settlement, with sheep gradually supplanting cattle upon suitable areas. This naturally means substantial increases in the white population, and a lessening of the menace which this "empty space" undoubtedly is to Australia and the British Empire. I sincerely hope that this publication will awaken interest in the Northern Territory and its problems, not only in members of the Federal Parliament, but also in the general public of the Commonwealth, who are always keen to see Australia properly developed.

The principal feature of the attack upon me by the honorable member for the Northern Territory is his accusation that I am the mouthpiece of certain speculative individuals who desire to borrow money from the Government. I have already pointed out that the decision of the Government was communicated to the lessees on the 6th December, 1935, that I took no part in their affairs or their objectives until a subsequent date, and that I had no contact whatever with any of these lessees until the meeting held in December, at which the honorable member for the Northern Territory was present.

I say emphatically, and I am sure the House will agree that I should emphasize it, that I never attempted to influence the Government in coming to a decision on the proposals put forward by the Barkly Tableland lessees, which decision was conveyed to them by the Minister for the Interior, on behalf of the Government, on the 6th December, 1935.

Mr. CURTIN.—Will the honorable member explain how he happened to come into the matter subsequent to the 6th December?

Mr. ABBOTT.—By invitation from the lessees. The letter from Mr. Gilligan that I have read states that the honorable member for the Northern Territory and I were invited to attend a meeting of the lessees, simply to discuss their difficulties.

Mr. CURTIN.—Was that invitation issued to the honorable member because he had previously been Minister for the Interior?

Mr. ABBOTT.—Because I had previously been Minister for the Interior, but also because, both in Parliament and out of it, I have taken a great interest in the development of the Northern Territory. There was no other reason.

The honorable member for the Northern Territory has accused me of an offence—if it be an offence—of which I claim that I am entirely innocent, but of which he himself is guilty, namely, that of having endeavoured to influence the Government in coming to a decision on this particular matter. As I have pointed out, I did nothing until after the Government had come to a decision. But the honorable member for the Northern Territory has repeatedly endeavoured in this House to influence the Government in that particular regard. The honorable member should have borne in mind that *Hansard* records the statements made in this House. On the 3rd October, 1935, the honorable gentleman is reported, in volume 147, page 154, to have said—

Australia as a nation has been asleep for the last 30 years, and should now be awakened to a realization of the fact that it has vast areas crying out for settlement and development . . . For the time being cattle-raising seems to be the only industry that can be carried on there. While that proposal was revolving in my mind this Parliament has been almost flippantly discussing the spending of millions of pounds on duplicating existing railway services. When those persons who pioneered the Barkly Tableland asked for government assistance for further development in that area, they were told to find the money themselves. The pioneers have proved their ability to develop the interior up to a certain point, but from that point onwards outside assistance is needed.

In his enthusiasm for this cause which, however, has waned somewhat significantly lately, the honorable gentleman went much further, and on the 30th October, according to the report at page

1137 of the same volume of *Hansard*—still prior to the decision of the Government—he said—

At the moment I do not propose to describe the Northern Territory or point out how the economic dice are loaded against its development. At some other time I propose to treat the area in detail, and suggest how its internal regional units should be delineated, in keeping with adjoining areas of the States abutting thereon. An example of an area of the Commonwealth possessed of the right to be treated as an economic unit is the Barkly Tablelands district where the cattlemen are not only deprived of a sea outlet for their beef, but also suffer in consequence of legislation passed by the Queensland Parliament relating to the buffalo fly. Surely the pastoralists in that area have the right to develop it as a self-contained economic area with government assistance to help them work out their own destiny. Even in good times their outlets to the markets are severely limited, but when drought closes the cross roads for travelling stock, the position of pastoralists in the Barkly Tableland is desperate. The Commonwealth Government should lend financial aid for the establishment of a seaport for them as a first essential to developing the area I have mentioned.

That speech goes much further than anything I have advocated. My views on this subject were crystallized in the House on the 24th September last—just a month ago—when in discussing the Northern Territory, I said that I considered that the Government's decision in regard to the request by the lessees of the Barkly Tableland was sound. I added that I thought that the Government could not advance money to any group of individuals, and urged that it should consider favorably the provision of national assets on the Barkly Tableland, I said that the rivers should be made navigable, that roads should be built, and that a port should be provided on the Gulf of Carpentaria. I added that if the Government were prepared to give favorable consideration to such a proposition the condition should impose that private enterprise should erect and operate a meat works there. That was the view I expressed in this House, and honorable members should bear in mind that the honorable member for the Northern Territory recommended the formation of "a self-contained economic unit with government assistance to help them work out their own destiny." He must, therefore, have had in mind either the formation of a chartered company or the set-

ting up of a body with local autonomy. On this point, he said—

The pioneers have proved their ability to develop the interior up to a certain point, but from that point onwards outside assistance is needed.

He now designates those pioneers as "land jobbing speculators" and implies that they are not above attempting to corrupt members of this Parliament. Those remarks show a remarkable change. I may add that I have been sitting alongside the honorable member in this House for quite a while now. Unfortunately he is not yet in attendance to-day, but we have frequently discussed these subjects, and he has invariably agreed with me.

I have no desire to occupy the time of the House at any great length, but I am obliged to direct attention to the action of the honorable gentleman in criticizing the pamphlet I have prepared both as to its literary quality and as to its accuracy. I shall not presume to defend the first charge, but in regard to the second, I point out that pages 3 to 7 of the pamphlet, which contained twelve pages altogether, dealt with the Barkly Tableland scheme, and the remaining pages with historical matters. Many honorable gentlemen who have seen and read the pamphlet—I say this with due modesty—congratulated me upon the information it contained. The statements criticized by the honorable member are not my statements but are those of experts engaged by the Commonwealth Government to report on particular propositions.

Mr. MARTENS.—The honorable member for the Northern Territory says that the Government has no experts in its employ.

Mr. ABBOTT.—It may have engaged them for this particular purpose.

Mr. LANE.—Was the report ever acted upon?

Mr. ABBOTT.—The report was made available to the Development and Migration commission, but so far as I know it has not yet been tabled in Parliament. I was able to obtain certain extracts from it from information supplied to me by the lessees themselves, but I would put the ability and knowledge of those experts even higher than that of the honorable member for the Northern Territory, although I may say that when he sought employment in the Northern Territory

in 1929 I, as Minister, approved of his engagement there as a surveyor.

In defence of the pamphlet that has been criticized I cite the following passages from a letter written to me by Dr. Grenfell Price, M.A., F.R.G.S., of the Adelaide University, whose book on the Territory, as honorable members know, is regarded as a standard work. In a letter to me dated the 18th March, 1936, Dr. Price said—

Dear Mr. Abbott,

Thank you very much for your kindness in sending me a copy of your very interesting pamphlet on the Development of the Barkly Tableland. It is very kind of you to have made such full references and acknowledgments to the Macrossan Lectures. It is a very great satisfaction to see that one's work is of some practical use. From what one reads and what one sees one feels that you are working on the only area up there which has a real chance of development. You have made such a thorough study of the question that a layman cannot offer any criticisms or suggestions of value.

As additional evidence that I endeavoured to write without bias I inform honorable members that when my pamphlet was first published it contained extracts from a report which I had myself furnished to the Government after visiting the Territory in 1929 when I was Minister for Home Affairs, and which was tabled in Parliament in 1930. Some of these extracts referred to a large pastoral firm in the Territory with British interests, the representative of which took exception to certain criticisms that I had made and threatened legal proceedings for an injunction. Although I was advised that the statements referred to were fair criticism and not libellous, I had them excised and the pamphlet reprinted without them. I did this not because I was afraid of the threat of legal proceedings but because I desired, above all things, that no bad feelings should be engendered among different sections of the Northern Territory. I wished for a general understanding among the people so that the developmental works that might be put in hand would be beneficial to all sections. It was for this reason that the excisions were made.

When I visited the territory on that occasion I travelled by air. This also has been the subject of some criticism. I, therefore, wish to say that I travelled by air with the approval of the Cabinet

and by the express desire of the late Colonel Brinsmead, who was then Director of Civil Aviation. He represented that the forced landing of the *Southern Cross*, with the late Sir Charles Kingsford Smith and Mr. Charles Ulm on board, in the north-west of Western Australia, had given a distinct check to flying and might hinder the development of civil aviation in the interior. Therefore, at his request, I took the risk of flying over the Northern Territory in a single-engined aeroplane in order to show that it was safe. I travelled 6,000 miles on that trip and kept to schedule right through. Definitely I flew to the Territory in conformity with the wish of the late Colonel Brinsmead. In the report that I subsequently made to the Government I endeavoured to make recommendations on as comprehensive a basis as possible for the benefit of the whole territory. I urged that additional air services should be provided to reduce the sense of isolation of the people, that train services and freights and fares should be reduced and that new stock routes with additional water facilities should be provided to the rail head at Alice Springs. Most of these recommendations have since been adopted by sympathetic administrations. I also recommended that the construction of a railway line from Cloncurry or Mount Isa to Camooweal should be the subject of discussion with the Queensland Government and that, if possible, the Commonwealth and Queensland Governments should co-operate in the undertaking. That shows, I submit, that I desired the development of the whole of the territory.

I feel these charges deeply, because, in common with other honorable members, I have taken a deep interest in this portion of the Commonwealth, and have been keenly desirous that it should become an asset to Australia. Notwithstanding that I knew well that for half a century the Northern Territory had been the graveyard of reputations and the despair of governments, I was eager to grapple with its problems in the hope of finding a solution. The honorable member's speech, with its attacks, insinuations, and personal abuse, is a poor reward for my efforts. It certainly does not enhance the honorable mem-

ber's prestige as a member of this Parliament.

In conclusion, I inform the House that a few months ago, when speaking to the honorable member for Martin (Mr. McCall) in the Commonwealth offices, Sydney, the honorable member for the Northern Territory approached me and said that he had heard at Tennant Creek that I was likely to be appointed Administrator of the Northern Territory. Notwithstanding that I declined to discuss the matter, the honorable member for the Northern Territory proffered his congratulations. In his own inimitable way he said: "The blokes up there reckon they are getting a cove who can speak their own language". But the language that the "blokes" up there speak, and that I speak, is not that used by the honorable member for the Northern Territory last week. It is a fairer language. This Parliament has always been exceedingly jealous of the reputation of its members, and rightly so. It will quickly apportion blame, and censure those deserving it, but it will be equally quick to extend protection to those against whom unfounded and unjust accusations are made. In ten years of political life I have never previously had to make an explanation of my conduct, or refute charges made against me in this House. Having shown that the accusations of the honorable member for the Northern Territory against me are fantastically baseless, I am content to leave the matter to the judgment of the House.

Mr. CURTIN (Fremantle).—*by leave*—The honorable member for the Northern Territory (Mr. Blain) is the representative in this Parliament of a voteless community. The act which gave to the white population of the Northern Territory a representative in this chamber was passed in order that the dwellers in that distant part of the Commonwealth should have a voice in this Parliament in matters which concern them particularly, and be able, perhaps, to influence its proceedings. Believing that the honorable member for Gwydir (Mr. Abbott) was to be appointed to the responsible office of Administrator of the Northern Territory, the honorable member for that district made charges which, if justified, are of such a character that the appointment,

if contemplated, should not be made. From the speech of the honorable member for Gwydir to-day it would appear that the charges against him will be difficult to sustain, and may, indeed, be entirely without justification. This House is not in a position to say whether or not the charges are justified. The accusation of the honorable member for the Northern Territory against another honorable member is a matter for the Government itself to investigate. I do not ask that any committee of this House be appointed to inquire into the charges; I merely ask that, if the Government has contemplated appointing the honorable member for Gwydir as Administrator of the Northern Territory, it will, before making the appointment, satisfy itself fully that there is no justification whatever for the charges made against him. Unless the Government can satisfy itself conclusively that the accusation is without foundation, it should select some other gentleman for the position. On the other hand—I say this quite definitely—should the Government appoint the honorable member for Gwydir as Administrator of the Northern Territory I shall take that action as an intimation to this Parliament that it has investigated the charges and regards them as being entirely without authority or justification.

MR. BLAIN (Northern Territory).—*by leave*—I regret my absence from the chamber during the early part of the speech of the honorable member for Gwydir (Mr. Abbott). I did not think that this subject would be discussed so early in to-day's proceedings. From the concluding remarks of the honorable member, which I heard, I judge that he has misinterpreted my remarks. I am reminded of the lines of Kipling—

If you can bear to hear the truth you've
spoken

Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to,
broken,

And stoop and build 'em up with worn-out
tools:

It would seem that my candid criticism of the proposed appointment of the honorable member as administrator of the Northern Territory has been construed as a personal attack on him.

MR. PATERSON.—It was undoubtedly an attack on him.

MR. BLAIN.—What I have said is evident, for in a telegram which the honorable member for Gwydir sent to me yesterday, he informed me that he intended to reply to my "attack", and expressed a desire that I should be present. My words have been twisted to make it appear that I attacked the honorable member.

MR. JOHN LAWSON.—Twisted by *Hansard*?

MR. BLAIN.—Having read the *Hansard* report of my speech, I am moved to say that my remarks could scarcely be regarded as a panegyric. They were, however, not an attack on the honorable member. The honorable member's speech to-day would lead its hearers to believe that I delight in personalities. I do not; statements of that nature are nauseating to me. My scientific training and the isolation which has characterized my work make me crave human companionship more than anything else. I do, however, claim to be acutely observant; and my observations in the Northern Territory lead me to say that the failures of the past in that portion of the continent are due to faulty personnel in connexion with its administration. That will not be so in the future, if I can prevent it. In the system which in the past led to these failures and of which the proposed appointment is a legacy, there is nothing of which we can be proud. Witness, for example, the deplorable state of the Northern Territory to-day as the result of political appointments that postulate inactivity as high policy. This type of appointment demands subservience the very inverse of positivism. Only invertebrates would accept an appointment without real authority. It is the perfect sinecure until self-government is granted to the Northern Territory. This state of affairs indicates how little is this Parliament interested in our outlying territories where our most acute problems, both technical and administrative as well as economic, exist. The result is an open gate to political wire-pulling. That is deplorable. Why should I have my intelligence insulted and violence done to my sense of reason at this stage of my

policy for the development of the Northern Territory? Appointments to our territories in the past were not made because of the ability of the appointees to be fact finding or even to co-relate facts in a tropical area; they were not made because of outstanding administrative and business ability. Can any honorable member imagine my sitting idly by and watching this inglorious farce being perpetuated, so that the territory may continue, as the honorable member for Gwydir has noted, as a "glorious harlequinade"? Surely this Parliament is aware that every administrator of the Northern Territory has left the place with an unenhanced reputation. This Parliament must not take any further risks. The conditions are such in the territory that they will put to the severest test an administrator possessing outstanding ability. It is the duty of this Government to find the right man for the job by advertising for one whose abilities are suitable to administrate in tropical regions. I object to this hole-in-the-corner method. In that respect, I am not referring to the Prime Minister (Mr. Lyons), because he can only portray what Cabinet decides, but, if this decision was made by the full Cabinet or by an absolute majority of Cabinet, I have read history for nothing and studied human nature to no purpose. A lot of money is being spent in the territory on defences, military and naval, and I am surely right in attempting to pierce the distant veil of the future by asserting that much more will be spent there. Yet there exists the distressing spectacle of just a handful of whites, about 1,400 in Darwin, and only a sprinkling in the hinterland. It is a state of affairs which must be altered. This, therefore, is a national appointment, and the Government should have a national outlook. I object to the appointment being treated in the manner proposed. Surely the Government will agree with me that the position calls for the highest qualities of personnel charged with the administration of the territory. I shall pass over the limitations of the honorable member for Gwydir in that respect. The Government did one good thing, in which I claim to have participated, in appointing an outstanding Queenslander in Mr. Pavne who has done so much to

map down a policy for Queensland. What I do stress again, as I did before, is that I feel that the honorable member for Gwydir—and I do not think that he should take this as personal—cannot accept the appointment for the reasons which I stressed in my speech, and which I again do not wish to be taken as personal. The honorable member could not go there without feeling biased in favour of those for whom he has become the mouthpiece, and, accordingly, I ask him to withdraw, and also not to say again, that I have made a personal attack on him.

TRADE DIVERSION.

AUSTRALIAN MANUFACTURE OF MOTOR VEHICLES.

Mr. BEASLEY.—Has the Minister directing negotiations for trade treaties read the reported statement by the Minister for Trade and Customs (Mr. White), when referring to the establishment of the motor car industry in Australia, that "the Government may have been a bit ambitious in launching this policy"? Does he agree with that view, and will he say whether it is an indication of the nature of the whole of the Government's trade diversion policy?

Sir HENRY GULLETT.—I have read that particular sentence in my honorable colleague's speech yesterday. I entirely agree with him. It is an ambitious policy—I do not know any policy worth its salt which is not ambitious—and is one which, when I am enabled, as I hope to be within the next week or two, to place it before this House, will receive the endorsement of the honorable member for West Sydney.

Later:

Mr. E. J. HARRISON.—Can the Minister inform the House whether he has been approached by any firms desirous of taking advantage of the generous assistance offered by the Government to promote the manufacture of motor car engines in Australia? If not, does the Minister consider the complete manufacture of motor cars in this country to be an economic possibility?

Sir HENRY GULLETT.—The reply to both questions is "Yes".

Mr. McCALL.—Does the Minister for Trade and Customs consider the manufacture in Australia of motor car engines and aeroplane engines to be vitally necessary for defence reasons, in view of the possibility of a blockade in time of war? If so, is not the Government justified in embarking upon an ambitious policy in this regard?

Mr. WHITE.—The honorable member was present yesterday at the opening of works erected in Sydney for the manufacture of motor car bodies. At that ceremony the honorable member for Wentworth (Mr. E. J. Harrison) stated that he did not think it was possible to make motor car engines in Australia on a commercial basis, but I strongly defended the Government's attitude in this regard.

Mr. E. J. HARRISON.—Does the Minister for Trade and Customs consider that the manufacture of motor car and aeroplane engines in Australia will be of any advantage from the viewpoint of defence, particularly as no provision has been made for the production of petrol in the Commonwealth?

Mr. WHITE.—I think that the honorable member, upon a little reflection, will consider that it is better to make provision beforehand than to wait until a war starts before the manufacture of any material is contemplated. I point out that the Commonwealth Government has a policy in regard to the production of petrol in Australia; it has plans regarding the Newnes shale oil deposits and it has the Commonwealth Oil Refineries, which is refining crude oil at the moment, and a certain amount of crude oil is found in Australia.

MIGRATION.

Mr. SCHOLFIELD.—Has the Prime Minister seen the report that intending migrants to Australia cannot obtain from Australia House useful information regarding prospects of settlement in Australia? Will the Government take steps to see that practical information other than tourist propaganda is supplied to intending migrants?

Mr. LYONS.—I have seen the statement, and as the result I am taking the matter up and having an investigation made.

Mr. WARD.—When the Government is preparing the information to be supplied to intending migrants to Australia, will the Prime Minister include the number of unemployed in this country, the number of part-time and relief workers, the number of workers who have been evicted from their homes in recent years, the food relief scale, and also a copy of the statement made recently by the Minister for Repatriation that a large number of Australian citizens suffer from malnutrition due to the low-wage standards prevailing in this country?

Mr. LYONS.—No. When I propose to submit a statement based upon a cry of stinking fish, I shall get the honorable member to prepare it.

REPATRIATION.

PENSIONS FOR RETURNED SOLDIERS' CHILDREN.

Mr. WATKINS.—Will the Minister for Repatriation consider further amending the Repatriation Act to enable the children of deceased war pensioners to receive the full rate of pension instead of a pension decided on a percentage basis according to the pension paid to the late returned soldier?

Mr. HUGHES.—The question the honorable gentleman has raised involves, of course, a radical departure from the settled policy of the Repatriation Act, but I shall make inquiries into the matter, and, if they seem to make out a *prima facie* case in the direction the honorable gentleman has indicated, I shall submit it to my colleagues for Cabinet consideration.

CEMENT DUTIES.

Mr. FRANCIS.—Will the Minister for Trade and Customs inform me what will be the position of the cement industry on and after the 1st December next when the new duties proposed by this Parliament come into operation? Does the Government propose to re-examine the Australian Industries Preservation Act in relation to the cement industry?

Mr. WHITE.—On the 1st December, British cement will be duty free as the result of the automatic application of

the Customs Tariff passed in this Parliament at the end of the tariff debate. Regarding the Australian Industries Preservation Act, as I made clear during that debate, the Government will permit no unfair trade or dumping. If the Act is inadequate to ensure that, as I made clear in Adelaide, it will be overhauled and made effective. The Act is being looked into at the moment, because it has been found that it does not cover dumping under cut freights.

Mr. CURTIN.—That is an admission which is contrary to what was claimed during the tariff debate.

Mr. WHITE.—I am speaking generally and I am not referring particularly to cement.

Mr. CURTIN.—But it would include cement?

Mr. WHITE.—Yes. The cement manufacturers have brought forward additional facts regarding oversea costs which have been referred to the Tariff Board for further inquiry.

Later:

Mr. FORDE.—When does the Minister for Trade and Customs expect to receive from the Tariff Board a report on the new facts supplied to him by the cement industry? Will he give an undertaking that the existing duty will be continued beyond the 1st December, 1936, if necessary in order to afford Parliament an opportunity, before the duty lapses, to give full consideration to the new facts which have been submitted by the cement manufacturers.

Mr. WHITE.—As a former Minister for Trade and Customs, the honorable member is well aware that the Tariff Board arranges its own time-table. When the inquiry is complete, the Government will receive and consider the report, and if any action is considered to be necessary, it will be taken.

Mr. FORDE.—That may be in six months' time.

Mr. WHITE.—I replied to the first part of the honorable gentleman's question previously.

Mr. FORDE.—In view of the uncertainty as to when the Tariff Board's report on the new facts relating to the cement industry will be received, will the Minister give a definite undertaking to the House that the existing duties on

cement will be continued after the 1st December, 1936, if necessary, in order that honorable members can rest assured that no further injustice will be done to this industry?

Mr. WHITE.—No.

VISCOUNT ELIBANK AND SIR MONTAGUE BURTON.

VISIT TO AUSTRALIA.

Mr. MULCAHY.—Is it a fact that Viscount Elibank and Sir Montague Burton are to visit Australia as guests of the Commonwealth Government? Can the Prime Minister indicate what advantage to Australia is expected to accrue from having these gentlemen as guests of this country?

Mr. LYONS.—The gentlemen referred to will not come to Australia as guests of the Commonwealth Government. They are paying a visit to Australia as representatives, I think, of chambers of commerce, and not at the special invitation or as guests of the Commonwealth Government.

AERO CLUBS.

Mr. STREET.—Is it a fact that an alteration is contemplated of the arrangements made between the aero clubs and the Defence Department, and, if so, will the Minister for Defence indicate the nature of the fresh arrangements?

Sir ARCHDALE PARKHILL.—Inquiries have been proceeding, and consideration has been given recently to the conditions under which aero clubs are assisted by the Commonwealth Government and to the value of the assistance rendered. No report has yet reached me on the subject, and, therefore, I am not in a position at the moment to give the honorable member a complete reply to his question. I have seen indefinite references to this matter in the newspapers.

PERSONAL EXPLANATION.

Mr. LAZZARINI.—I rise to make a personal explanation. On Friday last I asked the Attorney-General—

In the Attorney-General aware of the formation in New South Wales of an association to achieve the almost impossible task of promoting fair and honorable practice among barristers, and has the formation of this organization the approval of the Attorney-General?

The Minister replied as follows:—

In spite of the obvious fact that the honorable member has suffered in the past at the hands of barristers, the answer to his question is "No".

I desire to inform the House that that gratuitous statement is as inaccurate as are most of the statements made by the Minister in this House.

Mr. SPEAKER.—Order!

Mr. LAZZARINI.—As a matter of fact, I have not suffered at the hands of barristers.

Mr. MENZIES.—But the honorable member probably will.

Mr. LAZZARINI.—Up to the present time, I am happy to be able to say that I have been able to keep out of the hands of the "devil's brigade".

ENGLAND-AUSTRALIA AIR MAIL.

Mr. CLARK.—Has the Minister for Defence seen in the press the following: "A move will be made in the Federal Cabinet to-morrow to have the Empire air mail plan settled on the basis that Australia shall control the section from Singapore to Darwin. The control of the route from Singapore to Sydney is regarded as a compromise"? Is there any truth in this report, and has any definite decision on the matter been reached by the Government?

Sir ARCHDALE PARKHILL.—I have not seen the report, and, therefore, I cannot supply the information sought.

Later:

Mr. CLARK.—Will the Minister for Defence state whether the Government has come to any decision in connexion with the attitude which it will adopt in regard to the Singapore-Australia section of the overseas air mail route? If so, is he in a position to make a statement to the House upon the matter?

Sir ARCHDALE PARKHILL.—The House has been informed as to the negotiations which are taking place in regard to this matter, and as soon as finality is reached a complete statement will be made to Parliament on the subject.

Mr. BEASLEY.—Has it been brought under the notice of the Minister for Defence that a motion picture magazine featuring the *March of Time* series published a photograph of Sir Eric Geddes in the course of delivering

a speech, in which he is reported to have stated, *inter alia*, that a bi-weekly, seven-day air mail service, operated by flying boats would be inaugurated between Great Britain and Australia? When will this House receive from a Minister the information that it ought to have instead of having to secure it by other processes, particularly in view of the fact that other people are making references to this subject?

