

passing of the second reading of this Bill, but I ask that the committee stage be postponed until next Tuesday. There are one or two matters contained in the schedule which require attention, and seeing that the Bill was only circulated last Tuesday, there has been no opportunity yet to deal with them. This is the usual Bill brought down every session. It is rendered necessary owing to the alteration of the various districts and the need to provide for the carrying-on of industries. I am in favour of the passing of the second reading.

On motion by the Minister for Works, debate adjourned.

House adjourned at 9.32 p.m.

Legislative Council,

Tuesday, 28th September, 1920.

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

BILLS (4)—FIRST READING.

1, Stallions Registration.

Introduced by the Honorary Minister.

2, Municipal Corporations Act Amendment.

Introduced by Hon. J. E. Dodd.

3, Carriers.

Received from the Assembly.

4, Building Societies.

Received from the Assembly.

BILL—LOCAL AUTHORITIES SINKING FUNDS.

Second Reading.

Hon. F. A. BAGLIN (West) [4.37] in moving the second reading of this Bill said: I desire to point out that it is a measure of only two clauses, giving local authorities power to take up war gratuity bonds, or to cash war gratuity bonds for their employees. Employees of local authorities who went to the war now find themselves in the position of holding war gratuity bonds and of requiring money, and they have not been able to get their bonds cashed without going to persons who want a very considerable discount. It is within my knowledge that various local authorities are anxious to meet their employees in this connection. We know that the funds of local authorities are raised by rating, and there is a provision that not less than two per cent. of the money collected must be deposited with the Colonial Treasurer towards a sinking fund to redeem the loans of local authorities. The local authorities have no power to invest that money in other than State securities. War gratuity bonds being a Federal security, the local authorities, if they are to cash them, must be given specific authority to do so. The Bill limits the investment of the sinking funds of local authorities, so far as Federal securities are concerned, to war gratuity bonds. If this measure passes, the local authorities will lodge war gratuity bonds instead of cash with the Colonial Treasurer. Payment of those bonds is to be made in March, 1924, or about three and a half years hence. The local authorities at present get four per cent. interest on the money deposited with the Colonial Treasurer as sinking fund. As the war gratuity bonds carry 5½ per cent. interest, this will be an advantage to the local authorities. I do not think it is necessary further to urge the passing of this very necessary measure on hon. members, and I move—

• That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

BILL—HIGH SCHOOL ACT AMENDMENT.

Returned from the Assembly with an amendment.

RESOLUTION—COMMISSIONER OF RAILWAYS.

Appointment of Lieut.-Colonel Pope, C.B.

Message received from the Legislative Assembly asking concurrence in the following resolution:—

That the appointment by His Excellency the Governor of Lieutenant-Colonel Harold Pope, C.B., as Commissioner of Railways, at a salary of £2,000 a year, in the terms of the Executive Council minute laid on the Table of the Legislative Assembly on the 25th day of August, 1920, be approved.

BILL—PREVENTION OF CRUELTY TO ANIMALS.

Second Reading.

Hon. J. DUFFELL (Metropolitan-Suburban) [4.45] in moving the second reading said: It has been found necessary as the result of the operations of the Society for the Prevention of Cruelty to Animals in Western Australia, to seek for amended legislation to enable that body to more effectively carry on the work in which they are at the present time engaged in. The society has for some years past been working at a great disadvantage in regard to bringing to justice many who have transgressed in the way of inflicting cruelty to animals, and without the society having the power to deal with those persons. It might be asked why it is that I have sought to bring in a Bill to provide for a new Act entirely. My reasons for doing so are as follows: There has been no revision of the Acts of Parliament for the last 25 years and, taking into consideration the complications which arise from time to time when one is seeking for information in regard to any particular Act, we find that no one except a lawyer is able to get that information. Take, for example, the Land Acts. Anyone requiring information in regard to the land laws has to peruse no fewer than 16 Acts of Parliament. The same thing applies in regard to the licensing laws. There again there are 16 Acts of Parliament. But when we come to real property we find 38 Acts of Parliament dealing with this subject. Therefore, we think that it is better in the circumstances to bring in a new Bill altogether to deal with the question of cruelty to animals. Many sections in the present Act are embodied in the Bill before the House. The language, however, has been simplified and brought up to date, and therefore the measure will be found to be more suitable for the requirements of the society. It will be seen by the memorandum on the first page of the Bill that Clause 3 sets out the chief offences, and with the exception of those contained in paragraphs (h), (i), (k), (l), (m) and (n), they are all contained in the Act of 1912. I realise that a Bill of this nature cannot be dealt with effectively in a second reading speech. It is only when the Bill is in Com-

mittee that the various clauses can be dealt with in detail, so as to convey a correct impression as to the necessity for the clauses and the interpretation of them. Take, for example, the offences set out in paragraph (h), which refers to the chaining up of dogs. Under the existing law, so long as a person gives food and water to a dog on a chain, it is all that can be expected, and no action can be taken for cruelty as the result of that dog being chained up day after day and week after week without having any exercise. Paragraph (h) provides that it shall be necessary at least once a day for the dog to be exercised. Paragraph (i) makes it an offence to work any horse for more than 48 hours a week. That, however, may occasion some debate, and it can best be dealt with in Committee. The society contend that 48 hours is a fair period in which to work a horse.

Hon. J. Cornell: Why not 44 hours?

Hon. J. DUFFELL: Under present conditions we find that some owners work their horses not only six days a week and for very long hours as well, but that on Sundays they employ those horses to take out picnic parties, so that the horses do not get what might be considered reasonable time for rest.

Hon. J. J. Holmes: Or recreation.

Hon. J. DUFFELL: Under those conditions it will be seen that, with a view to preventing cruelties of that nature, the society, if the clause be passed, will bring about the prolongation of the life of that useful animal and man's best friend, the horse. Paragraph (k) is very necessary, especially when we consider that the society has received many complaints about poison and drugs being administered to horses, particularly on racecourses. The paragraph aims at the suppression of doping. Up to the present time it has been practically impossible to deal effectively with offences of that nature, and it is contended that if the paragraph is passed it will enable the society to carry out a work which will be of great benefit.

Hon. J. Nicholson: Dope is not necessarily poison.

Hon. J. DUFFELL: At the same time it creates unnecessary excitement and an unhealthy condition in the animal. When the Bill is in Committee I will be prepared to give instances where doping has had a deleterious effect on a horse. The matter is certainly one that requires to be dealt with, and it can only be dealt with by a paragraph such as the one contained in the Bill. Paragraph (l) deals with the sale or exposure for sale of poisons.

Hon. J. Nicholson: What about rats?

Hon. J. DUFFELL: They are provided for. Paragraph (n) is a very important addition to the Bill. It refers to the shooting of pigeons which have been released from traps. At the present time there is nothing on the statute-book of this State in this regard. It will be generally agreed that it is cold-blooded and cruel in the extreme to shoot pigeons in this way. Some time ago

a case was tried in New Zealand where a decision was given against the defendant. Afterwards there was an appeal to the High Court. The case was that of *Payne v. Bergh*, and the decision of the Court was as follows:—

In the case of *Payne v. Bergh*, City Court Reports 160, it was held that the shooting of pigeons at a tournament was a needless mutilating and killing within the statute. In order to avoid the effect of this decision, which was affirmed on appeal, the legislature was induced to pass an Act (L. 1875, ch. 107), permitting the shooting of pigeons by members of sportsmen's clubs or incorporated societies, but this exemption was revoked by Chapter 61 of the laws of 1902. The shooting of live pigeons released from traps is now a violation of law.

Hon. members will agree it is absolutely necessary that we in Western Australia should have a similar provision in our statute book. Generally speaking the Bill before the House re-enacts sections of the existing Act, and it contains new clauses such as 12, and 19 to 26. Clause 12 provides that a constable under certain conditions may destroy an injured animal. The constable or inspector of the society may be 30 or 40 miles away back in the bush, where it is desired to destroy an animal that has been injured as the result of an accident. Under the existing law, before that animal can be destroyed, written authority has to be secured from a justice of the peace. It may be that the officer may have to travel a considerable distance before he can find a justice of the peace, and in the interval the animal will be suffering pain. The clause will permit of the destruction of an animal in such circumstances without the necessity for obtaining the written authority of a justice of the peace. I might be asked for some information with regard to the operations of the Society for Prevention of Cruelty to Animals in Western Australia. I assure hon. members that the society is doing very good work, and briefly I would take the opportunity of setting out what has been done, and what work it is engaged in. The society has been in existence for a number of years. From the 1st October of last year to the 27th of the present month—that is, yesterday—they examined no fewer than 57,833 animals. In the same period they investigated 2,071 cases of cruelty, and to get at those cases and examine the animals, and pay necessary visits to indigent farmers who might have animals in a diseased state, has necessitated the inspectors of the society travelling 32,472 miles, chiefly on motor bicycles. The prosecutions and convictions for cruelty numbered 38. The cases that received gratuitous veterinary advice from the officers of the society numbered 1,057. Diseased animals humanely destroyed numbered 587, and 256 homes have been found for dogs. Water troughs have been rectified and erected in 23 places where they were required, and, best of all, I think, the

work the society is engaged in at the present time is that of inculcating into the minds of the young the necessity for kindness to dumb animals. As a result of the efforts put forward by the society in that direction, I have to say that they have formed no fewer than 220 branches for junior members of the society, which branches number 8,383 junior members. From these figures it will be readily agreed that anything which the society requires in the way of improved legislation will meet with the generous attention of members of this House. The society is being maintained in its work by the generous contributions of a generous public. Only during the last day or two the society has received recognition of its work in Western Australia. It is in receipt of a letter from His Excellency the Governor stating that His Majesty the King has been pleased to grant the word "Royal" to the society. It is an honour which has not been conferred on any other society outside the United Kingdom. We feel justly proud of the work that has been done by this institution. The amendments of the Act to which I have drawn attention will, I am sure, be readily conceded. I would particularly refer hon. members to Clause 19, which deals with employers and owners, who must produce the drivers of animals, and the animals themselves if that is required. Cases have occurred where the driver of a vehicle has been summoned for cruelty to animals. He may have been driving a horse that had a sore shoulder. When brought to book the man has stated that the employer knew all about it, and that he had called his attention to it before setting out that morning. As a result it is found that we have brought the wrong person to book, and it is difficult to sheet it home to the right person because the driver has cast the blame upon the employer. This clause provides that when the court is satisfied that the owner was cognizant of the condition of the horse before it was used, the court can adjourn the proceedings pending the issue of a summons against the owner, so that he may be dealt with and not the driver: Clause 20 is taken from the English Act. The English Act is the most recent of its kind in any statute-book in the British Dominions, with the exception of the 1912 Act passed in this State. The English Act was passed in 1911, but we did not receive it until the 1912 Act came into force in this State. For the last five years we have been endeavouring to induce various Attorney Generals to bring in these amendments, but so far have not succeeded. I approached the present Attorney General and expressed a desire, as the Government could not see their way clear to forecast this legislation in the Governor's Speech or introduce the Bill, that I should be enabled to introduce it as a private Bill, and fill in the gap which occurs between the finishing of the Address-in-reply and the time when new business arrives from another place. Clause 21 is entirely a new one. It does not appear in any other Act, either of

the Commonwealth or any other place. It provides for the sale and purchase of decrepit animals. It has come to the knowledge of the society that decrepit animals have been purchased for a few shillings by certain individuals and have been turned out, say, on the back beach, and allowed to wander about on the off chance that they would sufficiently improve to enable the buyers to re-sell them at a profit. This clause would also cover an auctioneer who might buy animals for slaughtering purposes, but instead of having them slaughtered immediately, allow them to run in the open country in the hope that they would sufficiently improve in value to give him a profit on his outlay. Clause 22 is taken from the English Act.

Hon. J. J. Holmes: You would not have the horses locked up in a stable if they were decrepit, would you?

Hon. J. DUFFELL: When an animal is not fit for further use, instead of its being turned out with some prospect of improving in value, and being sold again at a profit, it should be promptly destroyed. It would be more humane to destroy such an animal right away than to turn it out.

Hon. J. J. Holmes: You would not turn dogs out in that way?

Hon. J. DUFFELL: I think dogs should be exercised on a chain. When we come to the Committee stage I will be in a position to give hon. members more detailed information in regard to these clauses. Clause 23 deals with persons who may be present when slaughtering is going on. It would be a baneful thing for any person under 16 to be present when an animal is being slaughtered or a carcass is being dissected. This clause provides that it shall be an offence for any person under 16 years of age to be on the premises where slaughtering is taking place. Clause 25 deals with the inspection of chemists' poison books. We think it would be of great advantage and assistance to the society if the officials were permitted to inspect the books of chemists, where there is reasonable ground to believe that the chemist has sold certain poison to a certain person, as a result of which there has been death or some other occurrence. It is necessary to have access to these books. Clause 26 deals with the question of injuring trespassing animals. The society has had brought under its notice instances where goats have been trespassing on somebody's property. The owner of a property shot a goat and the goat, not having been killed outright, wandered off to an adjoining property.

Hon. J. Cornell: The hon. member would do the same thing if he lived in a goat-infested area.

Hon. J. DUFFELL: The result has been that the goat has been allowed to linger until death has put it out of its suffering. The man who shot the goat has not been able to go on to the other person's property and complete the killing operation. There was a case a little while ago where one of these

goats lingered for about 24 hours before death occurred. There was a second case in which the animal lingered for 36 hours before it died as a result of shot wounds.

Hon. J. Mills: On the owner's property?

Hon. J. DUFFELL: No, on the property of another man. This clause provides that where anything like that takes place it shall be lawful for the person who discovered the goat on his property to follow it up and completely destroy it. We have had several instances similar to this brought under our notice where animals have received injury and have been allowed to die. Recently a Chinaman discovered a calf in his garden and, in striking it with a strong stick, broke one of its legs. The animal was allowed to suffer for some days before its condition was brought under the notice of the society, and action could be taken against the Chinaman. It is difficult to bring these cases home unless there is a provision contained in a Bill of this nature to enable the society to do so. Clauses 27 and 28 have to do with regulations and mode of procedure. Clause 29—interpretation—is taken from the English Act and it is well defined. It will enable the society to deal with all animals required to be dealt with in an effective manner.

Hon. J. E. Dodd: Is not paragraph (d) a strain on the imagination?

Hon. J. DUFFELL: It is made as comprehensive as possible. We tried to put in everything we thought necessary. In doing this we thought we could not do better than take this from the English Act, and this is as it appears in the Bill before the House.

Hon. J. Nicholson: The cow is missed out.

Hon. J. J. Holmes: "Bull" includes the cow.

Hon. J. DUFFELL: That is so. I move—

That the Bill be now read a second time.

On motion by the Honorary Minister, debate adjourned.

BILL—ROTTNEST ISLAND.

Second Reading.

Debate resumed from 8th September.

Hon. J. MILLS (Central) [5.13]: I have no personal knowledge of Rottnest Island or its beauty spots, but I remember that many years ago it was held as an island prison for native prisoners. For a long time people were clamouring to get hold of this island as a pleasure and health resort. Eventually it was handed over to the people, and is now controlled by a board which, according to the Minister for Education, last year made a profit of £300. I cannot see any justification for leasing this country at present. At the period complained of, Christmas time and Easter time, there is sure to be an overcrowding of people, but it is only for a few

days that this occurs. The weather is generally bright and clear at that time of year and the people who go to the island do not go there to be shut up in a house, but to enjoy the breezes and stay out beneath the roof of heaven's dome and get away from apartments of any kind. I think if the £800 profit is expended in giving further accommodation, that should do for the present. We have had only one season since the war, and it is reasonable to assume that next year the board will make twice the profits. If leases are granted it is certain that some wealthy people will overbuild, and so in a few years' time there will be another Bill asking us to convert those leases into freehold and thus alienate the land from the people for ever.

Hon. J. CORNELL (South) [5.16]: I am opposed to the second reading. I am not enamoured of the cutting up of the State's national parks and the leasing of them to private persons. If there is any justification for leasing this reserve, there is equal justification for the State itself providing the required accommodation. I join with Mr. Mills in believing that if we grant these leases, then at some future day we shall have a Bill to convert the leases into fee simple. The whole of Rottnest is still in the possession of the Crown. It can be and should be made one of the finest pleasure resorts in Australia. I do not approve of allowing people to take up for 21 years residential areas which the State itself could fully develop.

Hon. A. J. H. SAW (Metropolitan-Suburban) [5.18]: I will support the second reading, for I am not convinced by the arguments I have heard against it. Rottnest for many years to come will be used only at certain periods of the year. Until the island obtains a large population we are not likely to get a frequent boat service, except at those periods. In these circumstances there is very little temptation for people to take up their residence on the island. If anyone secures a lease and erects a house—which has to be approved by the board of control—that person is not likely to derive very much benefit from the transaction; instead of doing harm to the island, such a person would be relieving the Government of an unnecessary expense. The question of alienating the land is not under consideration at present. The Bill provides that at the end of 21 years the leases shall fall in, and any property on them shall revert to the Government. The board are in need of money. The £800 profit which Mr. Mills has referred to was, I understood from the leader of the House, really a nominal profit and would not have been shown had the previous expenditure of the Government been taken into consideration.

On motion by Hon. E. H. Harris, debate adjourned.

BILL—WESTRALIAN MEAT WORKS.

Second Reading.