Sir ARCHDALE PARKHILL.—Neither I, nor the Government, accepts any responsibility for the information referred to by the honorable member. So far as the negotiations respecting the overseas air mail proposals are concerned, I have explained on numerous occasions that this matter has involved a considerable number of inquiries both in Australia and abroad, and for various reasons it has not been possible to complete them as expeditiously as the Government would like. However, much of this work has now been done, and I believe that I am entitled to say that the investigation and consideration of the proposal are approaching finality. When that stage is reached a full statement will be made upon it at the earliest possible date.

TELEPHONE CHARGES.

Mr. NAIRN.—I direct the attention of the Minister representing the Postmaster-General to the activities of the Telephone Users Association, of 31 Grenfell-street, Adelaide. Representatives of this body solicit subscriptions in Perth, and claim that the association can exert pressure to secure a reduction of telephone rentals. Does this association receive any recognition by the department, or has it any influence which would justify it in collecting money from credulous persons? I should also like to know what principles are followed in fixing telephone rates, and how the rates in Australia compare with those overseas?

Sir ARCHDALE PARKHILL.—The organization referred to is probably similar to one that existed in New South Wales some time ago. That was a purely commercial body, which had within itself any virtues it may have possessed, and it has no official recognition. The

Postmaster-General informs me that the rates and conditions laid down by regulations are on a liberal basis, which are considered fair and reasonable in the circumstances obtaining in Australia. As the basis of the charges varies in different countries, the Postmaster-General further points out that it is somewhat difficult to make a price comparison, but the rates in Australia compare very favorably with, and in most instances are more liberal than those charged in any other English-speaking country.

WAR SERVICE HOMES.

Mr. JAMES.—Is the Minister in charge of War Service Homes aware that his department is prosecuting returned soldiers who have been evicted from war service homes in the coal-fields area at Cessnock, and requisitioning that they appear at Sydney, 140 miles away, to show cause why they should not pay the sums in respect of which they are in arrears? In view of the unfortunate circumstances of these ex-soldiers, who have been evicted through unemployment, does not the Minister consider that the department would be rendering them a good service if it waived its claim for arrears instead of prosecuting them?

Mr. HUNTER.—I am not aware that the department has prosecuted any person in Newcastle, and I do not believe the honorable member has the full facts before him. If he places the details of any particular case before me, I shall have inquiries made regarding it, and full information will be supplied to him.

NATIONAL INSURANCE.

Mr. JENNINGS.—In view of the fact that Sir Walter Kinnear has left for London, will the Treasurer inform the House whether the report of the British experts on national insurance has been completed? If so, will it be laid upon the table of the House in order that honorable members may inform themselves of its contents?

Mr. CASEY.—No, the report is not yet complete. It is actually far from being complete, but all the work that Sir Walter Kinnear could do in Australia has been done, and he will complete his report upon his return to England, when it will be made available to the Government.

MONETARY AND BANKING SYSTEMS.

Mr. FRANCIS.—Has the Prime Minister yet received the report of the Royal Commission on Monetary and Banking Systems? If not, does the right honorable gentleman know when it is likely to be received, or will he make inquiries to ascertain when it is likely to be available?

Mr. LYONS.—I think that the honorable gentleman knows that the report has not been received. I understand that there are about four witnesses who have yet to be called, but it is not expected that the hearing of their evidence will occupy any considerable length of time. I have no information as to how long the preparation of the report will take.

WATERSIDE LABOUR.

Mr. HOLLOWAY.—Has the Attorney-General any further information in regard to the issue of preference licences to waterside workers at Port Melbourne?

Mr. MENZIES.—Not yet.

KENNEDY BY-ELECTION.

Mr. SPEAKER (Hon. G. J. Bell).—My attention has been drawn to a report published in the Melbourne *Sun-Pictorial* of Friday, the 23rd October, in which it is stated that stories of political tactics lie behind the announcement in connexion with the issue of a writ for the by-election for Kennedy. It is further stated that in fixing the dates of the election, the Speaker has acted against the written advice of the Commonwealth Electoral Officer. I wish to inform the House that there is not the slightest ground for the statement in regard to political tactics. No member of the House approached me in connexion with the issue of the writ, and it is almost needless to add that, as Speaker, I could not in any way be influenced in a matter such as this.

As regards the views of the electoral officer as to delaying the election, it is a fact that a letter was sent by him to the Clerk of the House presenting certain reasons for delaying the issue of the writ. This letter received my consideration upon my return to Canberra on Wednesday last. On the following day, at my request, the Chief Electoral Officer came to see me. I discussed with him the

several points which he had raised and, after consideration, he expressed concurrence with my own view that a vacancy in the House should be filled as early as was practicable—indeed, on further consideration, this officer advanced other strong reasons against undue delay in filling this vacancy. The fixation of dates in connexion with the election has been made entirely in accordance with advice sought from the Chief Electoral Officer, and not in conflict with any of his views.

THE LATE MR. EDMUND JOWETT.

Mr. SPEAKER.—I have received a letter from Mr. A. C. Jowett, on behalf of the family of the late Mr. Edmund Jowett, thanking the House for its resolution of sympathy.

CONSTITUTION ALTERATION (MARKETING) BILL 1936.

SECOND READING.

Debate resumed from the 23rd October (*vide page 1276*) on motion by Mr. MENZIES—

That the bill be now read a second time. Upon which Mr. CURTIN had moved, by way of amendment—

That all the words after "That" be omitted, with a view to insert in lieu thereof the words—"this House is of opinion that the proposed alteration of the Constitution is inadequate, and that the referendum costing approximately £100,000 should have for its purpose such alteration of the Constitution as would grant to this Parliament wider and more comprehensive powers."

Mr. PRICE (Boothby) [4.1].—Although the subject-matter of the bill is largely one for legal minds, it is only right that laymen should also express their opinions upon a matter of such great importance to the whole Commonwealth. When introducing the measure, the Attorney-General (Mr. Menzies), in his usual able manner, gave the history of the proceedings in the *James* case before the High Court and the Privy Council, and explained the constitutional difficulties that have arisen in consequence of the decision given by the Privy Council in that case. It is not proposed to amend section 92 of the Constitution, but to insert a new section to read—

That the provisions of the last preceding section shall not apply to laws with respect to marketing made by the Parliament in the exercise of any powers vested in the Parliament by the Constitution.

The Attorney-General made it clear that marketing laws will be made under section 51 of the Constitution, which vests in the Commonwealth power to make laws in respect of approximately 39 items, and that the proposed alteration will overcome the difficulties which have arisen. In consequence of the decision of the Privy Council in the *James* case, the Dairy Produce Export Control Act, the Wheat and Wheat Products Act, and the Dried Fruits Export Control Acts, all of which were passed by this Parliament, under what is believed were its constitutional powers, are invalid. The orderly marketing of primary produce is of vital interest to the Commonwealth, and particularly to the primary producers. At the request of certain States, this Parliament has passed legislation dealing with dried fruits, dairy produce and wheat, and consequently the State governments have their responsibilities in the matter. The decision in the *James* case has had the effect of invalidating Commonwealth marketing legislation, and also, in effect, certain State legislation. The Commonwealth not having the constitutional power to make laws with respect to marketing, it is the responsibility of the Commonwealth Government to show the people where the Constitution is defective. It is surprising to find that some State Premiers who, on behalf of their governments, asked the Commonwealth to pass marketing legislation, are opposing an alteration of the Commonwealth Constitution to give this Parliament power to pass legislation similar to that previously passed at their request. [*Quorum formed.*] At the inception of federation the Commonwealth was granted certain power, while certain residual powers were left with the States; but it was never intended that some powers could not be exercised, either by the Commonwealth or by a State. If the Constitution is not altered in the form proposed, legal effect could not be given to a system of orderly marketing previously practised, even if every parliament and every elector favoured such a system. It is therefore proposed to obtain the approval of the people to the proposed alteration, by means of a referendum. I attended the conference of

Commonwealth and State Ministers, held in Adelaide recently, where the subject of marketing was fully debated, and was disappointed to find that a unanimous decision could not be reached. We must not overlook the fact that the Commonwealth Government passed its existing marketing legislation at the specific request of the various State governments. In this instance, therefore, it is not a case of "Commonwealth versus States". The latter were vitally interested in marketing problems and the Commonwealth Government came to their aid by passing the existing legislation. In these circumstances I feel that the State Parliaments are concerned with the problem which has arisen just as much as is this Parliament and should therefore give every support to this Government's proposal. When the last Premiers Conference was being held in Adelaide recently I felt that no stone should be left unturned in an endeavour to reach an agreement on this subject. I could not understand why the Commonwealth Government assumed any responsibility whatever in this matter. I felt that it should have placed the full responsibility on the various States, and asked them to find a solution. However, this was not done, with the result that we are now confronted with a position in which the Commonwealth Government finds it expedient to submit by referendum to the people, a proposal to give it marketing powers under the Constitution. In 1900 the States, or colonies as they then were, had power to deal with interstate trade; to-day, we learn, that that power is possessed by neither the States nor the Commonwealth. In 1920 the High Court decided that section 92 did not bind the Commonwealth Government and said, in effect, that the Commonwealth could pass legislation to control marketing. It is a matter of history now that the Commonwealth, at the request of the States, did pass such legislation but that the decision of the High Court was upset by the Privy Council, in consequence of which all our legislation dealing with the marketing of dried fruits, dairy produce and wheat has been invalidated. Under our Constitution, the Privy Council is supreme judicially, and our Parliaments must, therefore, adopt other methods to meet

Mr. Price.

this serious position. In an attempt to do so this Government has brought down two bills in one of which it asks that a certain proposal be submitted by referendum to the people.

In an interview reported in the Adelaide press I gave my reasons for supporting an alteration of the Constitution to endow the Commonwealth with greater marketing powers as follows—

The only other alternative is a system of raising an excise tax and distributing the proceeds by way of bounty.

This makes for instability since yearly legislation is necessary and it is more than conceivable that Parliaments might one year refuse to pass the required Act.

Mr. ARCHIE CAMERON.—It might not pass it in any year.

Mr. PRICE.—That is so. In that interview I proceeded—

No Parliament in Australia can give the primary producers an organized marketing scheme since the Privy Council overruled *McArthur's* case and decided that section 92 bound the Commonwealth.

No legislation can be passed to control interstate trade. Consequently constitutional amendment takes no power away from the States.

I emphasize the point that if this proposal is agreed to no power will be taken from the States. The States, however, appear to fear that such would be one result of an affirmative vote at the proposed referendum. In my interview I stated further—

The amendment of the Constitution is directed merely to place the Commonwealth and States in precisely the same position as they were before the *James* case. It provides the Commonwealth with no powers other than those it possessed before the Privy Council decision and it must be remembered that while those powers were exercised, while the orderly marketing schemes obtained for wheat and butter, the States made no protest. In fact it was at the request of the States that the Commonwealth brought in orderly marketing, hence the argument that the Commonwealth wishes to extend its power is entirely fallacious.

The amendment of the Constitution aims to give the farmers a home-consumption price. Just as the secondary industries are protected against the full blast of world competition of protective tariffs so the Commonwealth wishes to protect the farmer.

The argument that prices of primary produce will go up begs the question.

Under the alternative systems of excise and bounty there would have to be a marked increase in taxation to pay the bounties. This would increase the cost of living.

It is noticeable that costs have not gone down to a marked extent since the *James* case.

By an organized marketing scheme we merely restore the price level to what it was before the *James* case.

Mr. PATERSON.—It simply keeps it there; it has not altered.

Mr. PRICE.—Yes, that is the object of this measure. I shall not support the amendment moved by the Leader of the Opposition (Mr. Curtin). The Government's proposal does not involve any particular demand for wider powers. This measure and its cognate measure simply deal with an impasse arising out of the recent decision of the Privy Council. There is a need for marketing legislation and therefore the Government's proposal has my support. I emphasize the fact that in the proposed referendum the Commonwealth Government is not going one step further than the present situation warrants. The decision of the Privy Council in the *James* case disclosed that the Commonwealth Government does not possess that power of control over interstate trade which, for years, it was believed the Commonwealth did possess. This Government now proposes merely to ask the people to grant it a power which the High Court of Australia, in a judgment, declared it possessed. I support the bill.

Mr. PERKINS (Eden-Monaro) [4.18].—I wholeheartedly support this measure. Although I agree to a certain extent with the arguments advanced by honorable members of the Opposition that it would have been better had we been able to go to the people and ask for additional powers with the object of clearing up many anomalies inherent in our Constitution, on giving fuller thought to the subject, I have come to the conclusion that probably the Government is acting very wisely in submitting to the people at this juncture one plain proposal in order that no extraneous matter may be introduced and so that the people may be enabled to concentrate on the one issue. Thus we shall be enabled to see if it is possible in Australia to carry a referendum in the affirmative. The Government is not asking for very much. It does not ask even for a restoration *in toto* of the *status quo* or even that the position should be restored to what it was prior to the

decision of the Privy Council in the *James* case. It is merely asking that it be given the power to patch up something which, if not mended, may have serious adverse results for Australia.

I cannot understand the antagonism of honorable members opposite to the Government's proposal. They profess to represent not only the workers in the cities, but also those in country districts. They get thousands of votes from men who, if not the owners of business concerns, are workers in rural industries. There has been a tremendous expansion of the dairying industry within recent years. Indeed, it is one of the few industries in Australia which were able to make any progress during the depression. It employs more persons to-day than ever before, and it has been of assistance to the country generally in that it has brought money into the country, and thus created employment, even in other industries. We all know that, had it not been for our exports, the impact of the depression would have been even more severe than it was.

It is true that the dairying industry was at one time assisted by a voluntary scheme known as the Paterson Butter Scheme, but it had become almost unworkable by the time it was abandoned, and it would be impracticable to go back to it now. It has been suggested that the industry might rely upon a bounty system, and some say that the imposition of an excise duty would achieve the same end, but I have no doubt that the only rational and effective way to organize the butter market is along the lines of the scheme in operation at the time the Privy Council gave its judgment. To enable that to be done, it is necessary to obtain an affirmative vote at the forthcoming referendum.

The judgment of the Privy Council in the *James* case, and its interpretation of section 92, came as a surprise to most people. We had all grown accustomed to the belief that the Commonwealth enjoyed power to enforce the various marketing schemes in operation. Our own High Court had said so, and this view was supported by the legislation of several of the States. All that has now gone by the board, and the existing position must be faced. If there was ever

an occasion when we should forget party and make a united appeal to the people, it is now. I agree with the Leader of the Opposition (Mr. Curtin) that many other constitutional reforms, in addition to this one, are necessary, and I hope that the Prime Minister will honour his promise, and submit the other questions to the people at a later date. In the meantime, however, I hope for the support of the Opposition in connexion with the present referendum, because I can picture the disaster which will overtake the dairying industry in my own electorate, and many other industries throughout Australia, if the referendum is not carried. In to-day's newspapers there is reference to an attempt by a neighbouring State to dump butter into New South Wales, and break down the price. If this sort of thing is allowed to continue, many dairy-farmers will be forced off the land, and the ranks of the unemployed will be swelled. Under the stimulus of organized marketing, dairy production increased enormously during recent years in established dairying districts, while the industry was taken up for the first time in the Riverina, and in the western part of New South Wales. The industry had become profitable because there was an assured export market for surplus production, and because a payable price was obtainable for the butter sold on the local market. Unfortunately, although we boast that we produce the best butter in the world, we are not able to obtain for it as high a price as is obtainable for Continental and English butter. However, we must go on improving our herds and the quality of our butter in order to suit English tastes, and, in the meantime, we must preserve our marketing organization. It seems strange to me that, although the Opposition is in favour of granting all power to the Commonwealth, even to the extent of abolishing State parliaments, it is not prepared in this instance to grant to the Commonwealth the small measure of additional power required to keep existing marketing organizations in existence. I must confess that the attitude towards referendums of whatever party has happened to be in opposition at the various times when a vote was

taken has left a good deal to be desired. The mere fact that the Government sponsored a proposition seemed to be sufficient reason for the Opposition to oppose it, with the result that powers necessary to the Commonwealth have been withheld, and Australia as a whole has suffered. I trust that the present Opposition, after mature consideration, will fall in behind the Government in support of this proposal. The Commonwealth Government enjoys a very good reputation at the present time, because it has been bringing in better budgets year after year, because it has been able to reduce taxation, and because its policy has tended to reduce the volume of unemployment. For this reason, there is probably a better chance of securing the consent of the public to the granting of greater Commonwealth powers at this time than ever before. It seems a pity that it should cost £100,000 to obtain an affirmative answer to only one question, when we could have asked and had answered, several questions at the same time, but the Government has decided to submit only one question, and it is our duty to support it.

It is not necessary for me to discuss the needs of the dried fruits industry, because that is more particularly the concern of other honorable members. I recognize that it is in exactly the same position as the dairying industry, and its future is to the same extent dependent upon the vote of the people at the forthcoming referendum. The workers of Australia, whether represented in this Parliament by Labour members, by Country party members, or by United Australia party members, will undoubtedly look for a lead from the Opposition on this question, and it is therefore incumbent upon the Opposition to come out clearly on the affirmative side. If the referendum is not carried, irreparable damage will be done to many of our exporting industries. We know the struggle which those on the land have had to face in the past even when the marketing schemes were in operation. I am anxious to do everything possible not only to assist the maintenance of those people who are at present on the land, but also to encourage the further development of primary industries. That

will be impossible unless the marketing legislation which has been rendered invalid by the Privy Council's decision is validated. I trust that the proposed alteration will be supported by all honorable members, and will be carried in the country as a whole.

Mr. BLACKBURN (Bourke) [4.31].—The proposal before the House is one that is easy to misunderstand and difficult to understand. The Commonwealth Parliament has no express power to deal with marketing. It is possible that under the power given under section 51 of the Constitution with respect to trade and commerce, taxation, and bounties, it may affect marketing. It is now proposed that if, in the exercise of any power which the Commonwealth Parliament has, it makes a law affecting marketing, that law shall not be impaired by section 92. That obviously implies that the Commonwealth is not to be the active agent in marketing legislation. The Attorney-General (Mr. Menzies) has made it perfectly clear that all that the Commonwealth is to be invited to do, and is in fact to do, is merely to supplement legislation passed on this subject by the States. In other words, the States are to be empowered to build brick walls around themselves, and the Commonwealth authority is to supply the cement by which those walls are to be held together. The Attorney-General, in his very able and plausible speech, made great play with the word "gap". We were told that the proposed alteration of the Constitution is designed to repair a "gap" in the power of the Commonwealth. In thinking, we must guard against the use of certain words that may be described as question-begging. By accepting your opponent's word you may go a good deal of the way with his argument. The word "gap" suggests something of which we disapprove. We know that there are apparently synonymous words used over and over again, but some of them suggest approval and others disapproval. The classical example of this is to be found in the famous conjugation: "I am firm; thou art obstinate; he is pig-headed". The word "firm" implies approval; the word "obstinate" implies a modified condemnation; and the word "pig-headed" implies com-

plete condemnation; but there is very little difference objectively in the idea for which each of the three words stands.

We are asked to condemn the existence of what some people are pleased to term a "gap". There are, however, a number of "gaps" in our Constitution, and no one suggests that they should be filled even in this flimsy way. The Commonwealth Parliament, for instance, is, by section 28, to last for only three years. May it not be said that there is a "gap" in the power of the Commonwealth Parliament in this respect, and that it should have power of its own act to extend its life beyond three years? One honorable member has suggested that this Parliament should have power to extend its own life. I hope that Parliament will never seek power so to derogate from the rights of the people. Section 41 of the Constitution provides that the Commonwealth cannot deny the franchise to any person whom the State law allows to vote for the more numerous and more representative State Parliament. Is that a "gap" in the Constitution? Is it something to be deplored that this Parliament has no power to take away the franchise from people to whom the State gives franchise? Section 73 prevents the Commonwealth Parliament from taking away from the High Court the right to hear certain appeals. That again is a "gap" in the Constitution. Section 99 forbids the Commonwealth Parliament to make any law in respect of trade, commerce, or revenue, which would give preference to one State or any part of it over another State or any part of it. Section 100 forbids the Commonwealth Parliament to make any law abridging the rights of the people of a State to make reasonable use of river waters for conservation or irrigation. Section 116 provides that the Commonwealth shall not make any law for the establishment of any religion or for imposing any religious observance or prohibiting the free exercise of any religion, and that no religious test shall be required as a qualification for office under the Commonwealth. From one point of view, all these provisions may be described as "gaps" in the power of the Commonwealth.

I think we should deal more effectively and more justly with this matter if we used a neutral word, and spoke of a "blank" in the power of the Commonwealth. A blank may be good, or it may be bad; it all depends on what it is. All of us have been surprised at some time or other to learn that there is a blind spot in one's eye. There is a blind spot in the retina of the eye which takes no impression of light at all. But without that blind spot we could not see at all, because through that blind spot the optic nerve passes. The existence of a blank, the absence of power of vision in some part of the eye, means that the whole eye can see.

It has been said, further, that we are to restore a power which Parliament thought it had. It has been said, not so much in this debate as outside this chamber, that we are to recapture a power for the Commonwealth that we always thought it had, and that the framers of the Constitution intended it to have. I hope to make it perfectly clear that when the Constitution was adopted everybody thought that section 92 would bind the Commonwealth. The fact is, as the Privy Council has pointed out, that it was not until 1920 that it was ever thought that section 92 did not bind the Commonwealth. I can quote passages not merely from the decisions of judges but also from text-book writers to show that this is so. The most famous work on the Australian Constitution, probably the earliest work dealing with that subject, *The Annotated Constitution of the Australian Commonwealth*, by Quick and Garran, lays it down that the mandate given by section 92 is a mandate not merely to the States, but also to the Commonwealth. The same opinion is expressed in Sir Harrison Moore's work published and republished early in the life of federation, and by writers in other countries. Lefroy, of Canada, pointed out that one of the big distinctions between the Canadian Constitution and ours is this provision in section 92 prohibiting both the Commonwealth and the States from interfering with freedom of trade. There has been a continuous chain of judicial opinions on this matter beginning in 1909 and continued until 1920 all going to show that men who

Mr. Blackburn.

were familiar with the Constitution took it for granted that section 92 did bind the Commonwealth. As honorable members are aware, the first three justices of the High Court were all conversant with the Constitution. Sir Samuel Griffith and Sir Edmund Barton were both amongst those who drafted it, and the latter, the great protagonist of federation, was the leader of the convention which adopted and recommended it. The third was Mr. Justice O'Connor. Both Sir Samuel Griffith, the first Chief Justice of the High Court, and Sir Edmund Barton, several times expressed the opinion that section 92 bound the Commonwealth. In *Duncan v. State of Queensland*, Sir Samuel Griffith dealt elaborately with the matter.

In 1906 the personnel of the High Court Bench was altered by the appointment to it of Mr. Justice Isaacs and Mr. Justice Higgins. These gentlemen, too, had figured prominently in the Federal Conventions and had played a considerable part in the controversy in relation to federation. Up till 1920 Mr. Justice Isaacs repeatedly laid it down in the strongest, almost rhetorical, language that section 92 bound the Commonwealth as well as the States. I have before me one of many extracts that I could quote to show the view which he adopted. This view was expressed as late as 1916 in *Foggitt Jones and Company Limited v. State of New South Wales* (21 C.L.R. 365)—

Detention, in order directly or indirectly to prevent or regulate commercial operations between the States, however carefully it is phrased and however meritorious may be the impelling motive, is to my mind in open conflict with section 92 of the Constitution. That section makes Australia one indivisible country for the purposes of commerce and intercourse between Australians. It is beyond the power of any State Parliament, or even of the Commonwealth Parliament, by any regulation of trade and commerce, to impair that fundamental provision.

Mr. Justice Higgins carefully, cautiously, indicated a similar view in *Duncan's* case. The late Mr. Justice Gavan Duffy, who, with the late Mr. Justice Powers and Mr. Justice Rich, was one of the third addition to the High Court Bench, continuously held the view that section 92 bound the Commonwealth.

Let me recapitulate. In 1909, the case *Fox v. Robbins* was decided. It was

not necessary in that case for the High Court to decide whether or not section 92 bound the Commonwealth, because only State laws were in question; but both Mr. Justice Barton and Mr. Justice Isaacs gave it as their opinion that the Commonwealth was bound.

Mr. PATERSON.—If that be so, then section 51 must be wholly nebulous.

Mr. BLACKBURN.—No. The Privy Council disagrees with the honorable gentleman; it has said that the meaning of section 51(i) is not nebulous. All of the judgments approved by it point out that section 51 (i) has a definite meaning of its own.

Mr. PATERSON.—They have not shown what that meaning is.

Mr. BLACKBURN.—They say that, among other things, its purpose is to canalize or order interstate trade and commerce, but not to empower the Commonwealth to give recognition to State frontiers. In *R. v. Smithers*, decided in 1912, although the reference was again to State laws, Mr. Justice Isaacs said that section 92 bound the Commonwealth. Then there was the *Wheat* case in 1915. That was at the beginning of the Great War, which effected a big change in the feelings of the people. State legislation had again to be considered. In that case, the Chief Justice, Mr. Justice Barton, Mr. Justice Isaacs, Mr. Justice Gavan Duffy, and Mr. Justice Rich—by adoption of the last-named judge's opinion—all said that section 92 bound the Commonwealth as well as the States. In 1916, there were two cases—*Foggitt Jones and Company Limited v. State of New South Wales*, and *Duncan v. State of Queensland*. In the *Foggitt Jones* case, Mr. Justice Isaacs said, in the words that I have already cited, that section 92 bound the Commonwealth; and that opinion was expressed also in the case *Duncan v. State of Queensland* by Sir Samuel Griffith as Chief Justice, Mr. Justice Barton, and Mr. Justice Isaacs. Mr. Justice Higgins voiced a cautious view, which showed that he thought the same. It was in that case in 1916 that the contention was first advanced by counsel for the Commonwealth, Mr. Starke, now Mr. Justice Starke, that section 92 did not bind the Common-

wealth. The High Court said that it was not necessary to give an express decision on that matter; but all of the judges whose names I have mentioned—Sir Samuel Griffith, Mr. Justice Barton, and Mr. Justice Isaacs in definite terms, and Mr. Justice Higgins more cautiously—declared that in their opinion the Commonwealth was bound.