Hon. J. W. HICKEY (Central) [5.20] in moving the second reading said: I can only repeat what was said in another place, namely, that this is a formal measure for the purpose of rectifying a mistake made in the memorandum of agreement as to the number of shares to be applied for before the company went to allotment. Hon. members are aware of the circumstances. Some considerable time ago the necessity for the establishment of meat works at Geraldton was recognised, and the business men and growers of the district took up the proposition and decided to establish the works. Unfortunately, in their memorandum of agreement they arranged that they should go to allotment on 80,000 shares. Circumstances have since arisen to give the project a slight set-back. To-day 60,000 shares have been applied for, and it is desired to get on with the work, which, however, cannot be done until the passing of the Bill. It is not necessary to go into all the details of the proposition, because they are well known to hon. members. The promoters were a little optimistic in setting the allotment at 80,000 shares, since some of the wealthy men of the district have transferred their affections to the proposition at Fremantle. Another factor militating against the full success of the scheme has been the laxity of the Government in the provision of a water supply at Geraldton. There is plenty of room for all three of the proposed meat works, namely, those at Carnarvon, at Fremantle, and at Geraldton. In regard to the water scheme at Geraldton, it is understood that this will soon be put in hand. We have an assurance that immediately the Bill is passed the meat works will come into active operation. I recently returned from Geraldton where, at the agricultural show, I met many who declared that the works would be proceeded with immediately on the passing of the Bill. There are more shareholders in the Geraldton meat works than there are in either the works at Fremantle or those at Carnarvon. The Bill passed another place without opposition and with the support of the Premier. I have here statistics from the other States showing how well assured is the future of an enterprise of this character, but I think it is scarcely necessary to quote those statistics to hon. members. I move—

That the Bill be now read a second time.

Hon. J. MILLS (Central) [5.26]: I support the second reading. I regret the necessity for such a Bill. When the project was first launched there was no doubt as to the whole of the shares being subscribed; but owing to a few wealthy men—who are indebted to the district for every penny they possess—throwing their weight into the Fremantle works, the proposition has been left in its present position. Also, the success of the scheme has been delayed by the want of a water supply. However, the difficulties

have now been overcome, and I am sure the balance of the shares will be subscribed in due course. I have pleasure in supporting the second reading.

Hon. J. CORNELL (South) [5.27]: The Bill actually amends the Companies Act, which all company promoters have to abide by. This meat works project was launched in accordance with the Companies Act. The estimate of the shares to be subscribed was too optimistic, and the only way out of the difficulty is this Bill to allow the promoters to proceed to allotment with an unspecified number of shares. My objection to the Bill is that if on this occasion we make the concession and so amend the Companies Act—

Hon. J. J. HOLMES: Only as it affects this company.

Hon. J. CORNELL: That is so, but this is the first time a Bill has been brought down to amend the Companies Act. If we agree to this, others may come along with an equal case and ask for similar consideration. It is the Companies Act that we should amend. We should not make any special feature or recognise any special circumstances. If others come along in future with an equally good case, we shall in duty bound have to extend to them the same consideration as we are giving to this company.

Hon. J. J. HOLMES (North) [5.30]: I would point out to Mr. Hickey that, in my opinion, something should be included to fix the number of shares to be subscribed before we give the company a free hand to do as they like. I understand the proposal was that 50,000 shares had to be subscribed for before the company could proceed to allotment. The hon. member claims that 60,000 have been applied for and the company want to proceed with the allotment, but they cannot do so because the memorandum provides for 50,000. If 60,000 shares have been applied for, surely this House would be within its rights in stipulating that the company should proceed to allotment on that number; but to give the company a free hand to proceed to allotment without any minimum number being specified would not meet with my approval. While I have every sympathy with the company, we should limit them to an issue of 60,000 shares. Apart from this, I have no objection to the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Ewing in the Chair; Hon. J. W. Hickey in charge of the Bill.

Clause 1—agreed to.

Clause 2—Authority for directors to proceed to allotment:

Hon. J. CORNELL: I trust that the member in charge of the Bill will agree to an amendment specifying the minimum number of shares or that he will agree to postpone the clause in order to get more definite

information. A limitation should be stipulated. If the directors desired to proceed to allotment on 60,000 shares, why not say so and safeguard ourselves?

Hon. J. W. HICKEY: I see no objection to the clause. We have had an assurance that 60,000 shares have been applied for, and nothing further should be necessary. The Committee might well pass the clause as it stands.

Hon. J. CORNELL: It might be held up in future as a precedent.

Hon. J. W. HICKEY: I have no objection to postponing the clause, but I would prefer that the Bill be passed in its present form as it has been passed in another place.

Hon. J. J. HOLMES: I urge the hon. member to seriously consider the position. A very simple amendment, providing that at least three-fourths of the shares must be applied for, would meet the case.

Hon. J. MILLS: I think that would be quite satisfactory.

Hon. J. J. HOLMES: I cannot consent to give this company or any other company a free hand to do as they like.

The MINISTER FOR EDUCATION: I suggest that Mr. Hickey should agree to report progress. The Committee is entitled to look at a Bill of this kind not only from the point of view of its immediate effect, but in the light of setting a precedent. There is a good deal in what Mr. Holmes has suggested and I would like an opportunity to consult with the Premier before I support the clause in its present form.

Progress reported.

BILL—PRICES REGULATION ACT AMENDMENT AND CONTINUANCE.

Second Reading.

Debate resumed from the 7th September.

Hon. J. NICHOLSON (Metropolitan) [5.37]: I think it is the common desire of every good citizen to try to achieve the purpose for which the Prices Regulation Bill is designed, and which the Government no doubt hoped for when they originally brought forward the measure which is now in force. I must admit, however, and I feel certain that other members will share the opinion that, however well intentioned the Government were in introducing the Prices Regulation Bill originally, that measure has not accomplished the object they had in view. Whilst the title of the Act is Prices Regulation, I do not for one moment think that the Government hoped that they were going to succeed in making it a prices reduction Act. I believe that they had sincere expectations of doing some good in very serious and critical times. Having regard to the circumstances existing, we must all recognise that a very serious responsibility devolved and still devolves upon the Government, a responsibility indeed which we as members of this Chamber must, to a

certain extent, share with the Government. I apprehend that it is the duty of every member who has the well-being of this State at heart—and I do not think there is any here who has not—to try to do that which he can to make the lot of the citizens as pleasant and as economical as conditions will permit. But we have to realise this very important fact that, owing to our being dependent to so great an extent on imported goods, it is impossible for the Act or for the Bill now before us to prove efficacious. If I believed that this Bill would accomplish something in the way of reducing the cost of food and of necessities, then I would be only too pleased to give my ready support to it, but I honestly am of opinion that instead of it reducing the cost of living to the people of the State, it will seriously increase the cost of living. I recognise that, when the Prices Regulation Commission were appointed, the Government imposed on the Commission an almost superhuman task. The members of the Commission, I believe, have devoted themselves unremittingly to the work which has confronted them and have done as well as it was possible for any Commission to do in the circumstances. My view is that the Commission cannot do that which we expect. We might as well attempt to alter the law of gravity as to attempt to do that which the Commission are expected to do. They cannot possibly accomplish it. We are dependent on outside places for the necessities of life, the prices of which are determined by the outside manufacturer or producer. With the ordinary charges of transport, etc., as well as our customs duties added, the Commission no doubt may find some means of determining a fair and proper price to fix for the sale of goods in our own markets. I have in my hand a list of foods and necessities. This list, I believe, comprises the goods for which the Commission have endeavoured to fix prices. It contains many of the necessities of life, as well as some things which might probably be excluded, but there is a big and wide range of goods and so-called necessities brought within the purview of the Commission's discussion. My own opinion is that the Commission cannot undertake to satisfactorily determine the prices which should be fixed for all commodities as they have set out to do. The more the list of commodities is increased—and it has been increased from time to time—the more difficult becomes the task of the Commission. I venture to say that, instead of having three Commissioners, we should require 33, or perhaps many more, to perform such a task. There is not one man in the universe, there are not three men in the universe, who can claim to have the knowledge that is essential for the purpose of determining all that is required in fixing the prices of the multiplicity of articles which naturally come within the scope of the Commission's duties. I ask hon. members just to think of the difficulties which an ordinary man encounters in learning all the ins and outs of any particular business. In order

to acquire a full and competent knowledge of all the ramifications of even one branch of commerce or manufactures, almost a lifetime is required. But here the Government ask three men to enter upon this line of duty and to determine a multiplicity of questions each of which involves the study of a lifetime. I refer to this phase because of the fact that Clause 6 of the Bill empowers the Commission to—

determine the minimum prices, whether retail or wholesale, which may be charged for foodstuffs and necessary commodities in any proclaimed area, on the basis of manufacturing, landed, delivery, or other cost; and . . . declare what items may or may not be included in such cost, and whether; in determining such cost, regard is to be had to the invoiced cost of materials used, or to the cost of replacing the materials used, or to any other method or principle specified in the Order in Council.