In the *McArthur* case in 1920, the High Court again considered the contention that the Commonwealth was not bound by section 92, and the majority of the court, consisting of Sir Adrian Knox, Mr. Justice Isaacs, and Mr. Justice Starke, joined in expressing the opinion that it was not bound. The interesting feature of that case was that the Commonwealth was not a party to it. Nevertheless, that judicial opinion was accepted for the time being, and upon it the Commonwealth acted, but not until eight years had elapsed. In this matter of marketing, the first legislation passed by the Commonwealth, based upon the assumption that section 92 did not bind it, was introduced in 1928 by my honorable friend, the present Minister for the Interior (Mr. Paterson).

Mr. PATERSON.—At the request of a State Labour Attorney-General.

Mr. BLACKBURN.—That may be. I do not think that the Minister is following the course of my argument. The first legislation which the Commonwealth introduced upon the basis of its not being bound by section 92 was that which my honorable friend introduced in 1928, eight years after the *McArthur* case had been decided. The major principle of it was attacked by Mr. Duncan-Hughes, now a senator but then a member of this House, as being outside the power of the Commonwealth, and a very interesting speech was delivered by the then Attorney-General, now Chief Justice of the High Court (Sir John Latham), in which he summarized the various decisions that had been given, and said that he thought that the matter was by no means one of certainty.

Mr. STREET.—How does the honorable member relate that 1928 legislation to sub-section 37 of section 51 of the Constitution?

Mr. BLACKBURN.—It was not referred under that sub-section, which

has never been used, but which could be used now. The report of the debate upon that measure is to be found in *Hansard*, volume 118, and the speech of Mr., now Sir John, Latham appears at page 4393. The honorable gentleman said that there was a considerable degree of uncertainty about the legal position, and that the decision in the *McArthur* case had caused a good deal of surprise. He made it quite clear that he himself was astonished at the actual state of the law as laid down by the High Court, but that the High Court was the ultimate court of appeal, and probably the position would remain as it then stood. Under that decision, the dried fruits legislation was enacted. Therefore, this power which we claim to have always exercised was not exercised prior to 1928; this power which, we are told, was always thought to be possessed by the Commonwealth was not so regarded by anybody prior to 1920. On the contrary, all the opinion expressed before 1920 was in the other direction; everybody who thought and wrote about the Commonwealth of Australia held and expressed the view that section 92 bound the Commonwealth as well as the States, and that it was an economic guarantee to the people of Australia. The opinion was generally held that the legislation passed since 1928 was of a precarious nature, that the Commonwealth was building upon shifting sands, and that no one knew in what direction the wind might carry them. In fact, the Commonwealth Government itself has never been satisfied that it was free from section 92. The first Lyons Government, which was not a composite administration, and did not depend upon the support of the Country party, actually contended before the High Court that the Commonwealth was bound by section 92. In *Vizzard's* case in 1933, the question was one of State legislation. The Commonwealth intervened to have the case taken on appeal to the High Court. It was represented in the High Court by Sir Robert Garran, and through him contended that the *McArthur* case had been wrongly decided and that section 92 did bind the Commonwealth.

Mr. PATERSON.—If the honorable gentleman will permit me to say so, that

Mr. Blackburn.

Government in 1933 passed the dairy products legislation, which was based on exactly the same principle as the dried fruits legislation.

Mr. BLACKBURN.—Does the honorable gentleman doubt the correctness of what I am saying? I can read to him the remarks of Sir Robert Garran.

Mr. PATERSON.—I do not doubt it in the least.

Mr. BLACKBURN.—I cannot explain the inconsistencies of the honorable gentleman's colleagues. Sir Robert Garran is reported to have said (50 C.L.R., 35)—

The effect of the decisions since *W. & A. McArthur Ltd. v State of Queensland* (2) is that section 92 of the Constitution binds the States and the States only, and prevents them from legislating in any way so as to interfere with interstate commerce. *W. & A. McArthur Ltd. v. State of Queensland* (3) goes too far.

At page 37, he said—

Section 51(I.) gives power to the Commonwealth Parliament to deal with trade and commerce and section 92 simply prevents the Commonwealth and the States from interfering with the freedom of trade whatever laws they make.

He found sense in what the Minister for the Interior (Mr. Paterson) says is sheer nonsense.

By this time the Privy Council had dealt with one aspect of section 92, an appeal having gone to it from the decision in *James v. Cowan*. That was the case in which the High Court dealt with the power of the States to evade section 92. It was argued that the Privy Council could not entertain the appeal without a certificate from the High Court. The Privy Council held that section 74 of the Constitution had no application to the matter, and decided to entertain the appeal although no certificate had been granted. It then held that section 92 did bind the States; that there was no device by which the States could evade it; that they could not evade it by executive act or by commandeering supplies. The Privy Council went on to say that it would not express an opinion as to whether or not the Commonwealth also was bound by section 92. We know the sequel to that: The matter again came before the High Court, which intimated that, whatever it might feel bound to decide its members were not satisfied with

the position. There had been a decision by the Chief Justice, Mr. Justice Evatt, and Mr. Justice McTiernan, in *Vizzard's* case, and later Mr. Justice Dixon said in *Gilpin's* case that he had never been satisfied that section 92 did not bind the Commonwealth. The matter went to the Privy Council with the blessing of the High Court; and the latest decision of the Privy Council is a result which every lawyer in Australia expected. It is no reflection upon the Attorney-General (Mr. Menzies) that he failed. The honorable gentleman very gallantly undertook a tremendous task. He might have said, in the words of Aeneas—

If Troy could have been saved it would have been saved by my hand.

But this Troy could not be saved. It is no reflection upon the Attorney-General to say that the argument he addressed to the Privy Council seemed to be based upon considerations of political expediency and the political interests of the Government, and not upon law.

Having dealt with the pre-existing position, I come now to the merits of the bill. Various proposals for the alteration of the Constitution have been submitted to the electors of Australia, and I have followed them all during the last 25 years with a great deal of interest. I have always felt that an alteration of the Constitution should satisfy two tests. The first is: Does it strengthen or develop the Australian character of the union? If it does, it is a good thing; but if it develops the provincial elements, it is a bad thing. The other test is: Does it give power without giving responsibility? If it does, it is bad. Applying to the proposal before us both those tests, I am constrained to say that I must condemn it, and shall vote against it and use every endeavour to influence other people to vote against it. Why did the people of Australia federate and unite? They did so, primarily, because they felt that they were one people. In the spirit of William Gay, they felt that the seamless garment of their nation had been torn and sullied by provincial jealousy. Secondly, they felt that while some material interests were local interests only, others were Australia-wide, and should not be subjected to State control. One such interest is trade

and commerce. The various federations of the world have dealt with this subject in different ways. The Australian people decided that trade and commerce wholly within one State should be controlled by that State alone, while trade and commerce between the States and with other countries should be principally under the control of the Commonwealth Parliament with the States exercising subordinate powers, but that neither Commonwealth nor States should be empowered to destroy the Australian nature of trade. As was pointed out by Sir Samuel Griffith in the *Duncan* case, there were various methods by which the Australian nature of trade could be destroyed. One was by colonial tariffs, another by the licensing system, and still another by prohibitions. All of those methods were used prior to federation and the people of Australia, conscious of the injury that they inflicted upon the community, determined that Australian commerce should, as far as possible, be an Australian matter, and that, without interfering with the right of a State to control its own domestic trade within its own borders, free trade and commerce among the States should be an Australian right, and no one should have power to revive State borders so as to nullify that right. Neither State nor Commonwealth was given that power. Viewed in that light, section 92 seems to be a guarantee of the Australian nature of the Constitution. It is a guarantee, also, that the people of Australia shall be able to move themselves and their goods about as freely as possible without recognizing State barriers at all—that no recognition of States barriers shall be demanded of them by Commonwealth legislation or State legislation. This so-called "gap" in the Constitution actually appears to be the blind spot without which the national organ of government cannot perform its function.

There are various ways by which we may solve the problem that confronts us. The honorable member for Wakefield (Mr. Hawker) said something about the blackmailing pressure exerted by the Opposition upon the Government. I wish to speak of the blackmailing pressure that is being exerted upon the people of Australia by the organizations of

primary producers and by some of the States. They say, "We will have marketing powers, but we will have them granted on our own terms only, even if the granting of them means that, in its essence, Australian unity shall be dissolved". For certain States and certain primary producers to say that they will have marketing power in this way and no other is to levy blackmail upon all the people of Australia who believe in a united Commonwealth.

The second test that I apply to this proposal is as to whether the alteration suggested will give power without increasing responsibility. It was because the alteration proposed in 1926 sought to give power without giving responsibility that I opposed it. I felt on that occasion that, although it was suggested that the Commonwealth Parliament should be clothed with larger powers, it was not intended that it should have greater responsibility, at any rate in respect of labour. It was proposed to give the Commonwealth Parliament power to set up bodies like Federal Arbitration Courts without responsibility to anybody, which would not be answerable either to the electors or the Commonwealth Parliament. It was, in fact, proposed by that device to annul and destroy the legislative power of the States with regard to labour without giving in its place Commonwealth legislative power. I resisted that proposal as I should do again if it were revived.

The alteration now proposed suffers from exactly the same vice, for it seeks to empower the Commonwealth Parliament merely to give validity to schemes which it does not initiate, and for which it can take no responsibility. Under this proposal the Commonwealth Parliament will not take any responsibility for marketing measures. It is proposed to clothe the Parliament with merely limited power to control and regulate marketing. In the words of the Attorney-General, the Commonwealth Parliament is to supply the cement by which the various State measures shall be held together in one barrier against freedom of interstate trade. This measure would, if passed, invite the people to give to the Commonwealth Parliament only an illusory power—a power merely to give extra-

State operation to State laws, so that the States may revive State barriers, and build obstructions to trade.

It is said that marketing power is necessary, and I believe that some marketing power is desirable. The Commonwealth Parliament should invite the people to invest it with complete legislative power over marketing, not merely a power to complement State action. The Commonwealth Parliament should have the power to direct and control marketing such as is provided in the Canadian Natural Products Act 1934. It should be able to control marketing in such a way as to prevent exorbitant prices from being charged by monopolies, and to control the working conditions of the people engaged in the production of the commodities marketed. There is, of course, a means by which such power could be given to the Commonwealth Parliament without any referendum. Section 51 (37) of the Constitution, which was referred to by the honorable member for Corangamite (Mr. Street), gives the State Parliaments power to refer new matters of legislative power to this Parliament.

Mr. PATERSON.—Does the honorable member think that the State parliaments would give this power to the Commonwealth Parliament?

Mr. BLACKBURN.—The Minister is expecting the State governments to support this proposal!

Mr. PATERSON.—But would they support the other proposal?

Mr. BLACKBURN.—If it were a matter of necessity the States would give this power. If the States will not give it the necessity for it does not exist. The attitude of the States appears to be "We must direct the marketing schemes. Whatever credit there is in proposing and directing schemes must be ours. All we ask is that the Commonwealth Parliament shall remedy some defects in our powers." It will be noticed that the Commonwealth is not seeking to remedy a defect in its own power, but to remedy a defect in State powers. What we are asked to do is to give extra-state effect to State activities—to say, as it was said in one of the *James* cases, that no dried fruits should be sold in Western

Australia without a licence, and then to refuse a licence to anybody in that State. The same kind of thing was done in relation to Queensland. It is not surprising, therefore, that the smaller States should be afraid to accept such a situation, and should even employ counsel to appear before the Privy Council in opposition to the contention that the Commonwealth is entitled to exercise this power. If marketing power is necessary—I am not saying that it is necessary, although I admit that legislative power in relation to marketing is desirable—it should be exerted by the Commonwealth. There should be no division of responsibility such as exists at present. If the power now sought were given to the Commonwealth Parliament the Government might say in the event of future complaints, "We do not think the State scheme is sound. We believe that it should protect the people against exorbitant charges for commodities. However, it is a State responsibility, and not a Commonwealth responsibility." What we are asked to do, in effect, is to place the imprimatur of our approval upon a proposal to revive the old border barbarisms which formerly disfigured Australia.

I feel strongly that there is a case for Commonwealth marketing legislation in connexion with dried fruits because of the folly of various State governments, and particularly the Government of Victoria, in placing on irrigation areas very many returned soldiers to whom it owed a debt which it sought to pay by giving to them a share of a profitable industry. The industry is not as profitable as it was, and unless something effective can be done to maintain prices at a payable figure many people will be threatened with ruin, and the dried fruits industry of Australia may collapse. For that reason I believe that a strong case can be made out for Commonwealth marketing legislation in respect of dried fruits. There is a strong case in respect of sugar, also, because the Australian people are making substantial sacrifices and paying fairly high prices for sugar in order to allow the northern parts of Australia to be developed by white labour. Queensland was promised this when the Kanakas were repatriated about 30 years ago. At the same time

I do not believe that it would be a good thing for commodity pools to be scattered all over the country, and to be allowed to exercise power to fix the conditions under which primary products shall be sold. Not long ago, we had before us a motion by the honorable member for Wide Bay (Mr. Corser) in which it was proposed that farmers should be given power to establish pools, with exclusive power to fix prices. The Assistant Minister for Commerce (Mr. Thorby) observed, in the course of his speech on the motion, that it roughly indicated the policy of the Government in relation to primary production. It is true that, after some criticism, the words relating to exclusive power were deleted, but we do not know what words will be put in their place.

The importance of the necessity for marketing legislation in Australia has, however, been tremendously overrated. It cannot be denied that the most important market of the primary producers of Australia is the home market. In the ten years before 1927 we consumed about two-thirds of our total production. In respect of some commodities, we consumed the whole of our production. I direct the attention of honorable members to a paper prepared by Mr. Wickens on this subject, and read at the Industrial Peace Conference at Canberra on the 19th February, 1929.

Mr. McEWEN.—Does the honorable gentleman realize that the Australian consumer buys Australian wheat for a lower price than that paid by the Chinese coolie?

Mr. BLACKBURN.—I do not know that.

Mr. McEWEN.—It is a fact.

Mr. BLACKBURN.—Even if it is I cannot see how marketing powers of the kind now sought by the Government would be likely to remedy the situation. I cannot see how a pool organized on any basis could meet that position. Mr. Wickens said—

An investigation has been made covering the ten years 1917-18 to 1926-27 inclusive, and for this decennium as a whole it has been found that Australian products averaging in value £125,000,000 have been exported annually, representing almost exactly one-third of the total production of our primary and manufacturing industries. The other two-thirds represent our local consumption of such

products, thus indicating that our local market absorbs twice as much of this produce as the markets overseas. The several industries contribute, of course, different proportions of their output to this export outflow. Thus, of pastoral products 64 per cent. are exported, of mining 59 per cent., of agricultural 30 per cent., of dairying 20 per cent., of forestry and fishery products 16 per cent., and of manufacturing 5 per cent. It thus appears that the pastoral and the mining industries find considerably more than 50 per cent. of their market overseas.

The products as to which exports preponderated were those of the pastoral and mining industries. In reference to the agricultural figures, we must remember that they cover wheat and dried fruits. Yet nearly two-thirds of our agricultural produce, including both wheat and dried fruits, were consumed in Australia. When things are good in this country the most valuable customer of the Australian primary producer is the Australian consumer, and, therefore, the primary producers should be intensely interested in the conditions of the people living in the cities.

Mr. McCLELLAND.—If the honorable member brings his argument up to date, he will find that the reverse is true.

Mr. BLACKBURN.—Australia is either returning to good times, or it is not. The honorable member cannot have it both ways. It cannot be said that, in respect of export trade, conditions are bad, whilst internally they are good. I accept the statement of the Prime Minister that there is a chance of good times returning. If good times return there is no reason why the experience of the decennium covered by the Wickens' statement should not be repeated. The Australian primary producer is being taught to restrict supplies in Australia, thereby maintaining artificial prices locally in order to sell his products overseas in competition with those of other countries. That is putting the cart before the horse. Of the export and the local markets, the latter is the more important—a fact which the primary producers of this country should realize more than they do. And yet many primary producers condemn the policy which has built up our cities with their industries and large populations, thereby providing a local market for farm products.

Mr. BERNARD CORSER.—Not all of them.

Mr. BLACKBURN.—In this matter, as in others, the honorable member for Wide Bay (Mr. Corser) is an exception. Notwithstanding that 80 per cent. of Australia's primary production is consumed locally, many primary producers condemn the policy which gives to the industrial workers in the cities reasonable wages, without which those workers could not consume such quantities of primary products as they do.

Mr. GREGORY.—The cities would not exist at all but for that policy.

Mr. BLACKBURN.—In Australia, the interests of the primary producer and of the city dweller are identical. When marketing legislation was advocated, before the war, it was said that such legislation would help to eliminate the middlemen, and so add to the rewards of the produce without increasing the price to the consumer. An extension of the marketing system to cover all the primary production of Australia would cause the price of commodities in Australia to rise unduly. Many people in this country believe that the prices of commodities do not matter much, because wages rise and fall with fluctuations of prices. But do they? Although in pounds, shillings and pence the amount of the basic wage of the unskilled worker has been raised, the real wage paid to him has not increased at all in 30 years, despite all the increased productivity of labour and the more general use of machinery, resulting in mass production and irregular employment, during that period. Whenever it is proposed that the basic wage should be raised, and the unskilled labourer given a bigger share of that which he produces, we are faced with the paper figure of the wage, and told that it is impossible to increase it without placing an unduly heavy burden on industry. The belief that wages will automatically follow the fixing of prices is fallacious, and is bringing ruin to many people in this country. It is not always remembered that if the consumers suffer, the primary producers who supply them must suffer also.

Mr. GREGORY.—Why not make that policy apply all round?

Mr. BLACKBURN.—It may apply all round. Before the war, Australia had a market for boots in Indonesia. That market has been lost, but let us suppose that the price of boots in the Australian market is fixed at such a figure as will enable Australian boot manufacturers to dump a large proportion of their production in Indonesia in an attempt to recapture the lost market there. Or let us suppose that that policy is applied to coal, the price of which in Australia is raised in order that lost markets in Chili may be recaptured by dumping.

Mr. SPEAKER (Hon. G. J. Bell).—The honorable member has exhausted his time.

Mr. PATERSON (Gippsland—Minister for the Interior) [5.16].—The honorable member for Bourke (Mr. Blackburn) has made an admirable speech on the legal aspects of section 92 of the Constitution; and in that field I would not presume to challenge what he, a lawyer, has said. But the honorable member's statements on the more human side of this subject are easily challengeable. This referendum in relation to marketing resolves itself into a choice between maintaining and denying a living wage to large numbers of the most hard-working primary producers of this country. In these circumstances, the somewhat hostile attitude of Opposition members to this measure reflects little credit on either their hearts or their heads. For many years Australia has accepted the responsibility of providing industrial machinery, in the form of arbitration courts and wages boards for the purpose of ensuring a living wage to city workers. Those tribunals are accepted by almost every one in the community as part of the warp and woof of our industrial fabric, and a necessary protection for the workers. In more recent times, efforts have been made, by legislation and otherwise, to extend this policy to include important sections of our primary producers, such as the growers of dried fruits, the dairy-men, and the wheat-growers, to the limited extent of enabling them, in order the better to meet the intense competition in the export markets, to obtain a fair home-consumption price for that part of their output which is consumed in Aus-

tralia. I regard a fair consumption price as the equivalent of a living wage.

Mr. ROSEVEAR.—Who is the arbitrator?

Mr. PATERSON.—I shall reply to that interjection presently. Fair-minded people will agree that, although these exporting industries sometimes have to accept less than adequate returns overseas, that is not a sound reason why prices should be permitted to fall to sweating levels in this country. Yet that might happen if this marketing legislation be destroyed. It is for that reason that, in 1928, this Parliament broke new ground, in a legislative sense, by enacting legislation to enable interstate trade in dried fruits to be regulated, and, in effect, placed on the same footing as trade within a State. I emphasize that point because it seems to me that the honorable member for Bourke went out of his way to endeavour to depict this marketing legislation as something which revived border barbarism and attempted to erect barriers between State and State, whereas the legislation introduced by the Commonwealth merely provided that trade within a State, and trade between the States, should be placed on the same footing—that and no more. The result was that when uniform legislation was enacted by the various States, for operation within their respective borders, it became possible for that legislation to operate throughout the aggregate areas of the States, just as if no State frontiers existed. I use the term "State frontiers" employed by the honorable member for Bourke. In my opinion, the decision of the Privy Council rather accentuates the idea of State frontiers. Before that decision was given, the Commonwealth legislation made it possible for a group of States which had passed uniform legislation providing for fair conditions under which trade could be carried on within their respective borders, to operate as if there were no State borders. To-day, trade may be carried on over the frontiers under conditions which are not permitted within the States themselves. Paradoxical though it may seem, the invalidating of our Commonwealth legislation actually accentuates the idea of State frontiers, by removing from interstate trade the

proper restraints operating within the States, and making it impossible for States which have passed uniform legislation to operate it throughout the aggregate area of those States as if no frontiers existed. Members of the Australian Labour party, either actively or tacitly assisted to pass a bill which I introduced in 1928 to permit of the regulation of interstate trade in dried fruits. Again, in 1933, when the first Lyons Government introduced legislation to give to dairymen conditions similar to those which had previously been given to growers of dried fruits, the Labour party supported it. Even during the life of this Parliament legislation to assist the wheat-growers, by enabling them to obtain a home-consumption price, has had the support of the Labour party. Indeed, that party has taken credit to itself for having assisted to do these things, or, at least, for not having actively opposed them. Yet, to-day, when this legislation is in deadly peril, honorable gentlemen opposite, or at any rate, the great majority of them, appear to be not disposed to move hand or foot to restore it to validity. The passage of this bill and of the referendum to follow it will immediately restore to active life the legislation which set up controlled marketing, enabling it to function again as in the past. I repeat that the attitude of members of the Labour party in opposing the restoration of measures which they assisted to pass through this Parliament reflects little credit on either their hearts or their heads. Again and again, honorable members opposite have professed to believe in fair home-consumption prices, but, judging by some of the speeches made—notably by the Leader of the Opposition (Mr. Curtin)—in their opinion, the home-consumption price should never exceed export parity rates.

Mr. HOLLOWAY.—Who said that?

Mr. PATERSON.—The Leader of the Opposition drew attention to the fact that home-consumption prices sometimes mean prices higher than those ruling overseas, and he seemed to think that when that occurs an injustice is being done to local consumers.

Mr. A. GREEN.—He did not say that.

Mr. PATERSON.—I do not want to do any one an injustice, but, if honorable gentlemen opposite do not mean what I have stated as being their meaning, they have an effective way of disguising what they really do mean. There are some honorable gentlemen who seem to confuse the term "export parity" with "overseas rates"; but there is a big difference between the two. Unfortunately we in this country live distant many thousands of miles from our principal markets, and transport costs and insurance rates, plus a certain amount of depreciation in some products, have to be considered in arriving at the net proceeds from sales, with the result that the prices we obtain for produce at the overseas end are not the prices which go into the pockets of the producers at this end. There are heavy deductions which make a substantial difference between the net price realized and the overseas rates. In respect of dried fruits, this difference is £15 a ton, and in respect of butter £12 10s. a ton. If our marketing legislation is not restored to validity, and the selling organizations which have been built upon it are consequently destroyed, and our producers are forced down to the level of net export rates for local sales, they will be compelled to accept in Australia approximately 1½d. per lb. less for dried fruits and butter than the prices ruling overseas, that difference being represented by the cost of putting those goods on distant markets. It means, in effect, that if they have to accept the net export rate for local sales, they must lose the cost of ocean freights, marine insurance, and other charges on goods which never leave this country. So long as the net export return dictates the local rates, goods sold in this fair land of Australia must bear every cost incidental to the cost of transporting goods 12,000 miles overseas. It means, further, that if the cost of freight goes up the cost of food will go down. If the shipping companies increase freights, the producer at this end will receive less, not merely for what he sends overseas, but also for that portion of his production which is sold over the counter in this country. Is it any wonder that the primary producer wants some kind of protection against this

very harsh economic law? The Leader of the Opposition endeavoured to depict the home-consumption price as something which had to be inflated to offset export losses; he said, in effect, that the home-consumption price had to be increased when overseas prices came down to an unpayable level, in order to maintain a profitable average price over the whole. I deny that absolutely. The dried fruits legislation has been in operation for some eight years, and although that industry enjoys a protection of 6d. per lb. on its products, at no time has the local price, although it has fluctuated, been more than 1d. per lb. above the overseas price. Then again with regard to butter, the present fixed wholesale price of 1s. 3d. per lb. for choicest quality has obtained for two and a half years without any variation. There are some honorable gentlemen who are prone to compare that price with the overseas price, but in making that comparison they forget to put the two prices on a similar currency basis. In effect, the price of 1s. 3d. in Australia is 1s. sterling. Does any honorable gentleman consider that a payment of 1s. per lb., sterling, for choicest butter represents any undue consideration to men and women who work seven days a week to produce this commodity, who have practically no holidays, for whom there is in the ordinary sense no Christmas and no Sunday, and who have to carry on work irrespective of whether there is a bushfire, a funeral or a wedding in the district? I suggest that it is a very modest wage for those who toil so continuously to provide this food for the consumers. It is true that the local price is frequently higher than the returns from overseas, but on several occasions in the last two and a half years the prices realized in London, expressed in Australian money, have been higher than the prices at which butter has been sold in this country; on such occasions the Australian price has not been raised to overseas rates, but has been maintained at the set level.