I refer especially to the training that is required on the part of an ordinary individual in his own business, and I ask, is it possible to expect from this Commission that degree of knowledge in numerous channels which can only be acquired by experience in each particular channel? There is no man able to do it otherwise. Instead of a Commission of three, we should have a Commission comprising men competent in every possible line of business, competent by many years' training to determine the questions which come before the Commission. But, even if we had such a Commission, would they accomplish the purpose we desire, that of reducing the cost of living? If so, the Commission would be cheap if it consisted of 33 men instead of three.

Hon. J. Duffell: They say they have reduced the cost of living.

Hon. J. NICHOLSON: I ask hon. members to refer to the Commission's report. It contains no evidence that they have actually reduced the cost of living. I pay my compliments to the Commissioners for having done their best in the circumstances.

Hon. J. J. Holmes: Every article they have dealt with has increased in price.

Hon. J. NICHOLSON: Take that most essential article of life, and one over which we have a controlling voice, flour. Has our loaf gone up in price, or has it gone down, since the Commission have been at work?

The Minister for Education: It has not gone up so much as it would have done if we had had no Commission.

Hon. J. NICHOLSON: There is only one answer—the price of the loaf has gone up. The Commission have not succeeded in reducing that first essential of life, man's loaf. Take tea, that article compared with previous years, has also gone up.

Hon. J. Duffell: The rate of exchange has caused tea to go up.

Hon. J. NICHOLSON: I admit that. But these prices are traceable to the one circumstance that Western Australia is not a manufacturing community of those neces-

saries of which we require so much for our ordinary needs and daily use. If we produced those things ourselves, we could regulate the prices and determine exactly what the prices should be. But as we do not produce those things, we cannot regulate the prices in the way we would like to regulate them. I admit that the Commission have done as well as they could be expected to do in the circumstances. They have helped to prevent undue profiteering, or perhaps I should say the making of undue profits by some who might otherwise have exploited the public. If there is any man that the Government ought to be up against, if there is any class of men whom the rest of the community should be up against, it is the profiteer, and particularly under conditions such as now exist. No man is justified in taking advantage of adverse conditions to the detriment of the general community. I am prepared to join in denouncing the profiteer to the utmost extent. What has New South Wales done in the matter? It was announced recently that the New South Wales Government had determined to introduce an anti-profiteering Bill, but not to renew the Prices Regulation Act. New South Wales has discovered that price-fixing is a failure. The New South Wales Commission succeeded in regulating prices to a certain extent, but they could not keep prices down. Prices will go up in spite of the best efforts of Commissions to prevent rises. Prices will continue to rise if greater restrictions are placed on the merchants of the community, and such restrictions mean that the general public, instead of getting a cheaper loaf and cheaper groceries, have to pay dearer and dearer for them. I say here to-day that if greater restrictions are imposed on the mercantile community by this Parliament, if the powers sought by this Bill are granted, prices of goods, instead of going down, will rise much higher. I certainly think that many items included in the Commission's list of foods and necessities could be eliminated. I will take as examples beer, alcoholic liquors, and cigars. Is there any man in his senses who will say that it is necessary to regulate the price of beer or of liquors or of cigars?

Hon. J. Duffell: It is absolutely imperative that beer should be included. I will tell you something about that later.

Hon. J. NICHOLSON: I do not happen to be a beer drinker myself, and so it does not matter to me.

The Minister for Education: No; you do not mind.

Hon. J. NICHOLSON: I contend that it is not in the least desirable to class beer as a necessary commodity. Certainly it is not a necessary commodity in the strict sense of the term.

The Minister for Education: I do not drink tea, and so I do not care what it costs.

Hon. J. NICHOLSON: To my way of thinking, there is no harm in the price of beer soaring as high as possible.

Hon. J. Duffell: Have you any brewery shares?

Hon. J. NICHOLSON: I would not mind how high beer went in price, because that would accomplish one of those purposes which a certain party are very anxious to achieve, namely, to make people sober. We shall certainly not make them sober by Act of Parliament, but if we set to work to make beer cheap and to keep its price as low as possible we shall increase the consumption of beer. On the other hand, if we leave the brewer to sell his beer as he thinks fit, he will determine his price by what he thinks is wise. If he puts his price up too high, he naturally cannot expect to sell as much beer; and that state of things will be agreeable to the party who are opposed to the consumption of liquor. But then the brewer will no doubt see that he is making a mistake, and he will reduce the price of his commodity without the intervention of any prices regulation commission whatever. Necessity will regulate his price.

Hon. J. J. Holmes: Supply and demand always regulates price.

Hon. J. NICHOLSON: Supply and demand is one of the finest commissions that we can possibly get. Again, take cigars. Can anyone say that cigars are a necessary of life? I think cigars are an absolute luxury. I enjoy the pipe, and an occasional cigar; but I look upon a cigar as more of a luxury than the humble pipe. There are many other articles which may be dealt with similarly, but I do not propose to weary hon. members in that regard. I merely draw attention to beer and cigars to show that matters such as these should not be dealt with by a prices regulation commission at all, but should be left to the regulation of the law of supply and demand. Now I will call attention to some clauses of the Bill. Clause 2 provides—

If the Commissioners are satisfied (a) that a person has in his custody or under his control any foodstuff or necessary commodity and has failed, on demand and tender of the fixed price, to supply any particular person with such foodstuff or necessary commodity; or (b) that any foodstuff or necessary commodity which, in their opinion, should be distributed for public use is being withheld from sale, the Commissioners may recommend to the Governor that such foodstuff or necessary commodity be forfeited.

Now, every wholesale merchant has to regulate his stocks by his recognised requirements. He has customers just in the same way as the retail dealer has customers; and the retail grocer, for instance, on his side has to regulate his stocks by the likely demands from his customers. Accordingly, the wholesale merchant has to order ahead to meet the demands of the retailers. Thus he gets certain stocks to cover him for a certain period. In my opinion, the provision which I have quoted is a most pernicious one. If a merchant or other person happens to have in hand a stock which he has obtained in the ordinary course for the purpose of meeting the demands which are likely to

arise, such merchant or other person is liable to have that stock forfeited. Naturally, no merchant is going to overstock himself in the present state of affairs, when materials and goods are at such high prices. The man has not the capital to do that. There is a limit in all these things. A merchant cannot overstock in these days as he could in the days when materials and goods were going at a very cheap rate. Merchants have to buy for their requirements and in doing that they must have certain stocks. Under the Bill any person can come along and make a demand for those goods that are in stock and such persons can say, "I want them; here is the price for them." The holder of the stocks may reply that he is keeping those for his customers and therefore he must refuse to sell them to the individual making the request. The man who desires them, however, may tender the price and, according to the Bill, if the goods are not supplied to him, the holder may subsequently have them forfeited. The power given to determine whether the goods shall be forfeited or not should not be in the hands of the Commission.

The Minister for Education: They have only power to recommend.

Hon. J. NICHOLSON: No power, such as that should be given because it means confiscation.

Hon. J. Duffell: It is in the New South Wales Act.

Hon. J. NICHOLSON: The New South Wales Government are going to abolish their Act and they propose to introduce a profiteering Bill.

The Minister for Education: Which will be more drastic.

Hon. J. NICHOLSON: I do not care what they do.

Hon. J. Duffell: It is also in the South Australian Act.

Hon. J. NICHOLSON: The result will be that if this measure be passed into law, we will find that the prices of goods will rise. When merchants find that they are confronted with an Act of Parliament such as this, which gives such wide powers to Commissioners, they will refrain from importing goods that they otherwise would do. The merchants in Western Australia are very differently situated from the merchants in the Eastern States. In Western Australia they occupy an isolated position. A merchant in Sydney can get, without any difficulty, goods that he may be short of, from a neighbouring city in a short space of time. On the other hand, we have a long way in which to bring those goods and, moreover, the charges act against us in Western Australia compared to what the position is in the other States. Therefore merchants, having such an Act as this to work under, will refrain from rendering themselves liable to risk and accordingly they will only stock to a limited extent. The result will be that our markets will be denuded of articles which might be essential for the wel-

fare of the people. These articles, if imported in larger quantities, would be purchasable at a cheaper price and the community would derive the benefit of the cheaper price at which the merchants purchased. Consequently, the power set out in the Bill should not be given, and I hope sincerely members will hesitate before they agree to give it. Under Clauses 3, 4, and 5, if there is a refusal on the part of the merchant to sell, power is given to the Commissioners to confiscate and then the goods may be sold and the price obtained handed over after deducting the expenses incurred. As those clauses are dependent on Clause 2, if the power sought in Clause 2 be refused the other clauses will naturally have to be deleted. The only other serious provision in the Bill is that mentioned in Clause 6, which sets out—

In addition to, but without affecting the generality of the powers conferred by section ten of the principal Act, the Governor may, by Order in Council, determine the maximum prices, whether retail or wholesale, which may be charged for foodstuffs and necessary commodities in any proclaimed area, on the basis of manufacturing, landed, delivery, or other cost; and may, in like manner, declare what items may or may not be included in such cost, and whether, in determining such cost, regard is to be had to the invoiced cost of materials used, or to the cost of replacing the materials used, or to any other method or principle specified in the Order in Council.