Mr. MAHONEY.—When did that occur?

Mr. PATERSON.—Even since the Privy Council decision in the *James* case, the price of butter in London, expressed in Australian currency, has been up to

149s. a cwt., when it has been selling in this country at 140s. There is no foundation whatever for the charge that under our marketing legislation there has been exploitation. Everything that has been done in the last decade in connexion with marketing proves that up to the hilt.

The honorable member for Wimmera (Mr. McClelland) last week made an admirable speech dealing with the dried fruits industry, and he gave some interesting facts. In that industry many hundreds of returned soldiers have found employment. In 1919, we produced in this country 14,000 tons of dried fruits; now, largely due to the great industry of soldier growers, the annual production is 77,000 tons. Yet the local consumption is little more to-day than what it was in 1919, with the result that a large export trade has now to be done. The honorable member for Bourke (Mr. Blackburn) referred in a general way to the fact that two-thirds of our agricultural and dairy-ing production is consumed in this country. If the honorable member and others succeeded in forcing the local prices for these products down to export parity, of what advantage would be this local market of which he boasts? I agree that the local market is the best, but if the prices for all produce sold in this country are to be forced down to the level of net export returns, the local market will offer no advantage over that overseas. The dried fruits industry is particularly exposed to the competition of Asiatic standards. In Smyrna wages are 1s. and 1s. 6d. a day, for experienced male labour. In Turkey the currency is more heavily depreciated than is our own. In Greece and Crete the position is the same, whilst in Persia and Samarkand the currency is even more depreciated than is the currency of Turkey. Thus we have to meet the intense competition, not only of low wage Asiatic labour, but also of depreciated currencies. This intense competition overseas is alleviated to some extent by the preference granted to this country by Great Britain, Canada and New Zealand. I ask the honorable member for Bourke and his colleagues: If those countries are willing to do so much for the Australian dried fruits grower, what is the Australian Labour party prepared to do? Is it prepared to

do nothing to assist the grower to obtain a price somewhat better than the price obtained in competition with Asiatic standards?

A good deal has been said by honorable gentlemen opposite about awards in the industries particularly concerned in this legislation. There seems to be, underlying the amendment moved by the Leader of the Opposition and the other which has been forecasted by the honorable member for Bourke, an assumption that those employed in the dried fruits industry are entirely without wages awards of any kind. What is the actual position? In this industry the fruit-picker works under awards. In the processing factories awards also operate. In the dairying industry the men who cart the cream and those who work in the butter factories work under awards. On the dairy farms the overwhelmingly greater part of the work is done by the farmers, and in too many instances by their wives and children, and awards do not come into the picture. I am told on very good authority, by those who know the dried fruits industry from first to last, that if this legislation remains invalid, and their organization is rendered futile, and if their prices for local sales drop to net export rates, it will not be possible to maintain existing standards of wages in that industry. What have honorable gentlemen opposite to say to that? It is surely preferable that producers and consumers alike should have good wages? One would expect honorable members opposite to support that contention.

HONORABLE MEMBERS OF THE OPPOSITION.—Hear, hear!

Mr. PATERSON.—Honorable members opposite, if they mean what they say when they interject "Hear, hear", should support this bill in the House and in the country. Some honorable members say that if the proposed alteration of the Constitution is agreed to, and the marketing legislation is made valid, prices will rise, but I dispute that. If an affirmative vote be cast at the referendum, it will simply mean that the position in regard to the marketing of certain primary products, which has been wholly acceptable to all reasonable people for several years, will be maintained, and the danger of

certain sections of the primary producers being deprived of a living wage will be averted.

I shall not attempt to discuss in detail the form of words used in the proposal to be submitted to the people; I do not pretend to be competent to do so. The Leader of the Opposition (Mr. Curtin) described the proposed alteration as a paltry one. He wanted the Government to be more ambitious, and to seek greater powers for this Parliament. The desire to have wider powers than those proposed now to be sought is not confined to honorable members opposite. Many members on the Government side, including myself, believe that it would be desirable for this Parliament to have powers sufficient to deal completely with marketing problems, but we have to consider the prospects of support being obtained in the various States for a request for wider powers. It is necessary not only that a majority of the votes cast should be in favour of the proposal submitted to the people, but also that it should be approved by a majority of the States. Honorable members will be giving no real assistance to the primary producers if they merely put out a pleasant political placard which they ought to know has little chance of being accepted. The Government has been wise, in my opinion, in limiting the terms of the proposal to the simple alteration considered necessary to restore the legislation which has become invalid. The Leader of the Opposition, in referring to this proposal as paltry, said that we should ask for considerably wider powers. Would the honorable gentleman say that his confrères, the Premiers of Western Australia and Tasmania, would support the granting of the additional powers?

Mr. MAHONEY.—Yes.

Mr. PATERSON.—I have my doubts about that, and for good reasons. I say, unhesitatingly, that the Government acted wisely in limiting the proposal to the words necessary to restore the marketing legislation, because something must be done for the primary producers, and done quickly. We have a much better chance of securing the passage of the proposed alteration in four States if the people are merely asked to

grant what is necessary to render valid again legislation which, I remind honorable members opposite, they helped to pass.

The attitude of the Opposition is inconsistent, illogical, and unworthy of a party which, in the past, has made political history. It is not surprising that members of the Opposition are speaking on this issue with different voices, and that there is an extraordinary lack of unanimity among them. On this question there appears to be about as much cohesion in the Labour party as in a bag of marbles. Last week the honorable member for Cook (Mr. Garden) said, "I hope the proposal will be carried," but, in the next breath, he remarked, "I shall vote against the proposal". The only way I can reconcile those statements is by assuming that the honorable gentleman thinks that if he lets the world know he is opposed to the proposed alteration it will have a better chance of being carried. I do not say that he is not right in that assumption. I should not be in order, at this stage, in alluding to the amendment which has been foreshadowed by the honorable member for Bourke (Mr. Blackburn). It seems to me that the amendment submitted by the Leader of the Opposition is only a political placard involving indefinite delay. Something must be done at once. I believe that the method chosen by the Government will bring more immediate results than would be likely to come from an appeal for wider powers than those mentioned in the bill. The honorable member for Bourke stressed the contention that section 92 has always bound the Commonwealth, and that we were quite mistaken in supposing that it had not. He quoted the opinions of many legal gentlemen of high distinction who held that view. I do not desire to enter that field of argument, but surely if that be so, if the new interpretation of section 92 prevents even-handed justice from being done to a deserving section of the community, we ought to amend the Constitution to the extent necessary. I trust that the Parliament will pass this bill, and that the people will grant the power to be sought, so that justice may be done to hard-working sections of our primary producers, and

that a living wage may be enjoyed, not merely by those city workers who have the protection of industrial courts and awards, but also by those equally deserving men who are engaged in rural industries.

MR. THOMPSON (New England) [5.48].—I am one of those supporters of the contemplated alteration of the Constitution who are disappointed that the Government has not proposed more extensive alterations. I realize that the reasons advanced by the Attorney-General (Mr. Menzies) in his excellent second-reading speech were sound and sufficient to justify the attitude adopted by the Government. Prior to the statement of the honorable gentleman, I could see no logical reason for declining the request of honorable members on both sides of the House that increased industrial powers should be sought. I make no apology for saying that I am one of those who favour the vesting in the Commonwealth of not only increased industrial powers, but also full powers over trade and commerce. There is not the slightest necessity for me to apologize for my attitude in that regard, because I have always been consistent. On the business-paper, at the present time, is a motion which I have had there for the last two years, requesting the Government to submit to the people all the recommendations in the majority report of the Royal Commission on the Constitution. I argued in the House that all of the recommendations should be accepted by the Government, and that the people should be given an opportunity to state at a referendum whether they desired this Parliament to have any or all of them. The usual procedure is to submit a separate bill relating to each question, but I see no great difficulty about that. Many proposals have been placed before the electors at referendums in the past, and it is a simple procedure for a government to bring down separate bills in respect of as many proposals as it is desired to submit to the people. Except for one reason, the Government, in my opinion, had no excuse for not introducing separate bills dealing with, not only trade and commerce and industrial powers, but also the right of this Parliament to say from time to time

whether new States should be created. The latter power is now vested in the State Parliaments; but I have always contended that it is essentially a national power, which has never been used by the States, and never will be, and that new States will never be created in Australia until the Constitution is suitably amended.

As the Government proposes to spend £100,000 on a referendum, it should seize the opportunity to place before the people the question of giving this Parliament full powers. On this occasion the Government has decided that a great emergency has arisen, which justifies the expenditure of £100,000 to obtain the opinion of the electors regarding marketing legislation alone. The principal point in favour of the attitude of the Government is that owing to the present state of political opinion in Australia, if all the burning questions relating to the amendment of the Constitution were now submitted to the people, the reply to the whole of them might be in the negative. The Government has taken the heavy responsibility of saying that the people shall not now have the opportunity to settle any other issue than that of organized marketing. The reason generally advanced by the Government as to why the proposed alteration should be made is that we should not take the risk of losing the opportunity to put right the mischief done by the decision of the Privy Council in the *James* case. What are the circumstances which actuate the Government in adopting a course that is disappointing, not only to me, but also to many other honorable members? Having examined the circumstances, I have come to the conclusion that, although I personally would be prepared to take the risk of submitting a wider issue to the people, the Government is quite justified in not doing so. The circumstances are that three States—Western Australia, South Australia, and Tasmania—have declared in unmistakable terms that if the Commonwealth seeks any great extension of its powers they will resolutely oppose it. I agree that governments cannot always speak on behalf of the majority of the people in their respective States—for that reason I would be quite prepared to defy the

opinion of those three State governments in this matter; for sooner or later they will have to be defied—but it is quite possible, in view of the present situation in those three States, that their respective governments do truly reflect public opinion. There exists in those States a considerable amount of resentment against the Commonwealth because of its failure to be more liberal in making disabilities grants to them. For some time, all of them have been clamouring for much more generous financial assistance from the Commonwealth, and the policy of the Federal Government in keeping the brake on that demand, has undoubtedly inflamed the anti-federal feeling, which is greater to-day than at any time since the inception of federation. Although the secession clamour in Western Australia appears to have died down to a great extent, the vote of more than one-half of the population in favour of seceding from the Commonwealth is so recent, that we are justified in believing that a majority of Western Australians are still not prepared to grant to the Commonwealth any additional powers. Apart from the secession agitation in Western Australia, considerable hostility has been shown in South Australia in recent years against the financial policy of the Commonwealth and its attempts to increase its influence over the governments of the States. The position in Tasmania is similar to that in South Australia. From public statements made by the Premier and other Ministers of Tasmania, honorable members must be convinced that, if those gentlemen represent the views of even one-half of the Tasmanian people to-day, that State is not friendly disposed towards the Commonwealth. The Federal Government has taken the view that, having regard to the general hostility which has developed in those three States against any increase of the powers and prestige to the Commonwealth, it would court failure to include in the ballot-paper, in association with the marketing issue, any other questions involving an extension of Commonwealth authority. I believe that the Government has a genuine desire to test issues apart from marketing, particularly the conferring of wider indu-

trial powers upon the Commonwealth. That is the impression which I have gained from statements made in the press and in this House by Ministers and supporters of the Government generally, and I am quite satisfied that, but for the very definite and obvious hostility in the three smaller States, the Government would have taken the risk of asking the Australian people to sanction a considerable enlargement of the powers of the Commonwealth. In my opinion, the Government was greatly tempted to do so, and such action would have received considerable support from, not only honorable members on this side of the House, but also the Opposition. I, for one, would have supported the Government in any proposition which it desired to place before the people for the granting of increased power to the Commonwealth. Since entering this House I have always adopted the attitude that the power of the Commonwealth should be increased and the power of the States reduced. I have invariably favoured the vesting in this Parliament of power to create the necessary machinery for the subdivision of existing States; but I have never advocated the creation of new States possessing the same sovereign rights as the existing States have. I have been a constant advocate of the granting of additional power to the Commonwealth in respect of national functions, and the reduction of the power of the States to "sprag the wheel" of national progress. For these reasons I would have unhesitatingly supported any proposals involving an increase of federal power which the Government cared to place before the people by referendum. But the Government has stated that the present emergency is so serious, and the risk of defeat is so real, that it would be unwise to submit any proposal other than the marketing issue to the people. Therefore, I am quite satisfied to support the bill which is now before the House; but I feel a certain amount of disappointment that, in view of the fact that the referendum involves the huge expenditure of £100,000, such a golden opportunity is being missed to ascertain the views of the people upon the granting of wider powers to the Commonwealth. I should like to see other questions, particularly

the conferring on the Commonwealth of full powers in regard to trade, industry and commerce decided by the people; but on this occasion it cannot be done. As the Minister for the Interior (Mr. Paterson) has made clear, if the referendum is not carried, it will mean a tremendous setback to the producers of Australia. It is of no advantage merely to kick against the decision of the Privy Council. The Constitution of the Commonwealth provides that any Australian citizen has the right, with the permission of the High Court, to appeal to the Privy Council upon a constitutional issue. On this occasion that right was availed of by Mr. James, and he achieved an outstanding victory—a victory which, although it may be most gratifying to him and bring him considerable glory, even if it does not bring him much profit, will involve the ruin of tens of thousands of industrious, thrifty producers, if the proposed alteration of the Constitution is not affirmed by the public. Until the Privy Council gave its decision, the Commonwealth was creating, with the concurrence and support of the States, various marketing schemes which, as results have proved, were not definitely constitutional. Previously we had only the decisions of the High Court to guide us, and even the declarations of that authority were not always consistent; one decision appeared to contradict another. Latterly, however, the court had leaned to the view that, notwithstanding section 92 of the Constitution, the Commonwealth could, if it had the approval of the States concerned, validly establish under section 92 of the Constitution organizations to control the marketing of various primary products. In the belief that the Commonwealth possessed this power, Parliament created the butter equalization scheme, which revolutionized the economic position of the dairying industry. The dried fruits industry was also established on a sound footing, and for a considerable time it has been proposed to establish a compulsory wheat pool, or, failing approval of that scheme by the States, to fix a home-consumption price based upon a system of State organization. A rise of the price of wheat rendered unnecessary a scheme which would have

come into operation this year. Had the price of wheat not risen the demand for such a scheme, which was approved by the wheat-growing States, would have been so persistent that a refusal of it would have caused a political crisis. Had the price of wheat remained as low as it was last year, and we had told the wheat-growers that we could not do anything to assist them, serious political difficulties would have arisen in which the supporters of the Government and the members of the Labour party representing country constituencies, would have been involved. Possibly, a wheat bounty, involving perhaps £4,000,000, would have been paid, thus seriously affecting the budgetary position. Should there be a slump of the price of wheat, which is a dominating primary product, the Government has not the power to legislate even at the request of the States for marketing organization on a co-operative or any other basis. If, owing to the movement of overseas wheat prices, we have to assist the wheat-growers by paying a bounty or by fixing a home-consumption price, it will be useless asking the States to agree to any Commonwealth legislation, because it would be unconstitutional. Any co-operative scheme between the Commonwealth and States would immediately be challenged by hostile interests.

Mr. ARCHIE CAMERON.—An attempt was made in Sydney last week to "break" the butter market.

Mr. THOMPSON.—Yes. Those controlling the export of primary products always oppose marketing legislation likely to affect their pockets. When legislation dealing with compulsory pooling or marketing control is introduced by the Commonwealth or by the States, private wheat-buying interests expend large sums of money in propaganda against the establishment of organizations that will prevent them from handling our wheat surplus. The decision of the Privy Council in the *James* case means that section 92 of the Constitution binds the Commonwealth as well as the States, and that the High Court judgment, under which the Commonwealth in conjunction with the States has been working stands no longer. In reading the judgment of the Privy Council I observed

that their Lordships said that they were merely interpreting the Constitution as they saw it, and that it is quite competent for the people of Australia to alter it. That is all that the Commonwealth now proposes to do. There appears, however, to be hostility in three of the less populous States, but, for purely local reasons. When this appeal is being made, the Commonwealth could seek increased industrial powers, and additional authority in other directions it considers necessary, and allow the people to decide. The Government believes that the prospect of carrying marketing proposals is not sufficiently attractive to justify it asking for other powers. The cost of the proposed referendum, which is estimated at £100,000, is a serious item, and those opposed to the proposed alteration are using the cost as an argument against it. I am sorry that the Leader of the Opposition (Mr. Curtin) spoiled an otherwise excellent speech by referring to the Government's proposal as a "paltry" alteration.

Mr. PATERSON.—It is sufficiently extensive to restore important legislation.

Mr. THOMPSON.—Yes. At one stage he said that marketing involved buying and selling, and at another that the alteration proposed is paltry. It is quite clear that the Commonwealth, even in conjunction with the States, has not the power to control marketing involving all phases of buying and selling. I do not wish it to be said that I have contended that if the power sought is granted the Commonwealth and the States will be able to control the economic and business life of the community. No attack has ever been made by any government, even a Labour government, upon vital economic interests.

Sitting suspended from 6.15 to 8 p.m.

Mr. THOMPSON.—I propose to emphasize two points upon which I have already touched. The term "marketing", as the Attorney-General has explained, is an entirely new term for insertion in the Constitution. This seems to open up the issue as to whether there is some unknown constitutional content in this term, and whether those who may oppose the proposal are likely, during the referendum campaign, to create the bogey

that it involves the giving of too much power, with unknown possibilities, to the Commonwealth. Evidence that a certain amount of confusion will arise on this point was given in the speech of the Leader of the Opposition, who, in one breath, declared that "marketing" connotes every aspect of buying and selling, and in the next breath described the Government's proposal to include it in the Constitution as "too paltry to bother about". If he were logical the honorable gentleman would recognize that he could not reconcile those two claims, and I trust that when he participates in the referendum campaign he will not attempt to impress the intelligent electors of Australia with such a contradictory line of reasoning.

Prior to the dinner adjournment I was also suggesting that if there is some unknown content in this term "marketing" that may raise issues of a comprehensive character for discussion during the referendum campaign, there is not the slightest reason for fear on the part of any party in this or any other Australian Parliament, because experience has shown that whenever the Commonwealth Parliament has had to use any power conferred upon it by the Constitution it has not abused the trust reposed in it by the people. No case is on record during the 36 years' existence of the federation in which the Commonwealth Government has made any violent attack on the public interest. As has been the case with all governments, private interests have been attacked, but in this particular matter we are not considering private interests. On the contrary, it is our object to keep those interests under control for the benefit of that section of the public which constitutes the primary-producing interests of Australia, and these, we are being constantly informed, represent the foundation of our economic stability. Consequently, if the Commonwealth Government is given the power it now seeks, even though such power may have the suggestion of being something new, and, to certain private interests, something terrible, there is not the slightest danger, judging by our experience since federation, that it will misuse that power to the detriment of the true national interests of this country.

For that reason I cannot see how any of the States, even one of the smaller States, can justifiably oppose this proposal when the referendum is taken. Indeed, an attempt by any of the States to oppose something which would merely restore to them what they had before, namely, the right to negotiate and co-operate with the Commonwealth in the establishment of marketing systems, would be so outrageous and such an insult to the intelligence of the people of Australia that its effects would be negligible, if not helpful to the success of the referendum. I doubt, however, whether any of the States will oppose this proposal, because three of the larger States are strongly, and at least two of the smaller States are half-heartedly, in favour of it, whilst Tasmania's attitude is unknown. Thus any State which opposes it will attempt the almost impossible task of trying to deprive itself of a power which it always thought it had and which now it knows it does not possess. I do not believe that the majority of the people in any State will be swayed by such obviously bad leadership. We know that public opinion has to be led, and that it can be either well led or badly led. I suggest that any State government, or any interest in a State, which attempts to urge the people to defeat this proposal is going to come a "cropper".

Mr. FROST.—In that case three States will come a "cropper".

Mr. THOMPSON.—The honorable gentleman is entirely out of touch with public opinion and underrates the intelligence of the people. This is merely a proposal to give to the States something which they thought they had previously, namely, the right to negotiate and co-operate with the Commonwealth in order to control marketing in Australia. I have not heard a logical argument against it, and I do not think that, when the campaign starts, there will be any substantial opposition to it. If such opposition arises it will be dissipated by its own futility. I cannot see, therefore, how honorable members opposite can justify their present attitude when the time comes for them to participate in the referendum campaign. Apart from Queensland, in which State all parties

will support the Government's proposal, it is going to be most difficult for the Leader of the Opposition and his supporters to persuade the people of Australia that the Commonwealth Government should not be given the power which it proposes to ask for.

Mr. CURTIN.—We are going to prove that the Commonwealth should have this power, but that this proposal will not have the effect of giving it to the Commonwealth.

Mr. THOMPSON.—The honorable gentleman indulges in so much subtle sophistry that others cannot grasp his meaning. It is difficult to know what he wants or what he is driving at. He says that he wants to give the Commonwealth this power yet he is about to tell the people not to support the Government's proposal because, as he now says, it will not give the Commonwealth the power for which it asks. If the honorable gentleman has had the benefit of any legal opinion on this matter, he has not said so; but the Government has had the benefit of such an opinion from the best legal brains in Australia. As we are obliged to be influenced by the only legal opinion which has been made available to us, we can only conclude, after considering the arguments of the Leader of the Opposition in conjunction with those of the legal advisers of this Government, and of learned members in this chamber, that the merits of the case are with the Government. We have been told that this proposal, if carried at a referendum, will fully restore that power to the Commonwealth and the State Governments which they exercised previously. As I said earlier, I would rather the Government had decided to ask for more power, but because if that were done the people would most likely lose sight of the importance of this imperative proposal, the Government has not seen fit to take that risk.

Mr. GANDER.—If the Government is prepared to submit a wider proposition to the people it will have the assistance of all sections of the Labour party in Australia.

Mr. THOMPSON.—The honorable gentleman must realize that there is nothing in that argument. It reveals a dog-in-the-manger attitude, and the honorable

member must know that he cannot justify it before the people, and certainly not before the primary producers. I suggest that no honorable member opposite will dare to go into the country districts and put before the producers the argument that because the Government is not prepared to ask for a larger measure of constitutional reform at this stage, they should reject this proposal which they know is vital to their economic interests.

Sir ARCHDALE PARKHILL.—Although the Labour party is obviously in favour of it.

Mr. THOMPSON.—Yes. Honorable members opposite can put that argument only before the people in the cities, and even then they would be misleading those people by failing to inform them fully of the facts. The Government is afraid that if other issues were introduced this proposal would not be carried.

Mr. FROST.—It would not be carried in any case.

Mr. THOMPSON.—The proposal will be carried for the simple reason that no logical argument can be advanced against it. Honorable members opposite cannot oppose it in the country districts and they will not be game enough to repeat in the cities the arguments which they have advanced in this House; because, if they do so, it will look as though they are trying to stab the primary producers in the back. When they go to the producers they will have to put their cards on the table. They will certainly look foolish and it will be cowardly of them if they confine their opposition to this proposal to the metropolitan centres.

The Government's proposal will receive the solid support of the Country party, of which I am a member, and of all the interests associated with it. We do not desire to make this a party issue. If it does become a party issue the fault will not be ours; the blame will rest on the shoulders of the Opposition. However, we are not afraid of the antagonism of honorable members opposite because they will not be able to press that opposition in the country districts. They will have to confine their antagonism to this proposal to the cities. For that reason I believe that it will go through more easily than any

other proposal dealing with constitutional reform that has yet been submitted to the people of Australia.

Mr. FAIRBAIRN (Flinders) [8.13].—It is natural that when a measure of this nature is being discussed honorable members should wander over a fairly wide field, and press for other alterations of the Constitution which they think may be desirable, and it is also natural and in every way proper that in such circumstances the Opposition should at least make a considerable demonstration in favour of what has always been a plank in its party platform, namely, unification. However, in airing the pros and cons for various alterations of the Constitution that might or might not be desirable, we are likely to overlook the two all-important points which this House must decide in this instance—first, if it is desirable that the Commonwealth should have the power to validate legislation which has enabled the existing system of marketing in several of our export industries to be carried on; and secondly, if it is desirable that the Commonwealth should possess such power, what is the best and surest way to obtain it? There is no doubt that the system of marketing which operated in the two industries in which it was given a trial has been very successful indeed. That it has put them in an entirely satisfactory position one cannot claim, but none can deny that it has conferred benefits, and its abandonment would cause great damage and injury to two important exporting industries. It is undesirable for two reasons that our exporting industries should be injured, first, because it would endanger national solvency, and secondly, because it would harm the industries themselves, and those engaged in them. The abandonment of the existing system of organized marketing of primary products would make it more difficult for us to pay our way abroad, and would inflict serious injury on a section of the community which undoubtedly has a lower standard of living than most others. We hear a great deal of talk regarding the need for preserving a high standard of living, but we are rapidly drifting into a position where two separate and distinct standards of living are tolerated—one for those

engaged in the sheltered secondary industries which produce commodities for the Australian market, and another and lower standard for those who produce commodities for sale on the unprotected overseas market, notwithstanding that it is this second group which makes possible prosperity of any kind in Australia. We still hear references to the problem of our unemployed youth, and the idea seems to be that unless our youth can find employment in certain sheltered industries they must remain unemployed, rather than accept engagements in other industries, such as the dairying industry. Everywhere throughout my electorate, I have encountered dairy farmers who complain that it is impossible to get milkers to assist them, and the same men will say, "Of course, I am not going to bring up my children to a life like this". We talk of the introduction of a 40-hour working week in the near future, and there seems little doubt that a reform of this kind has much to recommend it when considered in relation to the profits of particular industries. Nevertheless, while we are discussing improving the conditions of employment in certain industries where they are reasonably high already, we are making it more and more difficult for men to carry on in those industries in which the longest hours are worked for the smallest remuneration. I do not contend that, by passing this bill, and obtaining an affirmative vote at the referendum, this tendency to favour the sheltered industries at the expense of the exporting industries will be eliminated; but I do maintain that, if we fail to preserve the system of organized marketing for the exporting industries, we shall greatly accentuate that tendency. The great majority of members of this House believe that the system of organized marketing should be preserved. Indeed, the legislation which we are now taking steps to validate, was passed on the voices without serious opposition from any section in the House. We come, therefore, to the question of the method by which we are most likely to obtain the power we seek. Everybody realizes that there will be considerable opposition to the granting of the power asked for by the Government, even if all honorable

members of this House join in urging the people to grant it. That being so, surely it would be madness to ask the people for even greater powers as suggested by the Opposition. Countless thousands of people throughout Australia would be prepared to grant to the Commonwealth Government the small measure of power asked for in connexion with these proposals, but they would not vote to grant greater powers in connexion with the other matters mentioned by the Leader of the Opposition. I do not desire to debate the question whether or not those greater powers are desirable. The point is, that we could not get them, even if we tried; but if we ask as a united Parliament for the limited power contemplated in this measure, there is more than a fighting chance that we shall get it. Rightly or wrongly there is a strong feeling throughout Australia against the granting of greater powers to the Commonwealth. Personally, I do not favour the extension of Commonwealth power in some of the directions suggested. But that is beside the point. What we have to remember is that there is no chance of obtaining those greater powers from the people in their present frame of mind. It is incumbent upon us, therefore, to unite in seeking power from the people to validate this essential form of marketing, and in order that we may stand a better chance of obtaining an affirmative vote, we should content ourselves with asking for just that much power, and no more.

Mr. COLLINS (Hume) [8.25].—It is not surprising to hear those honorable members who represent large industrial constituencies expressing opposition to this bill, but I was surprised to hear similar opposition expressed by those who represent country constituencies in the large primary-producing States, such as Western Australia and South Australia. Even the Opposition itself appears to be greatly divided upon this issue. We are told that South Australia, as a State, is opposed to the granting of increased Commonwealth power in respect of marketing, whereas the Labour Government of Queensland is wholeheartedly in favour of it, and has thrown in its lot with the Commonwealth Government. Members of the Opposition have frequently criti-

cized the primary producers for their supposed failure to pay adequate wages to their employees, but now, when there is an opportunity to do something to help the primary producers, so that they may be in a position to pay higher wages, the Opposition is raising obstacles. Individual members of the Opposition have stated that they approve of the introduction of organized marketing, but they have clouded the issue by endeavouring to introduce extraneous matters which would confuse the minds of the people, and cause them to vote against the Government's proposal.

The principal object of the proposed alteration of the Constitution is to restore primary producers to the position they were in prior to the decision of the Privy Council in the *James* case. The necessity and urgency for an alteration of the Constitution have been admitted by all parties. The decision in the *James* case made it clear that, legally and constitutionally, the Commonwealth, as well as the States, is bound under section 92. Therefore, no complementary Commonwealth legislation can be passed, following the passage of State legislation in regard to the marketing of primary products, and three most important acts are invalid—those in connexion with dried fruits, dairy products and wheat and wheat products. This serious position must be rectified.

It is significant that, in all discussions on marketing schemes, little, if any, objection has been taken to the principle of a home-consumption price. A home-consumption price may be ensured by either of the two following methods:—

- (1) An excise or levy on production, and a bounty on export.
- (2) By the institution of a properly-controlled scheme of organized marketing.

It has been admitted that the first method can be enacted by the Commonwealth Parliament, but the second, since the decision of the Privy Council in the *James* case, cannot. The objections to the first method are many, the greatest being that it is not a permanent solution of the difficulty, whereas the introduction of a system of organized marketing, made possible by an affirmative vote at the forth-

coming referendum, will achieve all that we desire.

It is amazing to hear speaker after speaker from the Opposition benches assert that they would support an alteration of the Constitution providing for greater powers for the Commonwealth in regard to trade and commerce, and then, in almost the same breath, declare that they are opposed to this bill because it does not ask for sufficient power. That attitude is definitely selfish, and most certainly does very little credit to a party which continually states that added Commonwealth power is necessary. The Labour party's attitude is illogical and unjust, and decidedly shows that that party has little consideration for the great primary-producing interests of Australia. Honorable members are all aware of the difficulty experienced in the past in seeking to have granted to the Commonwealth full trade and commerce powers. That is one of the reasons why the Government considers the proposed alteration an urgent matter. The main object of the Government's proposal is to validate the marketing legislation so that primary producers may be placed in the same position as existed prior to the decision in the *James* case. The use of the word "marketing" in the bill is quite well understood, and describes the buying and selling of goods and commodities.

I have listened with regret to the statements made by honorable members opposite. I feel sure that they would be much more consistently genuine if they withdrew their opposition to the bill, and treated it as a strictly non-party measure. We, on this side of the House, ask the support of members of the Labour party for a measure which will give to the great primary-producing interests of Australia the same facilities for organization as are now at the disposal of other sections of the community. The Government finds it impossible to accept the amendment of the Leader of the Opposition on grounds which are fair and logical. It realizes that requests for full trade and commerce powers in the past have proved consistently unsuccessful, and that if other questions are submitted with the present proposal they will cloud the issue and cause confusion in the minds

of people generally, who will act in accordance with the old saying, "When you don't understand, don't sign". Even at this late stage I appeal to honorable members opposite to reconsider their attitude and to stand behind the Government in a non-party spirit. If they do so I feel sure that they will be acting wisely, not only in their own interests, but also in those of every section of the community. I fail to see how they can secure the future sympathy of the rural section of the community in face of their attitude of opposition to this bill. I have much pleasure in supporting the Government's proposal.

Mr. SCHOLFIELD (Wannon) [8.35].—The issue before the House is much more simple than the speeches of honorable members opposite would lead one to believe. The amendment moved by the Leader of the Opposition (Mr. Curtin) is not only in the nature of a red herring drawn across the trail, but also a definite obstacle designed to block any system of orderly marketing in Australia. Honorable members opposite know as well as we do that their proposal would only cloud the issue, and that there would be no hope of it receiving the endorsement of the people. Why, then, was it submitted? Only because they are absolutely reckless in respect of the marketing proposals which have already been passed by this House. I charge the Opposition with having adopted a reckless attitude towards the primary producers of this country. Honorable members opposite know very well that the proposal of the Government and that of the Leader of the Opposition are two vastly different things. Let us consider the difference between them. The Government's proposal merely seeks to restore the position in respect of marketing which existed prior to the decision of the Privy Council in the *James* case, whereas the proposal of the Leader of the Opposition, which is something entirely new, is that the people should be asked to confer on the Commonwealth Parliament powers which it has never possessed and which the people have never before been asked to grant. There is no urgency about the need for an enlargement of industrial powers as there is for the validation of the marketing legislation. Prior to the

Privy Council's decision it was thought that the Commonwealth could introduce legislation to control the orderly marketing of primary products, to fix a home-consumption price for them, and to place the primary producers in a position of equality with other sections of the community. The security of the primary producers was swept away by the Privy Council's decision, and, as the Prime Minister has rightly said, the validation of the marketing legislation is an urgent matter. That cannot be said for the proposal put forward by the Leader of the Opposition. Honorable members opposite know very well that the States would not agree to that proposal. Its introduction in this debate is a gross betrayal of the primary industries of this country. The time is not yet ripe for its acceptance, and if I sought to defeat the Government's objective and stop orderly marketing in this country in order to prevent the primary producers from getting a home-consumption price for their goods, I should certainly feel that the proposal of the Leader of the Opposition would offer a splendid means of doing so. For years the primary producers have fought for the right to market their goods in an orderly manner and for the fixation of a home-consumption price. If I understand the Opposition rightly it has at times suggested that that should be done. Yet, when a bill designed for that purpose is introduced, the Leader of the Opposition suggests that the same results could be achieved by an excise duty, a bounty or through the tariff. We all know that the tariff and bounties are repugnant to the primary producers of this country. The primary producers desire that at the earliest possible moment bounties shall be done away with, and that their industries shall be placed on a proper footing which will enable them to command the same conditions as are enjoyed by the workers through the arbitration courts and by the manufacturers through the tariff. Any system of dealing with this matter by way of excise or bounty would be made the sport of party politics at every election. Possibly, honorable members opposite would like that, because I have no doubt they would be able to promise

a little more than their opponents every time an election was looming. As I said before, assistance to the primary industries by way of bounty, excise duties or tariff is not at all acceptable to the primary producers if, by another and simpler means, they can get their industries placed on a sound basis which will give them the same rights as are enjoyed by every other section of the community.

In moving his amendment the Leader of the Opposition said that the Government's proposal would necessitate agreement by the Commonwealth and the States. He conveniently forgets that the Commonwealth and the States have already agreed to certain legislation to bring about orderly marketing. I am reliably informed that that legislation will be validated if the Government's proposed alteration of the Constitution is carried. The honorable member for Hindmarsh (Mr. Makin) has said that the Government is not sincere in its proposal. To my mind that statement and the statement by the Leader of the Opposition that the States have also to agree to the marketing legislation indicate that both honorable gentlemen are deliberately obstructing the passage of this measure which seeks to give to the primary producers a place in the community which they deserve.

I understand that Queensland Labour members are to support the Government's proposal. That seems to indicate that the main objection to this bill comes from the big Labour influence in the big cities. We know very well that Labour organizations are ruled by the big unions in the cities. In their opposition to this bill we have an indication of how the Labour party is swayed by those interests even in connexion with a bill designed to give to primary producers their rights. If we want confirmation of the fact we need only consider some of the statements made by the honorable member for East Sydney (Mr. Ward), who ridiculed the claim that the primary producers should get a reasonable price for their products. The honorable member said, "If primary producers were satisfied with present prices they would not ask for this proposed alteration of the Constitution". We know that

if they were satisfied with present prices they would still seek the validation of the marketing legislation. The honorable member said further—

Labour has never professed, and I hope it never will profess, to represent every section of the community.

That shows just where the opposition is coming from, and that a little group in the corner opposite is putting the rest of the party in a position that would be intolerable to any members of Parliament unless they were quite content to be guided by outside organizations. The honorable member also said—

I wish now to express the hope that the Labour party will oppose this bill in the House, and will advise the workers in the cities and in the country to turn down the proposed alteration of the Constitution. It is not a proposal for orderly marketing, as has been claimed, but is one to validate a scheme to permit a section of the community to corner foodstuffs . . .

I quote these remarks to show that at least one honorable member opposite has definitely declared that he is against the primary producers of Australia. If that be his attitude, then it is also the attitude of the party to which he belongs, and a record of the fact should be made. The primary industries of Australia are of national importance, and this proposed alteration of the Constitution should be made so that not only might work be provided in connexion with them but in addition the national income might be so used as to benefit the working class in the community. In opposing this measure, the Opposition is definitely acting against the interests of the working people of Australia.

I have some doubts in my mind concerning the expression "marketing", and am inclined to believe that it is likely to cause a good deal of trouble in the future. Although I am not in favour of the extended powers sought by the Opposition I should like the measure to embrace some real definition of the word "marketing". I can visualize very grave arguments in regard to labour conditions, for example, because of the widespread use of the expression "labour market". With that reservation, I have much pleasure in supporting the bill, which is designed to place primary pro-

ducers in a position somewhat equivalent to that of other sections of the community.

Mr. HOLLOWAY (Melbourne Ports) [8.48].—In this matter, as I do not wish to be regarded as sitting on a rail, I shall make my position clear. In my view, Government members are not serious when they suggest that the Opposition has no reason to offer in support of the amendment of its leader. For the last 30 years, those who have taken an active interest in public affairs have continually directed attention to the inadequacy of the powers which the Commonwealth may exercise under the Australian Constitution, and since the first Lyons Administration assumed office all honorable members of the party to which I belong, and some honorable members who support the Government, have repeatedly requested that an attempt be made to obtain for the Commonwealth wider powers than it possesses. An honorable member opposite placed a motion on the notice-paper with a view to the matter being discussed, so that something like a common rule might be made in industrial affairs, but it was withdrawn last week, presumably because of a promise by the Government that the matter would be dealt with in the near future. As for years all our efforts to have additional powers conferred on the Commonwealth were regarded with very scant sympathy, and fresh anomalies which could not be dealt with by this Parliament were continually arising, the conclusion was inescapable that action would have to be taken to make the Government realize the necessity for the combination of all political parties in an endeavour to improve the Constitution. I hope that members of the Country party will not consider that I am adopting a selfish, "dog in the manger" attitude, when I say that at no previous stage in the history of federation have the people of Australia more earnestly desired an enlargement of the powers of the Commonwealth. Every day, one or another section of the community finds itself in difficulties with economic loss and chaos resulting because the Commonwealth Parliament cannot deal with its problems. There can be no doubt as to what the result would be of a reference to the

people of proposals formulated by a conference representative of all parties, and advocated by them in the electorates, for the removal of anomalies which everybody will agree exist at the present time. I am certain that the people will regard this proposal of the Government as a totally inadequate one, which does not add to but rather sabotages and lessens the powers of the Commonwealth. It will be regarded almost as an insult by all those who have advocated added powers for the Commonwealth. I ask myself: "Do I stand for the right of the primary producer to organize the marketing of his products and to take concerted action to obtain the best results, as I do in regard to other sections of the community"? To that question my reply is "Undoubtedly I do". In the first speech that I made in this House five or six years ago, on the motion for the adoption of the Address-in-Reply to the Speech of His Excellency the Governor-General, I pointed out that those engaged in primary industries should organize on the lines followed in other industries. I suggested that without a planned method of marketing, without some pooling system that would eliminate the middleman, the primary producer would never improve his position. Several honorable members who are in this House to-night, ridiculed the idea that there should be any interference with unrestricted competition. They said that it would be altogether wrong to circumscribe the operations of private enterprise or to interfere with individual effort. In the whirligig of time there have been many changes, and the greatest of them in my experience has taken place during the last five or six years in the mental outlook of members of the Country party.

Let us consider the meaning of this piece of legislation, and see what power it gives to one section to establish a monopoly in the distribution and sale of its products. The honorable members for Swan (Mr. Gregory) and Forrest (Mr. Prowse) would almost have ceased to breathe had this been suggested to them five or six years ago. Their argument has always been "We want no interference with private enterprise; we can stand on our own feet."

Mr. Prowse.—We say so still.

Mr. Holloway.

Mr. HOLLOWAY.—They have said: "We do not believe in anything of a collectivist nature; we do not want the State to interfere with our affairs; we believe in untrammelled, unrestricted competition." Let us consider what they are supporting to-night. It is equal to anything in the American plan of destroying foodstocks for price-rigging purposes. It involves the uprooting of trees and plants for the restriction of output, and the destruction of the surplus production of all kinds of commodities. The power is being sought so to legislate that "no man may send any dried fruit from one State of Australia to another unless he exports, destroys, or feeds to stock, that percentage of his total crop which is named in the determination of the Dried Fruits Board." He could send from Victoria to New South Wales or Tasmania only that quantity of dried fruits which his masters allowed him to send. If he had any surplus, and refused to burn it, feed it to pigs, or destroy it in some other way, penal indemnities would be imposed upon him. The Commonwealth's power is not to be enlarged by this bill; it is merely to be made the instrument for the imposition of penalties upon a "blackleg" dried fruits grower who may wish to sell in another State a little more than he is told that he may sell. This action would be taken by the Commonwealth at the behest of only two or three States interested in the particular commodity concerned. This is a case of the tail wagging the dog.

Mr. Prowse.—The primary producer must work a little longer and accept a little less remuneration for his labour!

Mr. HOLLOWAY.—My case rests on much broader considerations; it does not embrace such miserable features. The honorable member knows that I do not stand for that sort of thing. I have been fined and threatened with imprisonment by some of his friends for having fought for higher wages and decent conditions for men who work in the city as well as in the country. Ever since I first voted on the proposal for the establishment of federation I have been in favour of adding to the powers of the Commonwealth Parliament, because I stand for one Parliament, with complete sovereign powers.

Mr. BLAIN.—With respect to everything?

Mr. HOLLOWAY.—With respect to everything of a national character. Australia is supposed to be in the van in the passage of social legislation, yet it has consistently failed to adopt international conventions. This Government has excused itself for such failure on the ground that the Commonwealth has not the power to ratify these conventions; yet it has refused to seek that power, and has declined to urge the States to take the necessary action. It will not take steps to enable the Commonwealth Arbitration Court to make a common rule in industry, through the absence of which hundreds of thousands of pounds have been wasted in clearing up legal quibbles. Now, when a particular group finds itself in difficulties, it puts forward a miserable proposal under which two or three States, in which dried fruits are grown or butter is produced, may be empowered to adopt a certain procedure in the marketing of the product.

Mr. PATERSON.—Every State now exports a certain quantity of butter.

Mr. HOLLOWAY.—Tasmania does not export much. However, I shall not "split straws" about a pound or two of butter. The Government takes no notice of requests from this side of the House, notwithstanding the fact that we represent one-half of the people of Australia and it is on the votes of the people that this matter will be decided. When this very respectable group in whose interests this legislation has been introduced found itself in difficulties, the Government could no longer side-step the issue. But even then it failed to produce something that would appeal to the people. It should have said to all parties: "We shall now make a concerted effort to obtain for the Commonwealth wider constitutional powers, so that we shall not in future be confronted with these anomalies each session. Will you gentlemen join us in the formulation of proposals and in urging their adoption by the people?" No party would have declined to assist the Ministry in formulating proposals to enlarge the powers of the Commonwealth Parliament. What the Government is asking is almost an insult to

the people. It really is requesting that greater powers shall be vested in the States. I defy any honorable gentleman to show how the proposal before us will in any sense add to the power of the Commonwealth Parliament. Because two or three States have an exportable surplus of certain commodities and desire to organize their industries, we are being asked to divest the Commonwealth of power which everybody thought it had. But every suggestion that some safeguard shall be provided so that the welfare of the general community shall be protected is resisted. Power is to be given to these exporting industries to deal summarily with any individuals or groups of individuals who play the part of the blackleg by giving to the Australian people food a little cheaper rather than destroy it. Even shipping companies are to be boycotted if they dare to accept cargoes under certain conditions. But the Commonwealth Government must not be given any measure of control! The whole thing is most objectionable.

We should not countenance the setting up of monopolistic boards to control the foodstuffs of the people without also providing adequate safeguards to ensure that prices will not be artificially rigged. I have had experience at round table conferences in dealing with cartels, monopolies and combines of one kind and another which convinces me that we shall take undue risks if we agree to the proposition which the Government is now submitting to us. Why is it that the proposal is all so lopsided? Why cannot several questions be formulated, or at least one question with two or three paragraphs, to provide the desired marketing powers with proper safeguards for the consumers? I believe that the mind of the Attorney-General (Mr. Menzies) on this issue is very similar to my own, and I cannot understand why he should resist the proposal that we are making for the provision of adequate safeguards. Why should we submit to the narrow-mindedness and bias of certain interests which stand behind the primary producers of this country? It is unreasonable that one section of the community should be given monopolistic powers which would enable them to compel certain producers to destroy their

crops rather than sell them at prices different from those fixed by the governing body. It would be possible under the re-adjustment of powers for which the Government is seeking approval for the growers of dried fruits in one State to be compelled to destroy their product in preference to sending it to another State. At the time of federation everybody believed that the passage of the years would see a decline of the sentiment that stood for sectional interests in this country. For some years the true national sentiment maintained the ascendancy, but a changed outlook appears to have been adopted by some sections of the people. If this bill is carried the Attorney-General will prepare a pamphlet setting out the real meaning and intention of the proposed alteration, but I do not believe that one person in 10,000 in Australia who gains a proper appreciation of the meaning of the alteration will agree to it, for the power to rig prices is far too dangerous to be placed in the hands of a small board. We have had experiences of this kind of thing in the past, and we know what misery is likely to follow the adoption of this practice. In certain countries of the world the producers have organized so effectively that they are able to dictate the area that shall be put under crop. The production of tea, coffee and cocoa is controlled rigorously by a powerful combine. People who are prevented from planting their available areas are compensated out of a central fund into which levies of one kind and another are paid. Those who act in defiance of the direction of the controlling body are obliged to pay fines which are also added to the general fund. Unless we are careful a system of this description is likely to be set up in Australia. It is unreasonable in these circumstances to ask that honorable members who represent industrial constituencies shall vote for this measure without the inclusion of a provision to protect the general public from exploitation. I am afraid that if the people endorse this proposed alteration of the Constitution we shall have an army of border inspectors to police such marketing legislation as may be enacted.

Mr. Nook.—The producers have not exploited the public hitherto.

Mr. Holloway.

Mr. HOLLOWAY.—That is so, but they have never realized that it could be done. It is extraordinary how quick a board of directors is to take advantage of any favorable position in which it may find itself. That is well illustrated for us in connexion with the oil business. Power makes tyrants and exploiters of us all. I fear that if marketing control boards are set up with the authority which the Government seems willing to confer upon them that they will take advantage of their power and increase commodity prices unduly. If marketing is to be controlled the Commonwealth Parliament should control it. It is well known that in the last five or six years a substantial proportion of the revenue of this Government has been expended for the direct benefit of the primary producers, and it is high time that something was done to conserve the interests of the industrial classes of the community. I was never so unhappy about a bill as I am about this one, for, as most honorable members know, I favour the thorough organization of our primary and secondary industries. I do not believe that any businesses can be carried on successfully over a long period of years as entirely separate units. The time must come when it will find itself in a chaotic condition unless it is backed up by proper collective and co-operative organization. I believe that the primary producers should organize, but I also believe that provision should be made for the general consumers to be protected from exploitation.

The Government's proposal is lopsided in the extreme. Why does not the Prime Minister take the Parliament and the country into his confidence and say what the Government proposes to do in regard to the effective alteration of the Constitution? Why has the right honorable gentleman suddenly ceased his advocacy of an alteration of the Constitution to enable Parliament to deal with hours of labour? If the Attorney-General could say to-night that the Government intended to take effective action to deal with anomalies in the Constitution and to seek full power for this Parliament over industry and trade and commerce I should be willing to vote for this bill; but apparently nothing of that

kind is contemplated, for the Government seems intent upon following out the one-sided and narrow, class-biased attitude evidenced by the introduction of this measure. Not only is it declining to seek extra power for the Commonwealth; it is also actually suggesting that certain power which was thought to reside in the Commonwealth shall be handed to the States. This is surely a complete reversal of the constitutional outlook that has been dominant for some years; it is a retrograde step, and therefore I oppose it. The proposal outlined in this bill is dangerous and one-sided, and it is entirely unreasonable to expect the industrialists of Australia to support it. At least it should be accompanied by some proposal to safeguard the general consumers from exploitation.

Sir DONALD CAMERON (Lilley). [9.13].—I have every sympathy with my fellow citizens who are chary about making any alteration of the Constitution until they are absolutely satisfied that it is necessary and desirable. All nations which have written constitutions or fixed statements of the rights of their people, as it were, are exceedingly diffident about approving alterations. Our Constitution is modelled on that of the United States of America and very few alterations of the Constitution of the United States of America have been made since it was first framed. Some countries cannot make an alteration of their constitutions without appeal to a higher authority. The Canadian Government, for instance, would have to approach the British Parliament for authority to alter its Constitution. This Government has no doubt in mind the experience of the Bruce-Page Government when it attempted to make an alteration of the Constitution in respect of powers over industrial arbitration. Speaking as an ordinary citizen I am against tampering with the Constitution, or altering it, so that it may bend to any wind that blows. I listened very carefully to the complaints made a few days ago by the Leader of the Opposition (Mr. Curtin) against the Government's proposal. The honorable gentleman said that this proposed alteration was vague and nebulous, and would not provide the Commonwealth with any additional

power. He then complained, as the honorable member for Melbourne Ports (Mr. Holloway) and other honorable gentlemen opposite have done during this debate, that no mention was made of joining industrial powers with the marketing question which it is proposed to submit to the electors. The Leader of the Opposition also accused the Government of paltering with the situation. But let me deal first with his complaint that it is not seeking additional powers. If I understood the Attorney-General aright, that is the very essence of the Government's plan. It realizes the need for an alteration of the Constitution and also the unwillingness of the electors to alter it. Admittedly, the Government's proposal does not confer any new power on the Commonwealth Government. That point was stressed by the Attorney-General (Mr. Menzies).

On this occasion, the electors will be asked not to make any radical change, but to confer a power which, until the decision of the Privy Council, every Commonwealth Government, including the Scullin Government, thought it possessed. The present proposal is that the people shall be asked to approve of something whereby the existing satisfactory marketing system may continue in operation. That system has the general approval of the community; but because of the decision of the Privy Council, it must cease to operate unless the Constitution is properly amended. For that reason the proposed alteration submitted by the Government has been designed in a circumspect and careful way. The people are not to be asked to authorize some nebulous scheme—to use the word of the Leader of the Opposition. To ask them to do so would be to court failure. The proposal of the Government should be regarded more as a desirable technicality than as a radical change. If the campaign is to be brought to a successful conclusion—

Mr. BRENNAN.—It will undoubtedly be brought to a successful conclusion.