This question of cost is a very serious one indeed. Say a merchant is carrying on business and is dealing in many lines; his position will be very difficult. He may make losses on one line which he must, in the ordinary course of trade, make up in one way or another in the conduct of his business. If he had not the means of making up his losses on one line of goods he would be in a very serious position. He would find himself in the bankruptcy court, and it is not for the benefit of the community that any attempt should be made to ruin any merchant. If we drive merchants out of business the Government will have to take their place, and we must admit that the Government have shown themselves incapable of running any kind of trading concern with success. In such an event the cost of goods would soar up to figures considerably higher than they are at the present time. Bad as merchants may be, let us regulate, if necessary, their prices. Let us see whether there are any profiteers amongst them. What is proposed will make the position serious indeed. It will leave to the Commissioners the power to determine the cost of articles. Now the cost to the merchant can only be ascertained by that merchant by his having regard to his business as a whole. There are so many details in a business that it is impossible for me, or other hon. members, to say how a man may arrive at the cost of the goods which he

is selling. Each man in his own business knows how to determine the cost, but now we propose to give to commissioners who have not had any experience in a particular business, power to determine what the costs shall be, costs which a man in business can alone determine after he has had a wide and varied experience. Let us take the question of advertising. A man advertises, and that becomes a heavy item. How is that to be apportioned? It must be apportioned in a fair and proper way. But surely the Commissioners are not competent to say how it is to be apportioned. Advertising is part of the cost and the wages of a merchant's staff are all part and parcel of the cost of goods. All these things, and many others, have to be taken into consideration. A man may lose £500 on one particular line. Let me take one that comes prominently to my mind—corrugated iron. Prior to the war the price of that was about £20 per ton, then it gradually rose to £40 and reached as much as £80 per ton. Now, I think, it has receded to about £40 per ton. What the market price to-day is I do not know, but a merchant may have bought that commodity at a high price, and perhaps has it still in stock. He will suffer a big loss if the Commissioners determine the price at which he shall sell it at the present time. Has that merchant then, no means of recouping himself over such an article? The whole of the latter part of that clause should be reconstructed. The best thing to do would be to allow Clauses 8 and 9 only to remain in the Bill and to eliminate all the others. I believe that, in place of our desire to reduce the cost of living, we are going to increase it if the Bill be passed in its present form. Even Clause 7, which asks that prices of specified goods shall be marked, or that the price list shall be exhibited, is absurd. When the Bill is in Committee I intend to move that all the clauses be struck out with the exception of Clauses 8 and 9.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. DUFFELL (Metropolitan-Suburban) [7.30]: It may be a surprise to some hon. members that I should be supporting this Bill, when it is borne in mind that last session it was with some degree of uncertainty that I supported the second reading of the Bill then introduced. In giving my support to that Bill I was backed by the majority of the people I represent here. There seemed to be a general desire that we should have a board to regulate prices. People were of opinion that prices were soaring higher than was necessary, and they were disappointed. They expected that when hostilities ceased in Europe there would be an immediate fall in prices, more especially when it was expected that the cessation would be followed by the resumption, under normal conditions of work in the various factories. It was only when hostilities actually ceased that the public realised the enormous waste that had occurred during the war. Al-

though the operations of the Prices Regulation Commission have in most instances been in the direction of an increase in prices, I have sufficient information to warrant me in coming to the conclusion that, had this Commission not been in existence, prices would have soared considerably higher than they have done. I was strengthened in this opinion by a visit I paid to the Eastern States a few months ago. I was agreeably surprised, when I compared the prices ruling for general commodities and foodstuffs there, with those prevailing in Western Australia. Butter, for instance, was being sold in the Eastern States at 2d. a lb. higher than it was being sold in Western Australia. Wearing apparel, boots and shoes, notwithstanding the fairly high rate of freight between the Eastern States and Western Australia, were being sold at a lower price in this State than in the Eastern States. It may be that there is more money in circulation in the Eastern States than ever before, owing to such a large proportion of the military requirements being supplied in the Eastern States, thus giving the people there a monetary advantage during the war that was not enjoyed by Western Australia.

Hon. J. CORNELL: Rents are higher in the Eastern States than they are here.

Hon. J. DUFFELL: That is so. Visitors from the Eastern States to Perth have purchased goods here and taken them back to Melbourne and Sydney, because prices here were so much lower than they were there. Although the Commissioners have had to consent to increases in prices, the fact that they were acting as a commission has meant the keeping down of prices to a reasonable limit to the advantage of the community in general. I realise that there are some anomalies, as pointed out by Mr. Nicholson. I do not intend to refer very much to the report of the Prices Regulation Commission. It is a document teeming with useful information, which it is most necessary that we should possess. There is, however, sufficient matter contained in the Bill before us to warrant me in confining my remarks to it. By reason of the fact that we have a commission in existence, we are in a position to say that we are doing what the people desire to keep prices down as much as possible. Certain trading communities in the State are bound to feel alarmed at some of the clauses in the Bill. They feel that if power is given to the Commissioners to enter their premises and seize or confiscate goods, it will have a tendency to prevent them from regulating their stocks to fill the requirements of the public. If Mr. Nicholson had read Clause 2 a little more closely he would have seen that there was not much to be alarmed at, when all was said and done. The sting in the clause is evidently in paragraph (a)—

If the Commissioners are satisfied (a) that a person has in his custody or under his control any foodstuff or necessary commodity and has failed, on demand and tender of the fixed price, to supply any particular person with such foodstuff or necessary commodity; or (b) that any

foodstuff or necessary commodity which, in their opinion, should be distributed for public sale is being withheld from sale.

This means to say that the Commission are asking for certain powers in the event of there being certain individuals in the community who are holding certain stocks with the object of getting an enhanced value for them as a result of a scarcity in the near future. An endeavour is being made to overcome a difficulty which would occur when the demand is greater than the supply. Such people being in possession of large stocks of a particular line, say, corrugated iron, the Commission should have the power when it comes to their knowledge that such is the case, to compel the merchants in question to disgorge. Hon. members will recollect what occurred when the Armistice was signed. There were stocks of corrugated iron held in certain portions of the Commonwealth. The people holding that iron were under the impression that this commodity would see £120 a ton. They had no idea that hostilities would cease so quickly. When they did cease they were left with large stocks on hand, and that was why prices tumbled so rapidly, although they afterwards recovered. Under Clause 2 of the Bill power is being sought, in cases where a merchant holds a large stock of any particular line for the purpose of obtaining a higher price for it, to enable the Commission to step in and take action.

Hon. J. Nicholson: If a merchant paid £30 a ton for iron and was compelled to sell it at £40, what then?

Hon. J. DUFFELL: That is another phase of the question. It is bound to happen that, when things become normal, especially in regard to heavy lines of chemicals, many merchants within the Commonwealth will be holding fairly large stocks in order to supply their ordinary demands, and inevitably prices will fall suddenly. I could mention half a dozen lines which will certainly fall rapidly when they begin to move, but no notice of such fall will be given. Quite recently natural wool garments were being offered in Perth by one firm at a retail price of 8s. 11d. A few days ago the price of that article jumped to 14s. It has been stated that the price of wool being used in Australia to-day, owing to the action of the Commonwealth, has been raised to the London parity. Because of that the manufacturer of the natural wool garments had to pay a price for his wool on the London parity and he has therefore raised the cost of this garment from 8s. 11d. to 14s. without notice.

Hon. J. Cornell: There is only a few shillings worth of wool in the whole suit at present prices.

Hon. J. DUFFELL: I desire to show how utterly incapable in the way of fixing prices the Commission appointed by this Government will be to deal effectively with the prices ruling within Western Australia. I am prepared to do what I can to assist, but I realise that the Commission will be unable to meet the requirements of the people to any appreciable extent in the way of reducing

prices. The price of certain commodities is governed not in Western Australia but entirely outside the Commonwealth. I do not say that the action of the Commonwealth in raising the price of wool to the London parity has been brought about by any pressure on the part of the Imperial Government, who are holding large stocks of wool which have been purchased at a high figure, but I ask, what is the cause, for there must be one. This shows how unable we are in Western Australia to deal with the problem with anything like success, when endeavouring to control prices that are fixed outside the State. I could give instances where articles had been grown in the Eastern States and were prevented from coming to Western Australia until the price had soared from 1s. 3d. a lb. to 7s. 6d. a lb. I am speaking particularly of hops. There was a shortage of something like 5,000 bales of hops, according to the 12,000 bale requirements of the Commonwealth. During 1917 the Commonwealth Government passed a regulation limiting the use of imported hops to 10 per cent. of the requirements of the Commonwealth. The result was that these hops were sent through other channels, and until they had reached a certain price in Western Australia the growers refused to send there here. An incident like that shows us how necessary it is for us here to make even greater efforts than we are now making to get at the factors underlying the fixing and governing of prices. When it became known that the requirements of the Commonwealth were 5,000 bales short, speculation became rife, and it almost amounted to a restriction of trade seeing that in Western Australia we were not allowed to get a single bale until the price had reached 7s. 6d. a lb.