Sir DONALD CAMERON.—Probably the honorable member's conception of a successful conclusion differs from mine. In my opinion, the electors will

agree to the proposed alteration of the Constitution. If they do, the Constitution will still remain intact and unharmed, and no experimental power whatever will have been granted to the Government. So far from the Government paltering with the situation as stated by the Leader of the Opposition, I maintain that it is handling a delicate situation in a delicate manner. It is acting in the only way which is likely to be successful.

The Leader of the Opposition also urges that the electors should be asked to grant industrial powers to the Commonwealth. It would appear that he has not given to the subject his usual careful thought, for, in my opinion, he could not propose anything more likely to defeat both proposals. The granting of additional powers in relation to industrial matters, would involve an entirely new legislative structure, whereas the Government seeks only to strengthen the foundations of an existing structure. The defeat of the Government's proposal would be equivalent to the demolition of the existing structure and the building of a new one, whereas the defeat of the proposal of the Leader of the Opposition would merely mean the preservation of the *status quo*. Two proposals which are the antithesis of each other should not be joined.

At this stage, I offer no observation in relation to the granting of industrial powers to the Commonwealth other than that I recognize that the subject is of great importance. The Leader of the Opposition and his followers are not alone in their views regarding it, for there are many on this side of the chamber who would go a long way with them were it not that they fear that by so doing the chances of success would be minimized. They will oppose any additional issue being placed before the people on this occasion, believing that, if other questions are to be submitted to the electors, they should be dealt with separately, on their merits. I am convinced that the submission of the two issues to the people would confuse the electors, increase their natural antagonism to the making of changes and result in the defeat of both of them. They would go down in a veritable tornado of popular misunder-

standing and disapproval, and that, I believe, would not please even the honorable member for Batman (Mr. Brennan). The people regard the Constitution as their "bill of rights." If they are asked to alter it here and there, and somewhere else, they will come to regard it as a feeble thing, to be altered at the whim of the government in power, and their determination to resist an amendment of it would be strengthened. The ultimate power rests with the electors. The Leader of the Opposition will, I think, admit that the majority of the people think emotionally; and the first reaction of most people to a suggestion that the Constitution should be altered is one of antagonism. I shall not refer further to the granting of industrial powers to the Commonwealth; I mention it only as an issue which might be coupled with the marketing issue. I do not think that the Leader of the Opposition would wish to see both proposals defeated.

The submission of two separate proposals to the electors would involve considerable expense, for it would be necessary for the Government to engage in an extensive publicity campaign. Even with only one proposal to be submitted to the people, there will be considerable expenditure. In the rush of modern life most people have time to absorb only a limited amount of information. Moreover, on this occasion the time is limited. If two issues are to be submitted to the people, such a volume of propaganda will be placed before them that they will be able to absorb very little of it, and the expenditure will be wasted. Rather than that should happen, I would prefer that the electors should go to the polling booths with only their own scanty knowledge of the subjects, for it must be remembered that a little learning is a dangerous thing. I congratulate the Attorney-General on the very able manner in which he has framed the proposed alteration. If any proposed alteration of the Constitution on this matter stands a chance of success I am sure that it is his, and in devising it he has displayed an acute perception of the difficulties with which we are faced.

It is not necessary to stress the need for an orderly system of marketing. If the proposed alteration be not carried, the

existing marketing methods in connexion with dried fruits, wheat and other produce will be no longer valid, and the existing schemes will collapse. Should they collapse, what will take their place? The imposition of an excise duty and the distribution of the proceeds among the growers by means of a bounty has been suggested, but apart from its inherent inability to organize and control marketing, such a scheme would be cumbersome and more expensive. The Attorney-General said that it would be possible for the State Governments to determine the price at which goods should be sold, and to make that price apply to goods sold intra-state as well as interstate. That would mean six separate watertight compartments, not necessarily co-existing in harmony. Australia must have some marketing mechanism such as that which has been adopted, in some form or other, by the entire civilized world. Australian goods could not be marketed, either in Australia or in the markets of the world, under the old cut-throat, suicidal, competitive methods which led ultimately to the ruin of many producers. The wisest course is to approve of the Government's proposal. By doing so the Government would be able to preserve a system which has been built up laboriously and carefully over a period of years. It is a system in which we are experienced and which has worked satisfactorily to growers and consumers. That it should continue to operate, is, in my opinion, much more important than the introduction of new matter, such as added industrial powers. In the one case, a machine exists which plays a notable part in the commercial life of the country. It is essential that it should remain not only in existence but also in motion. The other case involves the building of an entirely new machine which would have to be co-ordinated with others already in operation, and lacking which the country is at present existing without any serious threat of the disruption of any particular industry or industries. In view of the special circumstances of the present problem, I feel that the deliberations of my honorable friends opposite have led them to a false conclusion that the joining of the question of industrial powers with the marketing issue would enhance

the chances of either; I am sure that such a combination would make certain the loss of both. I remind honorable members of the inherent differences between the two issues. One seeks power to maintain an existing system, and the other seeks power to create a new legislative structure which could not possibly be built until after the general elections at the end of next year. For those reasons I believe that the course followed by the Government is the best possible in the existing circumstances and difficulties. I trust, even at this late stage, that when all the amendments have been disposed of, the House will carry the second reading of the bill on the voices. The honorable member for Melbourne Ports (Mr. Holloway) has stated that the proposed alteration is designed to help only one section of the community. I do not agree with that statement, but even if it be true, the honorable member will agree that that section has carried a great burden in the years of depression through which we have passed, and those engaged in primary industries have played their part fairly and squarely in putting the ship of state back on to an even keel.

Mr. FROST (Franklin) [9.34].—I regret that the debate on this bill has been availed of by members of the Country party to point to this side of the House as the enemies of the primary producers. The recent history of this Parliament proves that the primary producers have more friends on this side of the House than on the other. During the régime of the Scullin Government, when I was previously a member of this Parliament, we asked the wheat-growers to grow more wheat and at the same time submitted a bill to guarantee them 4s. a bushel at country sidings. That bill was defeated by the Country party.

Mr. NOCK.—The honorable member knows that the Scullin Government could not even finance the 3s. guarantee which it submitted later.

Mr. FROST.—We could have financed that first bill if we had been able to have it passed.

Mr. LANE.—Why was not it passed? The Government had a majority.

Mr. FROST.—It had not a majority in the Senate. All we hear to-day from Ministerial supporters is, "Orderly

marketing! Pass this legislation and we shall provide orderly marketing for the primary producers". Orderly marketing has been in operation for a number of years, but the primary producers have not been satisfied. I have been a primary producer for the last 30 years, and I have not been satisfied, nor have any other primary producers.

Mr. LANE.—They never will be.

Mr. FROST.—They will be satisfied if they get a fair deal. Ministers and Government supporters have declared that the dairying industry will collapse if this bill be not passed. Only a few months ago a vote was taken of the dairy producers in Tasmania on the subject of the organization of their industry. The proposal was rejected by a majority of three or four to one, and if the dairy farmers were called upon to vote upon the same question again to-day they would repeat their rejection of it, and I should not blame them. Reasons for the adverse vote recorded are clear. This Government claims that it is protecting the whole of the industry; the truth is that during the season the factory producer is protected but the dairyman is not. The dairy producer sends his butter on to the open market and it has placed on it an impost of 3d. per lb. Tons of butter in Tasmania was put on the market, and realized only 6d. per lb., leaving only 3d. per lb. for the producer after he had paid the tax. Was it any wonder that the Tasmanian dairy farmers rejected the proposal? Let me now state the purchasers' viewpoint: To the bachelor with an income of £1,000 a year, the tax means only 15s. a year, but a man earning the basic wage of about £3 9s. a week, and supporting a wife and three children, has to pay in tax on his butter, £3 a year. Why should the basic-wage worker be penalized to that extent, whilst the bachelor with £1,000 a year pays only 15s.? The history of orderly marketing throughout the world is well known. In the United States of America, the Federal Government endeavoured to control market prices by limiting production; only such a quantity of produce was to be grown as would stabilize the market at a certain price. What has been the result? The United States of America at the present time is practically suffering a famine. Two years ago,

bacon could be purchased in the United States of America for 9d. per lb. The authorities said that there was over-production, which therefore was restricted, with the result that when we were in America last year people were paying to 60 cents per lb. for middle rashers. The wheat-farmers were told not to plant certain wheat fields, because over-production would occur. Then, following a period of dry weather, the top soil of the unsown land was blown away by gales. On account of erosion, millions of acres that should have been, and would have been, planted for grain fodder can never be planted again. The throwing of this land out of production left the soil with nothing to bind it, with the result that the top soils have drifted into the valleys. If the marketing of primary products in this country is tampered with, Australia will be forced into the same position as is occupied to-day by the United States of America. The States of Tasmania, Western Australia, and South Australia are certain to reject the Government's proposal, and, I remind the Ministry, that those States are not all governed by Labour. The Government of South Australia is led by Mr. Butler, who said that the Commonwealth Government has not a thousand-to-one chance of getting the people to endorse this alteration. Mr. Butler realizes that this bill, if put into effect, would be harmful to South Australia. Tasmania markets about 73 per cent. of its produce on the mainland, and, if the proposed alteration of the Constitution were approved and came into force, the markets of its producers would be restricted. Possibly interstate trade would be regulated on a *per capita* basis. A few years ago, Victoria would not allow Tasmanian potatoes to be imported, and our growers had to take a case to the High Court to prevent this interference with interstate trade. If the Commonwealth is given more powers, we shall occupy the same position as we then occupied, and our markets will be restricted. Tasmania is an exporting State. It joined the federation on the understanding that it would have a free market in the whole of the Commonwealth. I remember advocates of federation saying to our people, "If you agree to the union, you will have a free market

for your products throughout the Commonwealth". But what has actually happened? Tasmania has had to fight its way through a maze of restrictions in order to market its goods. Yet, we are asked to-day to surrender our right to an unrestricted Australian market. It may be possible to fix the prices of butter, dried fruits, and berry fruits, but there are other commodities in respect of which that cannot be done.

We are dumping butter into England at a very low price. At this time last year it was selling in England at as low as 10d. per lb., and a great deal of it was re-shipped to America by the British merchants who received for it in New York 1s. 8½d. per lb. As a matter of fact, the butter was never taken out of the boxes in which it left this country, but was transhipped to the United States of America immediately on its arrival in the United Kingdom. We were not able to ship the butter direct to America because we are under an obligation to supply the United Kingdom at a low price.

Mr. PATERSON.—We are under no obligation that would prevent us from shipping direct to America.

Mr. FROST.—Well, why was the butter not sent direct to the American market?

Mr. PATERSON.—The explanation offered by the honorable gentleman is certainly not correct.

Mr. FROST.—At the same time butter was selling in Germany at 4s. per lb. When it was suggested that we should take advantage of that market for our butter, we were told that butter from Russia was being dumped in Germany. Russia could not send huge supplies of butter to Germany, because it has not sufficient to meet its own requirements. The same statements are made with regard to wheat. If properly marketed, Australian wheat should have been for the last two years selling at 4s. a bushel. Last year, when I was in England I discussed the situation of the wheat trade with Liverpool wheat merchants, and I was told that their supplies were lower than at any time since 1927, but that huge supplies were available in Russia, but when I, with other members of the parliamentary delegation, arrived in Russia, we found that that country

possessed very little wheat, and even that was of only third-grade quality because of a wet harvest. On my return to England I told the merchants that they could not get supplies of wheat from Russia, and that the grain should go to a higher price. They then declared that huge quantities could be got in Canada. The bulk of that wheat existed only on paper. When I visited the United States of America recently, the Acting Trade Commissioner for Australia in New York, Mr. Dow, and the representatives of business firms there, informed me that huge supplies of wheat were being obtained from Canada. I suggested to the Minister for Commerce that he should investigate the position, and I predicted that the price of wheat would soon rise to over 4s. a bushel.

Mr. PATERSON.—Surely what the honorable member is contending is an argument in favour of organized marketing.

Mr. FROST.—Unfortunately, we have been playing into the hands of combines. When I told the Minister for Commerce that the price of wheat would increase to over 4s. a bushel before he returned to Australia, he said that I was too optimistic, but before he reached these shores the price had risen to 5s. a bushel. This was attributed to the drought in the United States of America. Judging by the quantities of wheat available in the world, the growers should now be receiving 7s. 6d. a bushel.

In January, 1935, a deputation from Tasmania waited upon the Minister for Commerce asking that assistance be given to the raspberry-growers of that State. A grant was sought to permit of the pulping of 1,000 tons of raspberries that were being allowed to fall to the ground. The Minister produced the customary pile of figures to indicate the quantities of raspberries held in Australia and in other parts of the world, and said, "I will give you £5,000, but you should tell your growers to grub out their raspberry canes and plant something else in their place, as there is an over-production of this fruit". In July of that year, I had not been in London two days when a merchant who trades with the co-operative company in Tasmania, of which I am a

director, asked me if we had any raspberry pulp in Tasmania. I informed him that the growers in that State had been told that there was no outlet for their product, and he replied that the crop in Great Britain had failed. When I asked him about surplus stocks, he said, "We have never had any". It is not safe to anticipate any crop. The growers should be guaranteed a payable price. When I was in England, the amount granted for the assistance of the wheat-growers there was, I think, £3,000,000. The production was below the average, but the distribution of the Government grant over the smaller quantity enabled the growers to get a higher price. The price paid was 6s. 6d. a bushel.

Mr. PATERSON.—An importing country is not comparable with an exporting country.

Mr. FROST.—We should give our growers a price that will enable them to produce for export. As it is necessary to export most of our primary produce overseas, we should try to find suitable markets for the producers, but the consumers in Australia should not be penalized by high prices. Prices on the overseas markets are not regulated entirely in accordance with the quantities of produce handled. One professor in England recently said that a certain combine was manipulating the markets and controlling the prices, and I feel sure that he was correct. If the Commonwealth Government made up the extra sum required to ensure a profitable return to the primary producer, who is forced to sell the bulk of his goods on the oversea markets, and the consumers in Australia were able to purchase their requirements of primary produce at ordinary market rates, it would be better for all concerned. We should do as is done in Great Britain. As one of the representatives of Tasmania, I do not feel justified in voting for this bill, but, as I have freedom to cast my vote as I choose, I shall support the amendment submitted by the Leader of the Opposition, and I urge the Government to accept it.

Mr. STREET (Corangamite) [9.53].—The honorable member for Franklin (Mr. Frost), in the course of his remarks, said, in effect, that home-consumption prices

would have the effect of raising the living expenses of a family, whilst a bachelor would be affected very little.

Mr. FROST.—I said that a bachelor would pay 15s., whilst a married man with a wife and three children would pay £3.

Mr. STREET.—Quite so; but a similar contention could be advanced in regard to the operation of the tariff and awards of the arbitration court, so I do not think the honorable gentleman can make much capital out of that line of reasoning. I was interested in the figures cited by him in regard to the poll in Tasmania in connexion with the dairy industry, but, with all due deference to the honorable member, I doubt whether the vote was four to one against the proposal. My recollection of the poll is that a very small percentage of the dairy farmers voted on that occasion. The length of the debate on this bill seems to be in inverse ratio to the length of the measure itself. The bill seeks to add three lines to the Constitution—a new section 92A—consequent upon the fact that the Privy Council has decided that section 92 binds the Commonwealth. The Leader of the Opposition (Mr. Curtin) has moved what is colloquially known as a drag-net amendment. It is very vague in its terms, but that is not the fault of the Leader of the Opposition, as the Standing Orders do not permit him to be more specific. We must ask ourselves whether the proposed alteration is both desirable and necessary. Honorable members opposite say that it is neither, but personally I think that it is both. At the present time, there is a state of emergency in regard to certain primary industries, and this is admitted by honorable members on both sides of the House. It is necessary, therefore, to take some action in order to safeguard the primary producers concerned, who cannot be given the protection of orderly marketing unless this Parliament is given the authority to provide for it by legislation. The Dairy Produce Export Control Act, the dried fruits legislation, and the wheat marketing legislation were all rendered invalid by the recent decision of the Privy Council. When these measures were under consideration by the Parliament, little or no direct opposition was

expressed to any of them. What can this Parliament do to rectify the position that has been revealed by the Privy Council's decision?

It is said by some honorable members that there is no need for a referendum on the subject of an alteration of the Constitution, as the necessary powers are already in the hands of this Parliament. To a limited extent that is true, but the powers now possessed cannot be regarded as satisfactory. By imposing an excise duty on various commodities, and distributing as bounty the revenue thus obtained, a home-consumption price could be secured, but such a method has one very grave disadvantage, apart from political disadvantages which are practically insuperable. The grave disadvantage to which I refer is that no matter what the result of excise duties might be for the moment, they would not have the effect of stabilizing these primary industries. Our secondary industries have been stabilized because they have the protection of the tariff and the security given by awards of the Arbitration Court. If it be just to give security and stability to secondary industries, it is equally right to make the positions of primary industries secure. I am quite sure that excise duties and bounties cannot give the desired stability.

Mr. STACEY.—Neither would that method suit the Opposition.

Mr. STREET.—That, I believe, is true.

Mr. PATERSON.—Those industries would become even less stable than they now are.

Mr. STREET.—I agree with the Minister. The proper course to take is to seek power to amend the Constitution in order to restore the position that obtained prior to the decision of the Privy Council in the *James* case. It is very difficult to induce the people to vote for a proposal submitted to them by means of a referendum. It is on record that the Parliament of one country became so tired of failure to carry proposals submitted to referendums that it held a referendum to decide whether the referendum system itself should be abolished, but it could not obtain an affirmative reply even to that question!

If we complicate the issue to be referred to the people we shall have very little chance of their granting the increased powers sought. The more simple the proposition submitted, the better will be the chance of the appeal being successful. Under the present legislation, the Commonwealth and the States, acting together, cannot provide for orderly marketing, but if the proposal contained in this bill is accepted at the referendum, the marketing legislation already on the statute-book will be validated. Honorable members will recall the uncertainty which prevailed in regard to the price of dairy produce when it depended upon London parity. The Paterson butter scheme, which was a voluntary plan, came into operation and stabilized the industry; but after a while, signs of a breaking away from this arrangement became noticeable and the majority of States passed marketing legislation, which necessarily, however, had only intra-state application. Finally the Commonwealth Parliament legislated on the subject and no public outcry whatsoever was raised against such legislation, and no talk was heard of the exploitation of the consumer—a line of argument which has been considerably developed during this debate.

The onus is on the Government to submit to the people by referendum a question that will be free from any suspicion of involving an encroachment on the powers of the States by the Commonwealth; because such a suspicion is nearly always the foundation of attacks upon referendum proposals. To attempt to add further questions to the Government's proposal would be to kill absolutely any chance that there may be of obtaining an affirmative decision. As the Attorney-General (Mr. Menzies) said when moving the second reading of the bill, we have to consider not only what is desirable but also what is possible in submitting a question to the people. That is an important fact. If the amendment moved by the Leader of the Opposition were reduced to specific terms it would not, in my opinion, have any prospect of being accepted by the people, however desirable it may seem in the eyes of many honorable members. On the other hand, the Government's proposal is simple and

gives no ground for suspicion of encroachment upon State powers by the Commonwealth. Furthermore, it is so phrased as to be readily understood by the people, and I believe that the Australian public will readily accept it when the opportunity is given to them to vote upon it, provided that honorable members accord it the support which it deserves. I was dubious about the length of time which would elapse between the holding of the referendum and, if it were successful, the passage by this Parliament of the necessary legislation to give effect to the objects of the proposal. Consequently I was gratified to hear the Attorney-General state that the marketing legislation which had been rendered invalid by the decision of the Privy Council, has not been repealed, but has merely become invalid, and that upon the acceptance of the Government's proposal by the Australian public will automatically become valid again.

Mr. BRENNAN.—Restored to good health, as it were.

Mr. STREET.—That is so; the Attorney-General's assurance will overcome one of the principal objections which have been raised by many primary producers. I hope that even the honorable member for Batman, who has expressed the greatest antipathy to this legislation will, when the various amendments have been disposed of, finally see the light and decide to support the Government's proposal before the people. I commend the alteration which the Government is seeking. I believe that it is likely to succeed, and I trust that the House will not accept any amendment which might tend to complicate the issue.

Mr. LANE (Barton) [10.4].—I regret that the Government has not seen its way clear to treat the referendum proposal on a wide national basis. The Australian people expect the Federal Government to place before them a proposal for a substantial increase of the power of the Commonwealth, and in limiting the subject of this referendum to marketing alone, the Government has not acted wisely. Having resolved to expend £100,000 upon a referendum, it should have seized the opportunity to ascertain the views of the public regarding a more extensive enlargement of Commonwealth powers. For

years people have desired that these wider powers should be given to the Federal Parliament.

Mr. STREET.—Every time that the Federal Government has asked for an increase of power it has been refused.

Mr. LANE.—That is not the point. So many radical changes have since taken place in the industrial and primary-producing spheres that the people are now ready, in my opinion, to take the widest possible view of the position of the Commonwealth in its relation to the States.

Mr. PATERSON.—I believe that attitude does apply to New South Wales, but not to all the other States.

Mr. LANE.—It is unfortunate that the Minister for the Interior (Mr. Paterson) should think that Melbourne is Australia, and is prepared to accept the general attitude of Victoria to the exclusion of the views of others. There is a decidedly more national outlook in New South Wales than in the other States, and it ill-becomes certain honorable members to adopt the attitude that the voice of the most populous State in the Commonwealth should not be heard and heeded in regard to a proposed alteration of the Constitution.

Mr. BRENNAN.—The Attorney-General is not liking the trend of the honorable member's speech.

Mr. LANE.—The Minister for the Interior has that outlook, and, unfortunately this Parliament is largely dominated by Victorian interests. Victoria has never taken a wide national outlook. Whereas New South Wales has adopted a 44-hour working week, Victoria has adhered to a 48-hour week; also the basic wage in Victoria is lower than it is in New South Wales. Victoria has invariably declared its unwillingness to place itself with New South Wales on a national basis. Such a refusal is the most natural thing in the world; Victoria has inherited a great deal of its narrowness from the fact that prior to federation it was the only protectionist State. If no consideration is to be given to the opinion of New South Wales on national matters—

Mr. PATERSON.—Due consideration.

Mr. LANE.—In my opinion due consideration has not been given to the

desires of the people of New South Wales. When we propose the granting of more extensive powers to the Commonwealth other States immediately raise objections. If we endeavour to have wider industrial powers conferred on the Commonwealth, it is held that Queensland has a higher basic wage and enjoys better industrial conditions than other parts of the Commonwealth, and, therefore, will not vote for the granting of those powers. In Victoria a lower standard of wage prevails. South Australia, which is in exactly the same position, considers that if its standards were brought up to those of New South Wales and Victoria, its industries would suffer considerable injury. If this Parliament is to be influenced by those reasons for not extending the national outlook, it is unworthy of the name of National Parliament. If we are to hold a referendum, we should ask the people to grant the Commonwealth wider powers in two important spheres. For many years complaints concerning the overlapping of Commonwealth and State activities in respect of arbitration and industrial matters generally have been referred to by practically every Prime Minister and Premier. The fact that on previous appeals to the people the Commonwealth was refused an extension of powers should not deter this Parliament from again seeking the full powers which it needs. The primary producers, finding that difficulty has arisen in marketing their products as the result of the decision of the Privy Council, have asked the Parliament to take action to restore them to the legal position which they occupied prior to the successful appeal by Mr. James; they want nothing more or less. That view is mean and narrow. This proposal which is being submitted to the people with the object of benefiting only certain sections of primary producers, should be made sufficiently comprehensive to cover all of those engaged in rural production. A great deal has been said concerning the necessity to afford adequate protection to butter producers, and in this regard, we should consider industries with which the production of that commodity is closely related. Some time ago, Mr. Main, the Minister for Agriculture in the New South Wales

Parliament, introduced a measure to prohibit the manufacture of margarine, because it entered into competition with butter. The product was not manufactured from coconut oil, and therefore could not be said to be a product of black labour. If the Commonwealth Government is given power to legislate in respect of the industries mentioned during this debate, it will endeavour to use its authority to prohibit the production of cheaper competitive commodities and in that way interfere with the rights of the people. As a member of the New South Wales Parliament, and also since I have occupied a seat in this House, I have seen sufficient to convince me that if the primary producers are given too much authority in controlling the marketing of the commodities they produce, they will use such power for their own benefit and regardless of the welfare of the community. Last week when a lad came to my office in Sydney seeking employment, I asked him if he could not obtain work in the country. He said that he would willingly work for a dairy farmer, but would be offered only 10s. a week and keep. He thought that if he were paid £1 a week and keep it would be a fair remuneration for the work he would be expected to do. If I could be convinced that under this proposal the industries to benefit would be so organized and controlled that the boys and youths in this country could be provided with employment at decent wages, instead of being forced into the cities to swell the ranks of the unemployed, I would support it. Work should be provided in dairying and other rural industries for single men for at least £2 a week, and married men should receive £3 a week and a cottage. Before the people of Australia support this proposal they should have some assurance that if it is adopted, the primary producers will pay their employees a reasonable wage, and will not endeavour to increase prices beyond a reasonable figure. What is the outlook for Australian youths if primary producers, many of whom are in comfortable circumstances, will not pay decent wages?

Mr. SCHOLFIELD.—That is why they are asking for the protection it is proposed to afford to them.

Mr. LANE.—That has been said on previous occasions, but up to the present, the conditions of the employees had not been improved. As I was reared on a farm in the Windsor district, whence a large portion of Sydney's milk supply is obtained, I can speak with some authority of the conditions prevailing in the dairying industry. Can I be expected to tell the electors that the members of the Country party which is now allied with the United Australia party, are likely to treat the workers and their families fairly? Up to the present they have been unwilling to do so and are largely responsible for the drift of population from the country to the cities. Almost daily young men from eighteen years to twenty years of age approach me and say that they would be willing to work in the country if they could get a fair wage. The members of the Labour party are not concerned if men are compelled to hang around street corners, because the plight of such men can be used prior to an election to discredit governments, I defy any member of the Country party to prove to me that the reorganization of rural industries has been the means of providing additional employment at reasonable rates of wages for young men. If they can do so I am willing to withdraw my opposition to the Government's proposal. They know that the real object of securing an alteration of the Constitution is to increase their own earnings, and that no attempt will be made to see that those whom they employ are paid fair wages. When the measure prohibiting the manufacture of margarine was being considered in the New South Wales Parliament, it was pointed out that if it were passed it would seriously affect the position of those who could not afford to buy butter, and the opposition became so pronounced that within a fortnight the bill was withdrawn. The Government cannot justify the expenditure of £100,000 to submit to the people this proposal which, if carried, will give to certain producers the power to handle their products to the detriment of the consumers. It has been said that the electors are not sufficiently intelligent to support one proposal and reject another. Surely

that is under-estimating the intelligence of the electorate. I believe that if an increase of the Commonwealth Parliament's industrial powers were included in the referendum, that issue, as well as marketing would be approved by the people.

Mr. STREET.—What does the honorable member mean by "industrial powers"?

Mr. LANE.—The honorable member heard my explanation on that point the other day. The people of Australia, as a whole, desire the Commonwealth to have sole jurisdiction in industrial matters; they would like to see State arbitration courts abolished. Some people contend that the particular government of the day may abuse such powers. A few days ago I asked the right honorable member for North Sydney (Mr. Hughes) to explain the difference between his view and mine regarding this issue; he replied—"It does not matter. If the power is granted by the people it can be used for the benefit of the community". I admit that if this Parliament had full powers, the manner in which they would be operated by the present Government would be different from the manner of their operation if Mr. Lang was in power. The vital point is to ensure that such powers are put in the hands of men who can be trusted to do the right thing in the interests of the nation as a whole.

Mr. E. J. HARRISON.—Does the honorable member suggest that Mr. Lang cannot be trusted?

Mr. LANE.—I do not think that he can be trusted. I would be prepared to give this Parliament full industrial powers because I believe that it would use them in the interests of the community.

Mr. BLAIN.—The honorable member is an optimist.

Mr. LANE.—Some honorable members have been only a short time in politics; some of them have only just cut their political teeth; but during my long association with politics I have always found that the old Liberal party or the Nationalist party, or the present United Australia party, which is based on the principles of the old Liberal party, has legislated in the interests of the whole of the community and not in the interests of a

section only. In this Parliament, however, I find that, owing mainly to the ascendancy of the Country party, principles have been introduced in matters of this kind that were never introduced and would never be entertained by members of those parties which stood for the control of industry by private enterprise in such a way as to give to all sections of the community an equitable deal. Almost before some honorable members were born I was fighting this issue in the political arena. It is better to leave industry to private enterprise, subject to control by an honest government which will give a fair deal to all sections of the community. But to-day my party is divorced from some of its old principles by the introduction of such elements as fixed prices.

Mr. McCALL.—Is the honorable member suggesting that this Government is not honest?

Mr. LANE.—No; I am suggesting that its policy is being dictated by influences over which it has no control. That fact was evidenced when members of the Country party in this House opposed the inclusion of a provision in the Wheat Growers Relief Act, that no person with a taxable income should be qualified to participate in the wheat bounty. It was generally agreed that such a provision would have been one of the finest that could be made in order to ensure that the poor farmer should get the benefit of the bounty and the rich farmer should be excluded.

Mr. SPEAKER.—Order! That matter has no relation to the measure before the House.

Mr. LANE.—When this proposal is put before the people they will have to decide whether it would be safe to give the proposed power to regulate prices to the primary producer in view of the fact that, in the past, his conduct has not been such as to inspire confidence in the administration of funds placed at his disposal. I have used as an illustration, the opposition of members of the Country party to the insertion of a certain provision in the Wheat Growers Relief Act. I am not blaming the United Australia party in this matter. That party has been caught in a "squeeze" from which it has been unable to extricate itself. The

issue involved in this proposal is of such great importance to the country, that the Government should make it a non-party question in this Parliament. It is a pity we are to be restricted by party discipline in considering this measure.

Mr. BRENNAN.—That is a revelation.

Mr. LANE.—Sometimes, however, it is found that all honorable members are not restricted by party discipline. Even honorable members opposite do not know where they are in this respect. Let all parties agree to make this a non-party matter, in order that the House may be given the right to come to a decision on a national basis, each honorable member voting according to his conscience, irrespective of party affiliations. I have known this course to be followed in other parliaments, and it has been endorsed by the people. Here is an opportunity for the Prime Minister, the Leader of the Opposition and all honorable members, if they choose to do so, to get together and say, "We will not apply party rules in this matter; we will make it a non-party issue and the Government will be prepared to accept the decision of this Parliament on a non-party basis". I feel sure that if that were done this Parliament would decide, in conjunction with this proposal, to ask the people to give the Federal Parliament greater industrial powers.

Mr. McCALL.—The honorable member is privileged to vote as he thinks fit.

Mr. LANE.—I am aware of that fact and I propose to vote according to my lights. I do not always record my vote on party lines; I have always exercised my right to vote according to the way in which I view the policy enunciated by my party at the elections. Will the Prime Minister and the Leader of the Opposition join in saying to their supporters: "We are prepared to give to this National Parliament the opportunity to make a united appeal to the people to give to the Commonwealth power to control marketing, and also full industrial powers?" I ask the Minister for the Interior whether he is prepared to agree to that proposition. Every honorable member recognizes his ability as the originator of the Paterson butter scheme, and accepts him as a

leader of thought. Now he is presented with another opportunity to display that leadership. If my proposition is accepted all we need to do is to let those who are engaged in primary production understand that if these powers are given to the Commonwealth and a certain party should happen to be placed in office, there will be a possibility of the farmers being called upon to pay a basic wage of from £2 to £3 a week and keep to their employees. The honorable gentleman is not prepared to reply to that proposition, which, I suggest, would settle the argument as to the ability of our primary industries to provide work for our youths between the ages of eighteen and twenty years. I am prepared to support the introduction of orderly marketing, and the payment for primary products of whatever price may be necessary to enable adequate wages to be paid in primary industries. I am convinced that if we could bring the basic wages in the primary and secondary industries into line there would be fewer unemployed, and greater national prosperity. It should be the aim of Parliament to bring this about. Both Hitler and Mussolini have declared that the greatest danger to the existing social system lies in the inability of the primary industries to afford employment for young people as they grow up, with the result that they flock to the cities. They declare that the only way to solve the unemployment problem, and to stabilize society, is to get the people back on the land. The trouble with many primary producers in this country is that they are so busy trying to pay the interest on their mortgages that they cannot afford to pay their workmen a decent wage. They are perpetually embarrassed by having to meet the payments on loans which they should never have raised. Under our debt relief legislation £12,000,000 has been provided for the rehabilitation of farmers who are hopelessly in debt. In some instances, only four or five shillings in the pound was paid to unsecured creditors, but even yet nothing has been done to meet the problem of first mortgages. When I was in the country some time ago, a lawyer told me that the section of the act which limited relief payments in that year to

those not in receipt of taxable incomes had prevented him from putting two extra men on as share farmers on properties under his control. I asked him whether he believed that he had any right to those farms, when there were two experienced men waiting to work them. He was drawing income out of a legal firm as well as from his farms, and yet he wanted to share in the relief being distributed by the Government to necessitous farmers. It has been demonstrated that the primary industries are in difficulties, not so much because the price of commodities is low, but because the industries are over-capitalized; in other words, because the farmers have borrowed too much money. When prices are high, the cry of the farmers is, "Let the Government keep its hands off our industries," but when prices go down, they fall over one another in their scramble for bounties. For years past the scandal has been that the primary producers have hung on to the coat-tails of Parliament, seeking financial assistance, instead of trying to organize their industries on a proper footing.

Mr. THOMPSON.—That is what we are trying to do now.

Mr. LANE.—The honorable member seemed to be in considerable doubt about it when he was making his speech. In fact, for a while I thought that he had changed parties. I believe that if all the members of this House were to appeal as a united body to the public to grant the increased power required, the people would consent. We have heard a good deal about the opposition likely to arise in Western Australia, Tasmania, and South Australia, but that opposition would disappear when once the people understood that the national Parliament was putting this matter forward as a grave national issue. We must show that orderly marketing is necessary to ensure the prosperity of our great primary industries, and to check the drift of the population from the country to the cities. I also favour the granting of greater industrial powers to the Commonwealth, as outlined in the amendment of the Leader of the Opposition. We should be making a grave error if we limited the power of the national Parliament in the way the Government pro-

poses, and I am practically sure that I shall vote for the inclusion of greater industrial powers in the proposal to be submitted to the people.

Mr. ROSEVEAR (Dalley) [10.40].—The powers sought by the Government in the bill now before the House are, it is admitted by members of the Ministry and supporters of the proposition, just sufficient to validate the legislation which has already been passed with regard to marketing—that and nothing more. The proposal has been described by the Leader of the Opposition (Mr. Curtin) as paltry, and I think if we take a broad view of the necessity for constitutional reform, it will be readily conceded that the powers asked for in the proposed referendum are indeed paltry. There are many big questions affecting practically every section of the community that call for a revision of the Constitution. They are equally as important to people generally as is the marketing legislation to the primary producers. Yet the Government proposes to spend £100,000 on a referendum simply for the purpose of determining an issue which, to say the best of it, is absolutely sectional. It has been urged by those who are opposed to an appeal to the people for more extensive powers for the Commonwealth, that there would be no possibility of their approval, and that, in fact, the marketing proposal would be endangered if it were coupled with other questions. I suggest, however, that the confusion that has existed between State and Federal jurisdictions for years past has set up in the public mind a desire that the people should be given an opportunity to express their opinions definitely on matters affecting every section of the community. I have no doubt that they would readily accept the opportunity definitely to define the powers of the Commonwealth where they come into conflict with the powers of the States, and in respect of which there is such utter confusion to-day. The reason for the meagreness of the Government's proposal is very obvious. It is an outward manifestation of the struggle that has been in progress within the Government parties, between the State rights and secession elements, and those who recognize that wider powers for the Federal

Parliament are necessary. The State righters have been cajoled by a slight colouring of the benefits of unification amid the existing confusion of Federal and State powers. The others have been satisfied with a promise of future action in the direction which they desire. I am afraid, however, that it is a sort of Kathleen Mavourneen promise for the fulfilment of which they may have to wait for years and may be for ever. It is a promise that will certainly not be redeemed during the life of this Parliament. I seriously question whether the Government would have sufficient support amongst the ranks of its supporters to redeem it at any future time.

I doubt if it is possible to imagine a proposal more sectional than that which the Government desires to place before the people. That is its greatest weakness. Even at this late stage the Government desires the co-operation of the Opposition in securing an affirmative vote of the people on the proposed alteration of the Constitution. Less than a fortnight ago the Leader of the Opposition asked certain questions and made certain suggestions to the Prime Minister (Mr. Lyons) as to the nature of the question which the Government proposed to submit to the people. The Prime Minister rejected the suggestions of the Leader of the Opposition, saying that the Government would decide issues and accept full responsibility. His complete rejection of those suggestions and his arrogant statement that the Government would decide issues and accept full responsibility in respect of the question to be submitted to the people is primarily responsible for this question being made a sectional and a party one. The Government must accept the full responsibility for that.

The Opposition has been chided that in the past it has made no spirited opposition to marketing measures, and it is suggested that honorable members on this side of the House should fall in with the views of the Government in urging the people to agree to the alteration of the Constitution proposed by the Government. I suggest, however, that we have seldom had such a candid expression of opinion as to the objective of the marketing legislation

involved as that which came from the Attorney-General (Mr. Menzies) in his address to the Privy Council in the *James* case. If the Government desires to have its proposal carried by the people I suggest that it should recall, censor, or secretly destroy all copies of the Attorney-General's address in that case because, in itself, it is sufficient to destroy all prospects of securing an affirmative vote of the people on this matter. Before I quote briefly from the Attorney-General's address to that august body, I should like honorable members to visualize the circumstances in which it was made. It was not made in the heat of an election campaign, nor to a party audience whose ears he desired to tickle, or an opposition audience whom he desired to cozen to his way of thinking. It was made to an impartial, disinterested, judicial body, 12,000 miles away, which was not concerned as to the merits or demerits of the marketing legislation in question. A more impartial audience could not be imagined. Therefore we can accept the statements made by the honorable gentleman as being his considered explanation of the real objective of the Commonwealth marketing legislation. In his address to the Privy Council the honorable gentleman said—

The general characteristic of that scheme is that instead of paying a low price to the grower of the primary commodity in Australia as the inevitable and unavoidable result of the depression in the world, these schemes set out to rectify that to some extent by providing for the Australian grower a better average price for his commodity by providing for him inside Australia, and, in relation to his Australian sales, a higher price than the world is then paying. The basis of the scheme is to give a higher local price as an offset to an unusually low world price—the price that he would normally get on the export of his commodity.

There can be no mistaking the meaning of those words. The Attorney-General said that that was one of the objectives of the Commonwealth marketing legislation, and that the Australian people would be taxed through their foodstuffs to recoup the primary producers for the low prices received or the losses sustained in the sales of their products overseas. In short, the table of the Australian consumers was to be taxed to provide a cheap menu for overseas countries.

Mr. Rosevear.

Mr. Paterson.—Those are not the words of the Attorney-General.

Mr. ROSEVEAR.—That is what is expressed by his words.

Mr. Paterson.—That is a distortion of what the honorable gentleman said; it is merely the honorable member's interpretation.

Mr. ROSEVEAR.—Those are the views which the Attorney-General submitted to the Privy Council. Nature may produce in abundance, but the people of Australia may consume those products only at a certain price. That is the objective of this particular legislation.

I have shown what, in the opinion of the Attorney-General, is the objective in regard to price. The means by which prices are to be maintained are explained by him in the following statement:—

If that is to be done, it becomes necessary to adopt some scheme whereby the quantity of the commodity in question retained in Australia for sale will not be sufficiently great to break down the special Australian price.

This is one of the strangest mixtures that could be imagined of communal control of marketing and the orthodox capitalistic method of exploitation. Insofar as it is communal control, it is a confession of the failure of private enterprise in the midst of commercial anarchy. It is representative of orthodox capitalistic methods in that it seeks to create and maintain scarcity of food-stuffs with a view to the enhancement of prices. With the assistance of the Government, one section of the community is to be fleeced for the benefit of another section. There are only two methods by which supplies may be kept at a sufficiently low level in Australia to maintain prices at an artificially high level, one being the sabotaging of production, and the other the dumping of commodities overseas. In connexion with the first, let me read the opinion stated to the Privy Council by Mr. Wilfred Barton. Referring to dried fruit legislation, he said—

The effect of that legislation was that no man may send any dried fruit from one State of Australia to another, unless he exports, destroys or feeds to stock that percentage of his total crop which is named in the determination of the Dried Fruits Board.

That is the statement of the gentleman who appeared before the Privy Council to state the case for the appellant James. His view, purely and simply, was that either production was to be sabotaged or foodstuffs were to be fed to stock if they could not be disposed of otherwise, in order to maintain artificially high prices. Fruit fed to pigs and denied to human beings except at an artificial price! The sabotaging of production is not new. Only a couple of years ago there was witnessed in South America the destruction of 12,000 tons of coffee, in Ceylon and India the cutting back of the tea crop, and in the United States of America the ploughing of hundreds of thousands of acres of cotton into the ground and the destruction of herds of cattle and pigs. The object in every case was to maintain prices at an artificially high level by means of scarcity of supplies; and the Attorney-General has frankly confessed that that is the objective of this particular legislation. By hook or by crook, no matter how bounteous the season, there will be in Australia some authority which will so restrict the quantity of these commodities which is available to the public as to maintain artificially high prices in order to compensate the farmers for the low prices obtained for the surplus production exported. I maintain that if that point is reached—and it is a logical outcome of the policy of restriction—the inevitable result will be the ruin of the smaller primary producer; as in those circumstances only the bigger men could survive. The destruction of production would not only ruin the smaller primary producer but also adversely affect employment. The alternative to the sabotaging of production is dumping in overseas markets, and the reaction to dumping would be a demand for trade treaties. Everybody knows that, in the world condition of trade to-day, supplies of any commodity cannot be dumped in any country without that country demanding a *quid pro quo* in the form of a trade treaty. The more we dumped in overseas markets with a view to maintaining an artificial scarcity in Australia the more insistent would be the demand of the countries concerned that we should take their com-

modities in exchange; and that must lead to the restriction of the avenues of employment in this country.

Mr. PATERSON.—There has never been this artificial scarcity of which the honorable member speaks.

Mr. ROSEVEAR.—I am not saying that there has been. May I repeat, for the benefit of the honorable gentleman, the words used by the Attorney-General to this impartial legal tribunal before which he appeared overseas. Referring to the maintenance of artificial prices, the honorable gentleman said:—

If that is to be done, it becomes necessary to adopt some scheme whereby the quantity of the commodity in question retained in Australia for sale will not be sufficiently great to break down the special Australian price.

According to the Attorney-General, that is the objective of this legislation; and if that does not imply the determination to maintain a scarcity of supplies in Australia, either by the sabotaging of production or by the dumping of surplus production overseas, it has no meaning. In whatever way the matter is viewed, to the worker it means the limitation of employment, and a higher cost of living over which he has no control and against which he has no redress. If the Attorney-General has correctly stated the objective of this legislation, it embraces the worst features of the racketeering of trusts and combines. If an ordinary trust or combine were to be set up with the avowed objective of doing what the Attorney-General has said is the objective of this legislation, the community would be up in arms and would threaten its destruction. Yet the Government is co-operating in this scheme, and the power of the Commonwealth is to be used for the exploitation of consumers by the cornering of foodstuffs and the creation of an artificial scarcity in order to maintain prices at an artificially high level.

Mr. PATERSON.—That is not correct.

Mr. ROSEVEAR.—What protection has the worker or the consumer against such exploitation? What appeal exists under this legislation against the activities of the marketing boards that are to be set up, in the direction which the Attorney-General has stated is the ultimate objective? What recourse have the workers to wage-fixing tribunals, with a view to keeping pace with the increase of

the cost of living? It will be argued that the workers have recourse to arbitration courts, and that federal awards are adjusted automatically to meet variations of the cost of living. That is true. Once in every six months federal awards are adjusted according to the rise or fall of the cost of living. I remind honorable members, however, that only 50 per cent. of organized labour benefits as the result of those adjustments. The other 50 per cent. of organized labour, working under State arbitration tribunals, has cost-of-living adjustments made only once a year. But it must be remembered that hundreds of thousands of consumers have no protection whatever against increases of the cost of living.

The Government's marketing proposal will benefit only a small section of the community. We have been told, in fact, that only three sections of primary producers will be affected, but, unfortunately, the repercussions may be felt by the whole body of consumers. According to the Attorney-General the ultimate object of this legislation is to make possible a higher price for food-stuffs in the Commonwealth, but is it reasonable that three sections of the primary producers should benefit at the expense of the remainder of the people? In any case, if this scheme succeeds in three sections of the primary industries it will soon be applied to all primary-producing operations. The primary producers should not, however, through these marketing schemes, be given power to manipulate the price of foodstuffs without some supervising authority to protect the workers from exploitation.

An attempt has been made by Government supporters to draw an analogy between the Arbitration Courts and the proposed marketing boards, but it has failed lamentably. No such analogy exists. Under our Arbitration Court system a judge, who may be without personal knowledge of an industry, fixes a standard of living often after considering conflicting evidence, but he is obliged to consider the ability of the industry to pay and also the public interest. On more than one occasion representatives of employers and employees have met in conference and reached an agreement on

Mr. Rosevear.

questions involving rates of wages and conditions; but when they have sought endorsement of their agreement from a judge of the Arbitration Court it has been refused on the ground that it was against the public interest. It is not proposed to set up any authority to determine whether the action of the marketing boards, which will consist entirely of interested parties, will be for or against public interest. These boards will be subject to no authority whatsoever.

Mr. Paterson.—They will be in exactly the same position as the manufacturers.

Mr. ROSEVEAR.—To-day, we were told that the marketing boards could be compared to the Arbitration Court; now the Minister tells us that we may compare them to manufacturers. It is surely not too much to ask the Government to stand its ground long enough to enable one to have a shot at it.

Mr. BERNARD CORSER.—Duties are put on imports.

Mr. ROSEVEAR.—Does the honorable member suggest that any government would impose a duty on essential food-stuffs?

Mr. BERNARD CORSER.—If the price of our primary products is maintained at too high a figure the protective duty may be lowered to permit of importations.

Mr. ROSEVEAR.—If the honorable member for Wide Bay (Mr. Corser) is now suggesting that the rabid free trade Country party might become converted to protection, he asks too much of our credulity. Under our Arbitration Court system an independent authority determines the rate of wages to be paid, but it is not proposed that an independent authority shall fix the price of commodities. It has been asserted that these marketing boards are intended to secure for the primary producers a fair price for their products, but if Arbitration Court judges, who are independent authorities, fix the wages of working men why should not an independent authority fix the price of primary products? The authority proposed to be vested in the marketing boards is greater than that exercised by arbitration authorities, for they will be in a position to maintain artificial prices against the interests of

the public to the serious detriment of all consumers. The honorable member for East Sydney (Mr. Ward) asked representatives of the Country party to state the commodity price which they would consider to be fair enough to justify the payment of Arbitration Court wages by the farmers. That question has not yet been answered, and I, therefore, repeat it. There can be no doubt that the marketing boards, if set up, will aim at maintaining an artificial scarcity of commodities in Australia so that prices may be kept at a high level. It seems to me that the higher the prices of primary products are lifted the higher the farmers will want them lifted. I should like to know what some honorable gentlemen opposite would say if the industrial unions decided to withdraw men from the labour market in order to create a scarcity of labour with the object of increasing wages. When in 1929 the honorable member for Melbourne Ports (Mr. Holloway) advised the timber workers not to offer themselves for employment in order to create a scarcity of labour, and thereby secure a reasonable rate of wages, he was fined £1,000. Should these marketing boards act in a similar way will they be fined, or will their action be commended?

Mr. R. GREEN.—Does the honorable member know of one primary product which has deliberately been made scarce in Australia?

Mr. ROSEVEAR.—To those who have tried to draw an analogy between the arbitration system and these marketing schemes I point out that the Government does not assist in the organization of workers, nor does it lend its assistance to secure the fixing of higher prices for labour. The Government's opposition to preference to unionists militates against such organization, yet, by setting up machinery, and using its powers to enforce penalties on those who seek to evade the legislation, the Government assists the primary producers to organize to exploit the workers. The attempt to compare the arbitration system to a marketing scheme is pure humbug.

I am not criticizing the Government's scheme without offering an alternative. There is an alternative which would render unnecessary the manipulation of the home market and the dumping of the sur-

plus overseas. But it would require more courage than the Government has ever exhibited. What are the difficulties under which the primary producers of Australia labour?

Mr. R. GREEN.—Low prices.

Mr. ROSEVEAR.—And high costs. It is estimated that the private indebtedness of the primary producers of Australia is over £300,000,000. Further, they are weighed down by exorbitant prices paid to land jobbers and speculators for land—prices so high that commodity prices are not sufficient to pay for the land. Exorbitant interest charges, and the exploitation of consumers and producers alike by middlemen, are other factors.

Mr. BERNARD CORSER.—This proposal will eliminate the middleman.

Mr. ROSEVEAR.—That may be so, but the carrying of the referendum will not reduce the debt of £300,000,000 owing by the primary producers or reduce the price charged for their land or assist them to pay their interest charges. Honorable members opposite have said a good deal about the prices of primary products, and some have spoken of the high cost of wages, but not one has mentioned the other high production costs. The Country party has lost no opportunity to advocate the slashing of the wages of the workers in rural production; but despite the cutting of wages to the bone, and the exemption of primary industries from rural awards, so that except in certain sections of primary industry little or no wages at all are paid, such industries are still in an unsatisfactory position. The cutting down of wages, while not improving the position of the primary producers, has taken purchasing power from thousands of workers who constitute the home market for Australian produce. The root cause of the trouble is the burden of private debt, the high price of land, exorbitant interest charges and exploitation by middlemen. None of these problems has been tackled by the Government.

Addressing the Privy Council, the Attorney-General admitted that the ultimate object of this legislation was the creation of an artificial scarcity in Australia, in order to maintain artificially high prices. Since that is the objective,

I suggest that the primary producer will be just as badly off after it is passed as before, unless the Government has the courage to tackle the costs of production. It has taken the line of least resistance in attacking the wages and conditions of the workers, but it has not improved the position of the primary producers thereby. With a view to reducing production costs, there should be a compulsory re-appraisement of land values, as is done now in respect of Crown leases. If the principle is good enough in respect of land belonging to the Crown, it should be good enough also for private land sale contracts. There should also be a compulsory reduction of mortgage interest, as was done under the financial emergency legislation in regard to interest on government bonds.

Mr. NOCK.—It was done also in connexion with private mortgages.