Hon. J. J. Holmes: That is the result of the interference of the Commonwealth in the first instance.

Hon. J. Cornell: It is an argument for prohibition.

Hon. J. DUFFELL: I want to see how far we can strengthen the Bill and in what position we stand in relation to those people who are growing and manufacturing goods in the Eastern States, and who control the price of the commodities which the Prices Regulation Commissioners here are trying to deal with. Our Prices Regulation Commissioners have done good service in keeping down prices. The price of benzine has soared to 30s. 6d. per case, yet benzine can be purchased not many miles from Australia at 7s. 6d. per case. Why is it not coming down to Australia? We were told in the Press a few days ago that the manager of one of the companies controlling oil in this State had said that unless it was agreed to give him an advance on kerosene he would not allow it to come here. Sure enough a boat that was bound to Fremantle with kerosene suddenly turned aside and went to another port of the Commonwealth, and for a few days one could not get kerosene in Perth for

love or money. The same company said that unless the Commonwealth would allow them 10 per cent. on their turnover, they would cut the Commonwealth out.

Hon. J. J. Holmes: Is it not all the result of price fixing? The Bill will not help it.

Hon. J. DUFFELL: It will do something in the right direction.

Hon. J. Nicholson: It will raise the prices.

Hon. J. DUFFELL: It shows there is a power outside over which we have no control. Ten per cent. on the turnover is very different from 10 per cent. on the paid-up capital. It may be that the company through that 10 per cent. will be getting 200 per cent. on the cost of production. They are trying to throw dust in the eyes of the community. It may even be that that very company is sufficiently strong to say to the people in Sumatra "If you sell petrol to the Commonwealth, we will flood you out of existence." The fact remains that the petrol is not coming down here. We are to have another line come into operation very shortly with Malaya and Java. I am prepared to say that when that line comes into operation we shall even then be unable to get petrol from our next-door neighbour—for some reason which I shall leave hon. members to discover for themselves. Mr. Nicholson mentioned beer. Let me call attention to the position in Western Australia to-day. Hops have increased from 1s. 3d. per lb. to 8s. 9d. per lb. at Fremantle. Consequently it is costing more to manufacture beer. Malt, which was at 4s. 3d. per bushel, is to-day 11s. 3d. per bushel landed at Fremantle. Take sugar and take labour: we all know the increases in both these lines. Take the excise: here we have an advance of 22s. 6d. per hoghead. How can any price fixing commission keep prices at their present standard when forces of this nature are in operation?

Hon. J. Cornell: We shall all refuse to drink beer.

Hon. J. DUFFELL: The hon. member will please himself. It is not so much the fixing of prices as the regulation of prices which the Commissioners are engaged upon. With the exception of Clause 7, it will be found that all the clauses in the Bill have been already tried and proved. They have been taken largely from the Act of New South Wales. In Clause 7, however, we find a unique provision which I am not altogether in favour of. When a merchant has agreed to sell goods at the prices fixed by the Commissioners, he should be credited with being sufficiently honest to sell the goods at those prices; but we find that the Prices Regulation Commissioners have no confidence in that firm, that they say the prices must be enumerated in a price list and marked on the goods in plain figures. It is impossible to issue a price list at present as a merchant may have very little of his general stock forward, although there may be any quantity of stuff in various parts of his establishment which it would be

useless to ticket up in plain figures, especially at a time when prices are fluctuating as at present. To enforce Clause 7 would be to put merchants to an unnecessary expense. There are in the parent Act penalty provisions for transgressions, and I think those provisions have proved sufficiently successful to warrant the Commissioners showing confidence in the trading community. There is nothing in the report of the Commission which would lead me to support Clause 7. I will oppose it. I do not regret having supported the Bill of last session, for I have every reason to believe that it has done good. I will support the second reading.

Hon. J. J. HOLMES (North) [7.55]: I have listened to Mr. Nicholson in opposition to the Bill, and I have listened to Mr. Duffell who, while stating that he supports the Bill, has put forward many arguments against it. He quoted hops, and showed distinctly that all was well with hops until the Commonwealth interfered. He quoted kerosene, and showed that we were paying a reasonable price for the commodity until the Prices Regulation Bill came into force. He quoted butter, and showed that it was being sold at a lower price in this State than in the Eastern States, due to the foresight of merchants who had bought supplies ahead. I oppose the Bill, as I opposed that of last session, because I am convinced that the whole thing is a fallacy. Immediately you attempt to interfere with the law of supply and demand, you upset the current of trade and create a position that puts some portion of the trading community at a disadvantage, and the remainder at an advantage. Twelve months ago we were told by the leader of the House that the then Bill was introduced to satisfy the ungrounded suspicion of the public. To-day we have a real live department travelling from one end of the country to the other, interfering with trade and attempting to restrict prices, an achievement which they know to be impossible. Whilst we have three Commissioners travelling the country attempting to fix prices of goods manufactured overseas, we have the Honorary Minister spending the best part of his time tripping to Melbourne to keep up the price of wheat, of flour and of bread. Could anything be more ridiculous than the three Commissioners using their best efforts to keep down the price of every other commodity whilst a Minister of the Crown is using his best efforts to keep up the price of bread, the staff of life? We have a president of the Arbitration Court and two assessors fixing the minimum wages which men shall be paid. We have a president of this Commission and two assessors fixing the maximum prices at which goods shall be sold. What is going to happen to the trade of the country? On the one hand we have men pushing up the rates of wages and fixing the minimum, not the maximum rate, at which they shall be paid, and on the other hand we have three commissioners fixing the maximum price at which the goods shall be sold.

Hon. J. Cornell interjected.

Hon. J. J. HOLMES: I think we want an enlargement of the lunatic asylum. If we fixed the maximum rate of wages and compelled a man to work at that rate, then we would be justified in fixing the maximum price at which goods should be sold. We would then know where we were. To that I cannot be a party, because we should be going back to the days of slavery. If we compel a man to sell his labour whether he wants to or not we are going back to the days of slavery, and if we compel a man to sell his goods at a certain price whether he wants to or not, well then we are going back to a condition not very far removed from slavery. I claim to possess a good knowledge of business. I do not suppose many members of this House, and certainly few people in this State, have had the experience I have had. From the age of 17 to 27 I was associated with and taught general business from one end of the State to the other, and for the last 28 years I have been associated with commercial pursuits. Last year I told Mr. Nicholson that I had sold everything from a silk stocking to split sheoak shingles. I say that the three men appointed to this commission did not understand the business. If they did understand the business they would not attempt to fix prices for all commodities. I claim the right to criticise, because I know something about business. I know that the merchant in this State who understands his business, whose whole lifetime has been spent in learning his business, is reduced to a nonentity because he is not allowed to watch the trade of the world or to take advantage of the markets of the world. The man who understands his business foresees a shortage and buys large stocks. Take Jones's jam, an article of every-day use. Any merchant who knew his business was aware that the price of sugar must advance, and that the price of jam would increase. Realising this, he would buy thousands of cases of jam. He would get a decent profit, and he would be able to sell much cheaper to the public than anyone else.

Hon. J. Cornell: Would he be satisfied to do that?

Hon. J. J. HOLMES: Of course that is the way people build up their trade. But what happens? The Prices Regulation Commission say that the merchant shall make only ten per cent. profit on his jam. The merchant buys 100 cases at 10s. a dozen because he can make 1s. a dozen or 4s. a case, but he knows that the next lot will cost him 12s. 6d. a dozen, and he buys another 100 cases only, because he knows he will make 1s. 3d. a dozen or 5s. a case out of the next lot. He knows that as the price advances so his profit will advance. If he had bought 1,000 cases at 10s., and sold at his own price, he would have got a decent profit, and the public would have got a fair deal. Now he buys as required and, every time the manufacturer's price goes up, his profit goes up, and the public have to pay. Take galvanised iron:

years ago—and the same applies to-day—a ship leaving London had space for say 100 to 300 tons of galvanised iron, wire netting, wire, etc. Either the speculative merchant at this end or the manufacturer at the other end took advantage of this space and shipped to Australia. Articles of every-day use were thus introduced into the State, and prices were kept down. We are told there is a difficulty in getting cargo, though freight is offering. If there is a man in the hardware business wishing to take advantage of freight he is debarred from doing so, and this measure will tend still further to debar him, because he will not be able to take advantage of the opportunity of buying at a low market price and putting the stuff on the market here at a low price. If he does that and lands iron at £40 a ton, the Prices Regulation Commission say he is to make only ten per cent. profit on that, namely, £4 a ton. It he lands it at £80 a ton by putting it through roundabout channels, he is allowed a profit of £8 a ton. So the whole tendency to interfere with trade is to drive the manufacturer's price up and increase the merchant's profit. So long as we interfere with the ordinary course of trade, so long will this kind of thing continue. I have not read the report of the Prices Regulation Commission, but I have read extracts from it which appeared in the Press. Wherever one looks at this report, he finds that every item dealt with has increased in price. So long as the Prices Regulation Commission interfere with the merchant taking advantage of the world's market and buying goods at a right price and selling at a right price, so long will supplies be short and so long will large profits be made. It is patent to all that, when we modify. I have explained that I do not allow a percentage on cost, the greater the cost is, the greater must the profit be to the man handling the particular commodity in compelling a man to sell his labour. I hope the day is far distant when we shall reach that stage. But it does seem a fallacy to fix the minimum price at which a man shall sell his labour and the maximum price at which a man shall sell manufactured goods. It follows that our traders must be squeezed out and, if we ruin the trade of the country, then we shall ruin the country itself. Another point is this: we hear a great deal about local industries and manufactures. It is the local industry and the local manufacturer who is squeezed between the Prices Regulation Commission and the Arbitration Court. The Prices Regulation Commission squeezes him by fixing the maximum price and the Arbitration Court squeezes him by fixing the minimum price for the wages of the men he employs. It does not affect the competitor in the East at all. It is the local manufacturer who is hit every time. We cannot provide against the manufacturer in the East or overseas. Even Mr. Duffell, who supports the Bill, has

proved conclusively that we cannot get at either the overseas manufacturer or the Eastern States manufacturer. Then why in the name of common sense should we make things more difficult for our struggling manufacturers, who are endeavouring to get a living? I do not wish to be misunderstood on the wheat question. I instanced the fallacy of the Honorary Minister spending the best part of his time in Melbourne endeavouring to keep up the price of wheat, flour, bread, etc., while three commissioners here are endeavouring to keep down the price of jam and other things. I think the producer of wheat, like the producer of any other commodity, is entitled to the full value for the article he produces, and if there is one section of the community that deserves to be encouraged and to get full value for the article he produces it is the grower of wheat. I know from observation at all events that the nearest approach to perpetual motion in this world is the man engaged in the production of wheat. He, like everybody else, should have the full value for the article he produces, and the Honorary Minister is quite right in going to Melbourne or elsewhere in order to ensure that the producer of wheat does get full value for his product. The absurdity of the position is that while he is doing that, the State is paying another department to keep down the price of all other commodities. The wheat farmer particularly is entitled to consideration at our hands. He has been up against it for a great number of years, and he will be up against it again in a few years. He has had low prices and strenuous conditions to contend with in the past, and he is now faced with increasing costs for his every-day requirements and with the existing high rate of wages. Even at the present time the wheat producer, above all men in the community, is entitled to the full value for what he produces. My objection to this Bill is that it is a distinct interference with trade. It not only prevents production, but it also prevents importations. It was quite a customary thing when shipping space was available for the manufacturer at the other end of the world to fill up the vacant space in ships with articles he had to sell. He sent them to Australia to be sold at a fixed price. If they did not realise that price, they were not sold. If this Bill is passed, do members think that the merchant in any other part of the world is going to send his goods to this State to be confiscated? That is what it amounts to. The man in possession of the goods when they arrive here has them under his control.

Hon. J. Duffell: They are not under his control until he refuses to sell them at the price fixed.

Hon. J. J. HOLMES: Very well, he refuses to sell them at the price fixed, because he has instructions from the owner to sell them at a certain price and no other. Then the Prices Regulation Commission say that

he shall sell them at some other price and he declines to do so, and the Prices Regulation Commission or the policeman confiscates the goods. If this is going to establish confidence in the community and advance the progress of this State, then I confess I cannot understand how that will be brought about. We are all more or less dependent on the progress of the country. If we are going to harass and annoy traders and prevent them from importing and put them in a position of buying at high prices and being unable to get a fair ratio of profit, we shall be forcing up prices on the community and creating a large price-fixing department—a department which has come to stay. I can quite understand that if I was chairman of the Commission, being anxious to build up a department and to justify my existence, I should issue a report like the one which has been issued. It is simply camouflage and nothing else. We should get down to bed rock. The whole action of the present Government or any other Government, in appointing a Prices Regulation Commission and interfering with the ordinary every-day supply and demand, is bound to bring about the results which are evident when one reads the report.

Hon. J. Duffell: Have you read the report?

Hon. J. J. HOLMES: I have read extracts from it.

Hon. J. Duffell: Read it properly, and you will understand that there is no camouflage.

Hon. J. J. HOLMES: I can read between the lines of the report. I can quite understand that a Commission armed with authority, and inspired with the desire to justify their existence, would produce such a report as we see here. However, they knew that if they pressed their argument too far they might make themselves ridiculous. Take the kerosene and benzine. As soon as the Commission had dealt with the question of these commodities the ship bringing a cargo of them to Fremantle was diverted to some other port, and the users of kerosene and benzine in this State could not get any of those articles. They were reduced to going cap in hand to the consignees and saying, "Turn your ship back and claim your own price." I do not for a moment say that is right. I think it is absolutely wrong.

Hon. E. H. Harris: What would you do to rectify it?

Hon. J. J. HOLMES: We cannot rectify it. Neither this Bill nor the three Commissioners and their clerks, whatever the number of their clerks may be, can do it. If the Bill could do it I would accept it with both hands and sit up all night to pass it. But we know that neither half-a-dozen Bills, nor half-a-dozen Commissions can alter the position. The Minister told us 12 months ago that the parent measure was introduced to gratify the unfounded suspicions of the public. That is my opinion to-day, and I intend to vote against this Bill.

On motion by the Minister for Education, debate adjourned.

MOTION—WAR GRATUITY BONDS REDEMPTION.

Debate resumed from the 2nd September on the motion by Hon. A. H. Pantou—

That in the opinion of this House, the Government should redeem the War Gratuity Bonds issued to the employees of the Western Australian Government.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [8.19]: This is a matter which has been occupying the attention of the Government for some time past. We were requested in the first instance by the Prime Minister to accept these war gratuity bonds at their face value, plus interest accrued to date, in redemption of any moneys due by the persons to whom they were issued under the Australian Soldiers' Repatriation Acts 1917-18 or the War Service Homes Acts 1918-19. That the Government readily agreed to do, because it was a matter that involved the ordinary taxpayer in no loss and the State in no loss, and was a benefit to the returned soldier. Then, when the request was made that the State Government should cash the war gratuity bonds of their employees, the Government felt that it was imperative to look at that matter from the point of view not only of the taxpayer but also of the returned soldier who was not in Government employment. The view taken by the Government was that if arrangements could be made whereby the money could be conveniently provided and the cashing of the war gratuity bonds carried out without cost to the general taxpayer, or without much cost, then it should be done; but that if the cashing of these bonds meant difficulty in the way of raising the money and also meant considerable cost to the taxpayer, then we were bound to look at the matter from the point of view of the returned soldier who was not a State employee. I am not going to suggest for one moment that those employees of the State who went to the war received either during the time they were away or after they came back, one half-penny worth of consideration that they were not fully entitled to. But I do think that if amongst the returned soldiers there is any class that can perhaps more conveniently than any other body of returned soldiers retain their war gratuity bonds without getting them cashed, it is those soldiers who went away as civil servants and came back to their places in the civil service. What I mean to say is that the soldiers who are most in need of obtaining cash for their war gratuity bonds are those who are not employed by the public, who are not in the public service, those whose employment is outside. Therefore, the object of the Government in the first instance was to see that the interests of the returned

soldiers outside the public service were not prejudiced; and I have no hesitation in saying that, had the request of the Prime Minister that we should cash these war gratuity bonds been accompanied by an undertaking that those soldiers outside the public service would have their war gratuity bonds cashed as well, then the Government would have looked at the matter from a very different aspect from that which we actually adopted. What we did was to endeavour to have these bonds cashed without any particular loss to the taxpayer and without the great inconvenience that might otherwise have resulted from the raising of the money. The amount involved is estimated at about £150,000.

Hon. J. Duffell: That is the employees of the Government?

The MINISTER FOR EDUCATION: Yes. There are 500 of them in the public service, 1,700 in the Railway Department, 184 in the Education Department, and 34 in the Police; a total of 2,418 men. The average amount of the gratuity bonds held by each—this of course is purely a rough estimate, but I think it is fairly near the mark—is £60. The total of the bonds, therefore, is £145,000, or, say, in round figures, £150,000. Of course it is possible that quite a number of these holders have had their bonds cashed in other ways, and there may be some who do not desire to have their bonds cashed. A cablegram was sent to the Agent General asking him whether the Sinking Fund Trustees would agree to war gratuity bonds being purchased as sinking fund investment. The nature of the bond was fully explained in the cablegram. The intention was that the Government should do exactly the same thing as another place and this House have agreed to local governing authorities doing; exactly the same thing. We have agreed that the local governing authorities, who have to invest two per cent. of their receipts in State stocks, shall be allowed as an alternative to invest that two per cent. sinking fund in these war gratuity bonds; and so the Government thought of adopting exactly the same course as far as the State was concerned, namely, to invest a proportion of the money we have to provide for sinking fund in these war gratuity bonds, instead of its being invested in London as is the case at the present time. The reply received from the Agent General was as follows:—

Referring to your cable of 18th August this year, sinking fund. Assuming maximum return from war gratuity bonds £5 5s. per cent., trustees desire to know what advantage, if any, accrues to sinking fund to compensate for the lower rate of interest. All Western Australian stocks return over six per cent. at present price, including redemption, and British Treasury bills 6½ per cent.

That is to say, it is now the general custom of our Sinking Fund Trustees to invest payments to sinking fund in Western Australian stocks; and at the price at which they are now able to purchase Western Australian

stocks, including redemption, it shows over six per cent. interest, and if they invest in British Treasury bills the return is $6\frac{1}{2}$ per cent. Consequently, it was estimated that there would be a loss of something like one per cent., over of course a comparatively short period, by investing our sinking fund payments in the war gratuity bonds instead of investing them in the present manner. A further cablegram was sent to the Agent General on the 1st of the present month, reading as follows:—

Referring to our cable of the 18th August this year and your cable in reply. Anxious trustees approve gratuity bonds but to apply only to bonds held by persons employed by the State Government.

It was thought that our first cablegram might have led the trustees to suppose that we were going to cash gratuity bonds of soldiers right through the State, which would have involved a very considerable sum.

Estimated amount £150,000.

This estimate was given to show the trustees that the amount involved was comparatively small, less than one-half of one year's contribution to the sinking fund.

Compensating advantages fully justify lower interest earned. Premier hopes to receive favourable reply.

That is the position to-day.

Hon. J. Duffell: Have you any reply to that cablegram?

The MINISTER FOR EDUCATION: We have not yet received a reply. We are expecting a reply almost daily; and if that reply is favourable, then the Government will be quite prepared to invest a portion of the sinking fund in the war gratuity bonds in exactly the same way as Parliament has agreed that local governing authorities may do. But, failing that, whilst anxious to do everything that can be done in the interests of the returned soldier, and particularly of the returned soldier who is a member of the public service, we recognise that it is a question whether the Government would be justified in doing at considerable expense to the State something for the returned soldier who is a public servant that is not done for the returned soldier who is not a public servant. I have no opposition to offer to the motion because, as I say, it is something we hope to do if we can arrange to do it by a method which is equitable to all parties.

Hon. J. CORNELL (South) [8.26]: While supporting the motion, I am not entirely in accord with it as it stands. I think that any movement having for its object the redemption of war gratuity bonds should be general in its aspect and its operation. That is to say, if it is a function of the Government to redeem the war gratuity bonds held by their employees, I take it it is also the function of the Government to redeem the war gratuity bonds held by persons who were their employees when they enlisted and who either did not return to Government employment or, having returned to it, have since left it. If that is to become an obligation of the Government, it is an obligation

that should apply with equal force in the case of all returned soldiers resident in Western Australia who hold gratuity bonds. It seems to me that our State Government are in the same position as the Queensland Government with respect to this matter. Upon representations made to him by the returned soldiers' association of Queensland, the acting Premier of that State, Mr. Fihelly, agreed to cash the bonds held by the Queensland Government employees. When it came to putting the principle into operation, however, it was found that the bill could not be met. The money was not there to meet it. That is the position in Queensland. Credit, however, is due to Mr. Fihelly for his decision, after finding that the money was not available to meet all the commitments, that he would take the word of the executive of the returned soldiers' association as to which were and which were not necessitous cases, and that he would find the cash for the war gratuity bonds in necessitous cases. That was a generous decision. However, my view is that such an obligation of the Government is an obligation which applies to all soldiers in Western Australia. The method of meeting the desire of the soldiers is one that cannot be settled offhand. However, I am informed that there are certain moneys held as it were in trust, for instance Savings Bank moneys, which by a well thought out scheme may be diverted to the redemption of war gratuity bonds. The conversion of those moneys would mean that the security would probably be enhanced by one or one and a quarter per cent. I venture to say that if, as it were, by a stroke of magic the Government were to say to-morrow, "we will redeem the war gratuity bonds for soldiers who desire the redemption," and if the redemption involved the withdrawal of a sum of say £150,000 from the Savings Bank, fully £100,000 of that amount would find its way back again into the bank. There are many who desire the cash but who really do not require it, but they desire the cash for the purpose of putting it in a safe quarter when they can call it up if the unhappy day should arrive when they may need it. Though there is a general clamour throughout the State for the conversion of the gratuity bonds into cash, the majority of the soldiers, I think, are prepared to wait a little longer if the Government will evolve a scheme under which they will be able to assist them. There is no need for me to refer to the traffic that is going on in these bonds. It is unfortunate that that is so, but there are many unsophisticated soldiers who desire by fair means or foul to raise cash on the bonds, and there is also a group of individuals who, for trafficking in the bonds, should be placed safely away in Fremantle gaol. I have no desire to labour the question any further, but I wish to submit an amendment which I think will meet with the approval of the Minister and which will make the motion in its general ramifications applicable to all. It should also, if it is amended, meet with the commendation of a great majority, not only of the soldiers, but residents of the State. It

can safely be said that the people would very much prefer a sound scheme of conversion of all war gratuity bonds rather than they would favour the conferring of a special privilege on one section only of the soldiers. The amendment I have to submit is—

That all the words after "should" in line 3 be struck out, and the following inserted in lieu: "evolve and put into effect some workable measure for the redemption of war gratuity bonds held by persons resident in Western Australia."

Amendment put and passed.

Question, as amended, agreed to.

House adjourned at 8.55 p.m.

Legislative Assembly,

Tuesday, 28th September, 1920.

Questions:	Taxation Department—(1) Farmers' travelling expenses, (2) Depreciation on farmers' horses, (3) Sustenance of farmer's son	PAGE
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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTION (3)—TAXATION DEPARTMENT.

Farmers' travelling expenses.

Mr. JOHNSTON asked the Premier: 1, Is he aware that the State Taxation Commissioner cuts down the farmers' travelling expenses (the amount usually claimed being from £10 to £15) to £2 or £3, and in the majority of instances it is disallowed altogether? 2, Does he consider this action justifiable? 3, If not, will he have the anomaly rectified in future assessments?

The PREMIER replied: 1, All expenses actually incurred in the production of a taxpayer's income are allowed in full. Where claims are reduced it is owing to the unsatisfactory information supplied or evidence that such claim, or part thereof, is not deductible. 2 and 3, Answered by No. 1.

Depreciation on Farmers' horses.

Mr. JOHNSTON asked the Premier: 1, Is he aware that the State Taxation Commissioner will not allow depreciation on horses, notwithstanding that those horses are the farmers' working plant? 2, Is he aware that the Federal Taxation Department allow 10 per cent. depreciation on horses as working plant, and do not take into consideration the sale of old stock or the natural increase, and that at the same time they do not allow for loss through death of any horse, it being considered a loss of capital? 3, Is he aware that the State Taxation Commissioner takes in the sale of old horses, also the natural increase, and allows for the loss of horses through death? 4, Does the Minister consider this action justifiable? 5, If not, will he have the anomaly rectified in future assessments and treat working horses in the same manner as they are treated by the Federal Taxation Department?

The PREMIER replied: 1, At the inception of the Taxation Department it was mutually agreed with the pastoralists and farmers' representatives that owing to the difficulty on large stations and farms in differentiating between horses kept for work and for breeding, that they should all be treated as part of trading stock. Farmers therefore get an advantage in being allowed full cost of purchases as a deduction. This could not be done if horses were treated as working plant. 2, Yes. 3, Yes. 4, This is the natural result of treating horses as trading stock. 5, No anomaly exists.

Sustenance of Farmer's son.

Mr. JOHNSTON asked the Premier: 1, Is he aware that the State Taxation Commissioner in specific instances will only allow a farmer employing his son the sum of £39 as a deduction for the son's sustenance? 2, Is it a fact that the same son is taxed on £52 as the value of the said sustenance? 3, Does the Minister consider this action justifiable? 4, If not, will he have the anomaly rectified in future assessments?

The PREMIER replied: 1, Sustenance to the amount of £52 per annum is allowed to farmers in respect of employees (including sons) when engaged in earning the assessable income. 2, Yes. 3, Yes. Common taxation practice. 4, Answered by No. 3.

BILL—CITY OF PERTH ENDOWMENT LANDS.

Second Reading.

The ATTORNEY GENERAL (Hon. T. P. Draper—West Perth) [4.40] in moving the second reading said: I should like, first of all, to draw attention to the preamble. As a rule the preamble to a Bill amounts to nothing, but in this case it is important as it sets out the land sought to be affected. The city of Perth holds in fee simple 2,281 acres of land on the ocean beach immedi-