Mr. ROSEVEAR.—If it was a good thing to do then, it should be a good thing to do now. A reduction of interest is one of the most effective and permanent forms of assistance that can be given to the primary producers of this country. Moreover, by eliminating middlemen and their agencies, the Government should encourage co-operative marketing by the farmers themselves. Admittedly, some middlemen and agencies finance the primary producers; but, in many instances, they do so only to get the farmers into their grip. Operating through the Commonwealth Bank, the Government could finance farmers in need of assistance. This legislation does not seek to control the predatory instinct of middlemen; on the contrary, it licenses them in order to control their numbers, direct their manipulation of food supplies and share the result of their plundering proclivities. Until the Government has the courage to tackle the problem of farmers' costs, leaving the marketing of his products to the farmer himself, there will be no satisfactory settlement of this problem. I shall vote against the Government's proposal, because it is designed to improve the position of one section of the community at the expense of the rest of the community. The sectional nature of this legislation will

lessen the chances of an affirmative vote at the referendum.

The opponents of the Government's proposal should be extremely thankful to the Attorney-General for his contribution to the campaign against it. One of the greatest obstacles that the advocates of the referendum will have to surmount is the statement made by the Attorney-General before the Privy Council. When the people realize that, as the legal representative of the Government, he set out the objective of the marketing legislation, they will come to the conclusion that the scheme is devised to enable one small section of the people to exploit the rest of the community in regard to supplies of foodstuffs.

Mr. MENZIES.—Did the honorable member's party oppose the marketing legislation when it was under the consideration of this Parliament?

Mr. ROSEVEAR.—I was not here at the time, and I do not know exactly what happened. Whether it did or not, the Attorney-General may search the columns of *Hansard* from year to year, but in all the speeches made on the marketing legislation he will not find such a candid admission as to its objective as that made by him to the Privy Council.

Mr. MENZIES.—Does the honorable member think that the account which I submitted to the Privy Council was right, and accepted as correct?

Mr. ROSEVEAR.—I believe that the Minister set out the true purpose of this legislation. He stated that the ultimate objective is to force the people of Australia to pay a sufficiently high price for primary products to compensate the primary producers for losses or small profits on overseas sales. In view of the Government's method of achieving this objective, I am also in accord with the Attorney-General in his statement that it is necessary to bring about an artificial scarcity in Australia if we are to maintain artificial prices. If the object of the marketing legislation was not to raise the prices of foodstuffs it had no purpose at all. The second point in the Attorney-General's address before the Privy Council is that it is impossible to maintain an artificial price unless an artificial scarcity is created. The marketing boards, without any

restraint upon their activities, were given the right to exploit the people of Australia, in order to provide a cheap menu for the people of overseas countries. The address of the Attorney-General before the Privy Council affords the most convincing proof that the people could desire of the truth of my assertion.

Mr. HOLT (Fawkner) [11.25].—The object of this bill is to deal with the emergency arising from the decision of the Privy Council in the case of *James versus the Commonwealth*. In 1920, in the *McArthur* case, the High Court expressed the view that section 92 of the Constitution, which made provision for freedom of trade and commerce and intercourse between the States, was not binding upon the Commonwealth. Following upon that decision, this Parliament, at the request of some of the States, passed legislation to establish marketing schemes providing for the orderly marketing within Australia of a number of primary products. The effect of the decision of the Privy Council is to invalidate the legislation under which these schemes were established, and the Government now proposes an alteration of the Constitution to such an extent as will give this Parliament power to legislate for schemes of the type which was previously in operation. A new section 92A is proposed as follows:—

The provisions of the last preceding section shall not apply to laws with respect to marketing made by the Parliament in the exercise of any powers vested in the Parliament by this Constitution.

To that proposal an amendment has been submitted by the Leader of the Opposition (Mr. Curtin), and another has been suggested by the honorable member for Bourke (Mr. Blackburn). Before proceeding to discuss the original proposal, I shall deal with the suggested amendments. In view of the fact that the proposal in the bill is to be submitted to the people, it is regrettable that a more detailed examination has not been made by honorable members of the terms of that proposal. The main discussion has hinged upon the two amendments. That submitted by the Leader of the Opposition is couched in very vague and general terms, and the Government has indicated definitely that it is not prepared to accept it. We have,

as the result, the rather peculiar position that, although the Opposition has expressed approval on a number of occasions of marketing schemes which the Government seeks the power to establish because the Government is not prepared to accept the vague proposal of the Leader of the Opposition, who did not indicate the nature of the wide powers he considered should be sought, the Opposition adopts a dog-in-the-manger attitude, and, in effect, says to the Government, "As you are not prepared to give us these vague powers, we, who have already approved of the principle of the marketing legislation, will not support you in the proposal you desire to submit to the people at the referendum".

Mr. CURTIN.—The honorable member did not expect me to submit an amendment that would be ruled out of order.

Mr. HOLT.—No; but the honorable member for Bourke suggested an amendment in specific terms. Even in the course of his speech, the Leader of the Opposition gave no specific indication of the nature and extent of the wider powers which he considered should be sought.

The Government has not expressed the opinion that an extension of existing powers is undesirable. On the contrary, the Prime Minister (Mr. Lyons) has given a definite assurance that on a future occasion the question of the Commonwealth Parliament obtaining increased industrial powers, for example, will be submitted to the people; but the Government has taken the stand that any proposal to seek extended powers at the present time would jeopardize the specific proposal to be submitted to meet the special emergency created by the recent decision of the Privy Council. The test which the Opposition should apply should be one as to the genuineness of the attitude of the Government in this regard. Many honorable members on this side of the chamber would support a proposal to grant increased powers to the Commonwealth, but they are prepared to waive any such demand at present rather than prejudice the success of the Government's proposal. That being the case it should be clear to the Opposition that there is a genuine feeling on the part of many

honorable members supporting the Government of the possibility of them thereby placing the proposal in jeopardy. If the members of the Opposition require further proof they will find it in their own ranks. The silence of Labour members representing Queensland is eloquent in its testimony in that regard. I do not propose to speak at length on this aspect of the subject, which has already been adequately covered by previous speakers, other than to suggest that on a prior occasion, the Opposition has expressed approval of marketing legislation of the type covered by the proposal, particularly when it supported legislation providing for the fixing of a home-consumption price for wheat. The Opposition must recognize that there is a real difficulty in submitting requests to the people for increased Commonwealth powers, when only recently there has been a conflict between the Commonwealth Government and the State governments in regard to the respective powers of those authorities. As the result of experience they should appreciate the attitude of the Government in this matter. They should attempt to examine in greater detail the Government's proposal, and not treat it simply as providing an admirable opportunity for waving the party banner.

I now come to a consideration of the form of the proposal put forward by the Government. I recognize the many real difficulties with which the Government is confronted in submitting this proposal. At a conference of Commonwealth and State Ministers held in Adelaide, it was made clear to the Commonwealth Government that no proposal for an alteration of the Constitution would secure the support of all the State governments. In fact, the representatives of three of the States stated quite definitely that they were not prepared to support a request for the limited powers now sought. The Government has, therefore, decided that if this proposal is to have any prospect of success it must be limited in character and sufficient merely to provide a remedy for the emergency which has arisen as the result of the decision of the Privy Council in the *James* case. Accordingly it is couched in terms least likely to cause friction

Mr. Holt.

among the States, and in a form most likely to secure general support.

One feature of the Government's proposal which calls for comment is the use of the word "marketing". The Attorney-General has explained that the Government has used "marketing" in preference to the general term "trade and commerce" because otherwise it might be argued later that the legislation under this power related only to the trade and commerce power contained in paragraph 1 of section 51 of the Constitution. But in overcoming this difficulty by the use of the word "marketing", because of the indefinite extent of this term, the Government may experience even greater difficulty in the future. In moving the second reading of the bill, the Attorney-General said—

The word "marketing" is one which has achieved a very wide currency in Australia, and the political and economic world. It is not a precise term of art. It would undoubtedly be held to cover buying and selling of goods and commodities and transactions incidental thereto.

The royal commission on the Constitution, in its report published in 1929, stated—

A marketing power might be so interpreted as to enable the Commonwealth to control the disposal of all products, and the use of all lands or factories employed in production.

Two quotations from the *Oxford Dictionary* will indicate that the word "marketing" can be used in a number of ways, other than in connexion with the kind of marketing we have under consideration.

Mr. BLACKBURN.—Mr. Justice Isaacs in one of the *James* cases discussed the meaning of "marketing".

Mr. HOLT.—The honorable member will agree that it would be very difficult for any honorable member to determine the extent which might be covered by a marketing power.

According to an extract from the *Oxford Dictionary* one use of the term "marketing" is exemplified in the following passage:—

"A notorious characteristic of English society is the universal marketing of our unmarried women".

The term "marketing" is there used in a context which we would not expect to come within the ambit of the power in-

tended in this instance. Another definition reads—

"Facilities for the marketing of labour in country districts".

That is a very significant use of the term. If the marketing power is held to cover the marketing of labour it might be proved to cover a good deal of the industrial power which the Leader of the Opposition seeks under his amendment. If the relatively explicit term "absolutely free" can be the subject of litigation to the extent it has been, it can readily be seen that the use of such a vague term as "marketing" might prove a prolific source of litigation.

There is another disadvantage which I see in the proposed alteration as now framed. It has been stated that its object is to recapture in substance the power which the Commonwealth was deemed to possess prior to the decision of the Privy Council in the *James* case, at least in relation to marketing; but it has not gone so far as to recapture in substance other powers which Parliament was deemed to possess before the decision mentioned was given. In short, the effect of the proposed alteration is to recapture the power which existed in relation to "trade and commerce", but not to recapture the power in relation to "intercourse". The word "marketing" was used in preference to the term "trade and commerce" for a particular reason, but it was suggested that the Commonwealth would not have been equally willing to use the term "trade and commerce" had the difficulty mentioned by the Attorney-General not been present. Accordingly, it appears to me that there is no sound reason why the proposed alteration of the Constitution should not be couched in terms to cover not only trade and commerce, but intercourse as well, because, as I hope to show, the present legislative position with regard to intercourse between the States is entirely unsatisfactory, and this power in the hands of the Commonwealth would do much to remedy that state of affairs. For example, as the power to legislate over the intercourse aspect does not exist, it has been found that legislation by the States to prevent the passage of diseased cattle from one State to another, could not be

effective; the expropriation power of the States has been questioned; legislation by the State of New South Wales to prevent the influx of convicted criminals from other States has been held not to be valid; and difficulty has been experienced in connexion with the protection of flora and fauna by the States because they have no power to legislate to prevent protected flora and fauna from being imported from other States. I cannot see that there could be any reasonable objection on the part of the States to the inclusion of a power to legislate in respect of intercourse in addition to this trade and commerce power which the Commonwealth is now seeking. The suggestion which I make is to omit from the proposal now before the House, the words "with respect to marketing", and it would then read—

The provisions of the last preceding section shall not apply to laws made by the Parliament in the exercise of any power vested in the Parliament by this Constitution.

This means, in effect, that the Commonwealth should not be bound by the provisions of section 92. To a possible objection by the States that this would go too far, I suggest that it be brought clearly home to them that, since the decision of the Privy Council, their powers are very much wider than they were previously deemed to be. Even if a provision were put into the Constitution now that section 92 would not be binding on the Commonwealth, it would not now give an increase of powers to the Commonwealth to the same extent as it would have done prior to the decision of the Privy Council; because the Privy Council held, not only that section 92 did bind the Commonwealth, but also that the reasoning in the *McArthur* case was incorrect. In that case, the High Court of Australia decided that so far as the States were concerned, every stage of a transaction from the first step to the last, should be absolutely free from interference by the States. The Privy Council, however, has now held that this is not the case, and that the States can legislate under their trade and commerce powers right up to the actual point of the crossing of the border. Therefore, even if provision were made that the Commonwealth should not be bound by section 92, it would not involve an increase of Commonwealth

powers to the same extent as would have been the case before the decision of the Privy Council. I suggest, for the consideration of the Opposition, another advantage of the amended proposal.

It has been argued, in the course of this debate, that the present proposal offends because it has a sectional flavour. The use of the phrase "with respect to marketing" would appear on the face of it to indicate that it was designed to assist only one section of the community. I do not propose, at this stage, to deal with all the points that could be made for and against that proposition. But at least it can be said of my proposal "that section 92 should not be binding on the Commonwealth," that it would not have purely a sectional operation, because it would give to the Commonwealth power to legislate in connexion with those other matters to which I have referred.

Mr. CURTIN.—Would the honorable gentleman make that proposal at the committee stage?

Mr. HOLT.—It is a matter which I suggest for the consideration of both the Government and the Opposition. Its advantages would far outweigh any possible suggestion, and one that would be without foundation, that it would be taking additional powers from the States, and I invite the Leader of the Opposition to give consideration to it from that aspect, because his present bed of roses consists more of thorns than of blooms. If my proposal would commend itself to the honorable member, it might also commend itself to the Government. However, I leave that particular aspect there.

Assuming that the Government is not prepared to accept a suggestion that section 92 should not be binding on the Commonwealth, the proposal which I envisage in that eventuality would be framed as follows:—

The provisions of the last preceding section shall not apply to laws made by the Parliament in the exercise of the power vested in the Parliament by paragraph XXXVII. of section 51 of this Constitution.

This paragraph reads—

(xxxvii). Matters referred to the Parliament of the Commonwealth by the Parliament or Parliaments of any State or States, but

so that the law shall extend only to States by whose Parliaments the matter is referred, or which afterwards adopt the law:

That proposal would, to my way of thinking, have advantages in that it would avoid the use of the term "marketing", and would not suggest a sectional operation. Furthermore, it would give the additional power to deal with that aspect of section 92 which relates to "intercourse". It might appear on the surface that my proposal would be too cumbersome to put into operation, and that the fact that the States would have to take the initiative might complicate it; but even under the proposal which the Government has put forward, legislation by the States is still necessary. As the Attorney-General so graphically phrased it, the Commonwealth merely provides the mortar for the bricks provided by State legislation. Therefore, objections on those grounds would not have any greater force than applies to the present proposal. It may be found that there are other practical difficulties in connexion with the adoption of my suggestion, but, in any case, there are many practical difficulties associated with the Government's proposal. I put forward my suggestion for what it is worth, in the hope that the Government will give some consideration to its merits and possible demerits.

In conclusion, I think I have indicated that, favouring as I do the orderly marketing of our primary products by schemes of the type which has been approved by all sections of this House on previous occasions, I intend to support the principle contained in the proposal of the Government, and to vote against the amendment moved by the Leader of the Opposition. But I must confess that I would feel very much happier if I believed that the Commonwealth was seeking power in connexion with section 92 over "trade, commerce and intercourse", and was not leaving "intercourse" in its present unsatisfactory condition. I feel that those State governments which are prepared to support the one proposal would be equally willing to support the other, and that any opposition to this slight increase of Commonwealth powers would be more than offset by the stamping out of much of that opposition to the present proposal which is based on the view that it

merely enlarges Commonwealth powers for the benefit of sectional interests.

Debate (on motion by Mr. BERNARD CORSER) adjourned.

House adjourned at 11.51 p.m.

ANSWERS TO QUESTIONS.

The following answers to questions were circulated:—

BROADCASTS OF SPEECHES THROUGH NATIONAL STATIONS: CRICKET BROADCASTS.

Mr. MULCAHY asked the Minister representing the Postmaster-General, *upon notice*—

1. What are the names of the persons who have spoken over A class broadcasting stations for the year ended the 30th September last?

2. What amount of money was paid to each speaker?

Sir ARCHDALE PARKHILL.—Consideration has been given to the questions raised by the honorable member, and, apart from the fact that a great deal of labour would be entailed in ascertaining the particulars sought from each of the national stations throughout the Commonwealth, it is felt that the publication of such details can only have harmful results in regard to the broadcasting services, and that such matters should consequently be regarded as confidential administrative details. It is hoped that the honorable member will not press his request for the particulars mentioned.

Mr. CLARK asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it a fact that the Australian Broadcasting Commission is bringing to Australia a gentleman to do broadcasting work in connexion with the cricket test matches? If so, why?

2. Is it a fact that there are many persons in Australia able to perform this work?

3. Is it a fact that, on the permanent staff of the commission, there is at least one cricketer who would be capable of performing this work?

Sir ARCHDALE PARKHILL.—The answers to the honorable member's questions are as follows:—

1. The commission has not brought out the gentleman in question, although it proposes to use his services to a certain extent while he is in Australia, believing that his comments will be of special interest to Australian listeners.

2. Yes and their services are being used.

3. Yes.

CANBERRA: OFFICIAL TRANSPORT SERVICE.

Mr. THOMPSON asked the Minister for the Interior, *upon notice*—

1. Whether the regulations governing transport of members of the House of Representatives in the Federal Capital Territory were framed before Parliament transferred from Melbourne or after?

2. By whom were they framed, and was the House Committee of Parliament consulted?

3. How many government-owned motor cars are now available at Canberra, and how many drivers and mechanics are employed?

4. What services do these cars and employees perform?

5. Are members of Parliament entitled to the use of the cars in Canberra when going to and from Parliament House to the railway station or to and from their private homes if they live in Canberra?

6. Are departmental officers entitled to the use of these cars to and from their private homes and the railway station or their administrative offices?

7. Does any authority exist for granting permission to members or departmental officials for the use of the cars according to special circumstances; if so, who is that authority?

Mr. PATERSON.—The answers to the honorable member's questions are as follows:—

1. The conditions under which members of the House of Representatives are provided with transport in the Federal Capital Territory were laid down after the transfer of the Seat of Government to Canberra.

2. (a) By the Speaker of the House of Representatives; (b) Not to my knowledge.

3. (a) There are sixteen motor cars in the fleet at the garage. In addition, 22 special duty cars have been allotted to officers in the various sections of the Department of the Interior; (b) There are six drivers at the garage. In addition, there are twelve bus drivers and fourteen truck drivers whose services are made available as required for car driving; (c) Two leading hands and seven motor mechanics are employed in the workshop.

4. The special duty cars are used by officers and employees of the various sections of the Department of the Interior for the purpose of inspection and execution of works throughout the territory, maintenance of roads, water supply, sewerage, electric light and fire brigade services, &c. The cars in the fleet at the garage are used for the conveyance of Ministers, officers of the various departments travelling on official duty, distinguished visitors at Canberra, &c. The motor mechanics referred to are employed on the maintenance and repair of all vehicles used in the transport section.

5. Transport of members of the House of Representatives and their luggage is provided by the department of the House of Representatives between the railway station and Parliament House or the adjacent hotels; but not to their private homes should they reside in the Territory.

6. Cars are provided for the use of departmental officers travelling on official duty to and from the railway station. Officers are not, except in special circumstances, provided with official transport between their homes and the various offices. All cars made available for use of officers are requisitioned for by the departments concerned.

7. In the case of special official functions in the Federal Capital Territory, Speakers have from time to time authorized the conveyance of honorable members. With regard to departmental officers, see answer to question 6.

NEWSPAPER CIRCULATION: WIRELESS LICENCES.

Mr. CLARK asked the Minister representing the Postmaster-General, *upon notice*—

1. Can he inform the House of the approximate circulation figures of the daily newspapers in the various capital cities for the years 1932, 1933, 1934, 1935 and 1936?

2. How many wireless licences were issued during each of those years?

Sir ARCHDALE PARKHILL. — The answers to the honorable member's questions are as follows:—

1. The information is not available in the department.

2. Licences issued in each metropolitan area in each State and in the Commonwealth during the years indicated are as under—

		1932.	1933.	1934.	1935.	1936.
New South Wales—						
Metropolitan Area	99,761	123,939	154,045	185,239	204,165
State		141,745	178,387	227,289	279,168	316,340
Victoria—						
Metropolitan Area	98,774	121,299	147,326	166,406	182,123
State		139,592	171,318	207,324	237,247	263,817
Queensland—						
Metropolitan Area	17,290	21,974	30,258	38,405	47,146
State		29,060	36,314	52,185	67,546	83,230
South Australia—						
Metropolitan Area	24,423	33,359	43,839	51,495	60,135
State		37,235	50,261	64,303	76,515	87,500
Western Australia—						
Metropolitan Area	9,013	15,500	23,258	20,727	35,896
State		12,746	20,604	31,476	41,257	50,081
Tasmania—						
Metropolitan Area	3,755	4,900	6,603	7,921	9,161
State		9,567	12,593	16,582	20,121	24,168
Commonwealth Total	..	396,945	469,477	599,159	721,852	825,136

REFUND OF WAR-TIME FINES.

Mr. ROSEVEAR asked the Minister for Defence, *upon notice*—

1. Have any ex-members of the Australian Imperial Force, upon application, had any fines for minor offences during the war period refunded to them?

2. If so, is he prepared to make the same concession to ex-members of the Naval Forces who were fined during the war period for minor offences?

Sir ARCHDALE PARKHILL. — The answers to the honorable member's questions are as follows:—

1. As a general policy, fines and forfeitures incurred by members of the Australian Imperial Force are not subject to refund, and numerous applications for such refund have

been refused. In two or three exceptional cases, however, in which members of the Australian Imperial Force were wounded in action whilst under forfeiture of pay, refund of stoppages has been made as from the date of the wounding.

2. The naval authorities state that there is no provision for such a concession in the naval regulations.

BANANAS: CUSTOMS DUTIES ON IMPORTS.

Mr. A. GREEN asked the Minister for Trade and Customs, *upon notice*—

What was the total amount of customs duties collected on the importation of bananas into (a) Western Australia; and (b) all other States, for the years ending the 30th June, 1934, 1935 and 1936?

Mr. WHITE.—The answer to the honorable member's question is as follows:—

	Year ended 30.6.1934. £	Year ended 30.6.1935. £	Year ended 30.6.1936. £
Western Australia	13,175	11,191	10,466
All other States ..	1,021	779	534

NORTH-SOUTH RAILWAY LINE.

Mr. PRIOR asked the Minister for the Interior, *upon notice*—

1. Is it a fact that when South Australia handed over the Northern Territory to the Commonwealth an agreement was reached between the two governments for the construction of a line of railway from Oodnadatta in the south to Darwin in the north?

2. Is it a fact that the Commonwealth has honoured part of the agreement by constructing a line from Oodnadatta to Alice Springs, and from Darwin to Birdum?

3. Is it a fact that there is approximately 550 miles of railway still to be constructed between Alice Springs and Birdum?

4. Did the Minister recently receive a deputation from Tennant's Creek asking that the railway line be extended from Alice Springs to Tennant's Creek?

5. Will he take notice of the request from Tennant's Creek, and many similar requests made in and out of Parliament for an extension of the line, and will he bring this matter before Cabinet with a view to the completion of the North-South railway line?

Mr. PATERSON.—The answers to the honorable member's questions are as follows:—

1. The agreement for the surrender and acceptance of the Northern Territory entered into between the Commonwealth and the State of South Australia on the 7th December, 1907, which was ratified and approved by the Northern Territory Acceptance Act 1910, provides—

"The Commonwealth in consideration of the surrender of the Northern Territory and property of the State therein and the grant of rights hereinafter mentioned to acquire and to construct railways in South Australia shall—

(b) Construct or cause to be constructed a railway line from Port Darwin southwards to a point on the northern boundary of South Australia proper (which railway with the railway from a point on the Port Augusta railway to connect therewith is hereinafter referred to as the transcontinental railway.)"

2. Railways have been constructed between Oodnadatta and Alice Springs and between Darwin and Birdum.

3. Yes.

4. Yes.

5. The matter will receive the consideration of the Government.

LADY NORTHCOTE TRUST.

Mr. HOLT asked the Treasurer, *upon notice*—

Can he supply honorable members with information on the following matters in connexion with the Lady Northcote trust:—

(a) Is the establishment of a farm training school for young men the main object of the trust?

(b) For what other objects, if any, was the trust instituted?

(c) What amount constitutes the fund held by the trust?

(d) What financial assistance, if any, has been given or is proposed to be given by the Commonwealth Government to the trust?

(e) Any other facts in connexion with the trust, which would be of interest to honorable members?

Mr. CASEY.—The answers to the honorable member's questions are as follows:—

(a) and (b) Under the will of the late Lady Northcote, widow of Lord Northcote, a fund was created, the income of which is to be used for the establishment and maintenance in Australia of a training school on similar lines to those of the "Fairbridge" Farm School in Western Australia. The Honorable William Augliss, M.L.C., has generously given an ideal property of approximately 3,000 acres, forming part of the well-known "Glenmore" estate near Bacchus Marsh, Victoria. The value of the estate is probably in excess of £20,000. Colonel J. S. Heath, O.B.E., M.C., who was principal of the "Fairbridge" Farm School at Pinjarra, Western Australia, has been appointed principal of the Northcote Children's Farm School, and has assumed his duties. The work of preparing plans and getting ready for the reception of children is now engaging the attention of the trustees. It is anticipated that building will commence at an early date, and that the first group of children for the school will arrive in Australia towards the middle of 1937. Further groups will arrive progressively in the following years until the ultimate complement of approximately 225 children is obtained.

(c) The exact amount is not known but is believed to exceed £200,000 sterling. The income available to the Australian trustees is in excess of £5,000 sterling per annum.

(d) The Commonwealth Government has undertaken to subscribe up to £7,000 for capital expenditure and 5s. a child a week with a maximum of £1,000 in any year. His Majesty's Government in the United Kingdom has also undertaken to subscribe up to half the capital cost of establishing the farm with a maximum of £14,000 sterling and to contribute 5s. a child a week towards maintenance.

HOBART BROADCASTING STUDIO.

Sir ARCHDALE PARKHILL.—On the 22nd October, the honorable member for Denison (Mr. Mahoney) inquired as to

1348 *Hour of Meeting.* [REPRESENTATIVES.] *Conscription.*

the possibility of an early start being made with the construction of the new broadcasting studio in Hobart. I have since made inquiries and find that it is not possible to state when the construction of the new Hobart studios will commence. The matter has been deferred until the return of the Broadcasting Commission's representative from abroad.
