

Legislative Council,

Wednesday, 11th September, 1940.

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

BILLS (4)—THIRD READING.

- 1, Financial Emergency Tax Assessment Act Amendment.
- 2, Coal Mines Regulation Act Amendment.
- 3, Mine Workers' Relief (War Service).
- 4, Mine Workers' Relief (Payments Authorisation).

Passed.

BILL—AGRICULTURAL PRODUCTS ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.39] in moving the second reading said: This is a simple non-contentious Bill. Its purpose is to prohibit the importation of inferior vines and fruit trees and the sale of inferior trees grown in nurseries within the State. At its annual conference, the West Australian Fruitgrowers' Association passed a motion requesting that an amendment to the Agricultural Products Act, or other legislation, should be introduced to prevent inferior fruit trees from being imported. At least 75 per cent of the young trees planted in this State are propagated in nurseries in the Eastern States. The average number imported annually during the last three years was 80,000, or enough to plant out each season 800 acres of orchard. These trees are systematically inspected and examined at the ports of arrival for insect pests and fungus diseases, and while a great

number of the trees are quite suitable for planting, many are found to be of poor quality. Some are stunted or badly shaped, there might be bad unions with stock and variety, some have poor root systems etc. These defects make them unsuitable for planting in commercial orchards, but under existing legislation no action can be taken to prevent such trees going forward to orchardists.

The ex-Superintendent of Horticulture stated that in one instance an orchardist had asked him to advise whether trees received from a nursery and heeled in on his orchard ready for planting were worth planting. He definitely advised the orchardist that they were unfit and recommended their return to the agent who had supplied them. This meant that the land that had been prepared for planting could not be used for that purpose until the following season. Consequently the orchardist suffered very serious loss. On the other hand, had the trees been planted, they certainly would not have been 100 per cent. satisfactory for production for commercial purposes.

The amendment will also apply to trees produced in local nurseries. These nurseries are inspected prior to the trees being sent out to orchardists, but the inspectors are able to deal only with those infected with disease. No power is provided in the Act for the destruction of trees of bad quality. If the amendment is agreed to, this action could, without difficulty to the Department, be taken at the time of inspection for disease. If the amendment requested by the West Australian Fruitgrowers' Association is agreed to, the results achieved should be very beneficial to the fruit industry. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—LICENSED SURVEYORS ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [4.46] in moving the second reading said: This is a simple measure

having as its object the granting of statutory power to the Institution of Surveyors to nominate two of its members to the Licensed Surveyors' Board. It also provides that the board shall consist of four licensed surveyors out of a membership of six. Section 4 of the Licensed Surveyors Act, 1909, provides for the appointment of a Land Surveyors' Licensing Board which shall consist of the Surveyor General and five other members. All members other than the Surveyor General shall be appointed by the Governor on the nomination of the Surveyor General. The purpose of the board is to conduct examinations, to issue licenses to those who have qualified by examination, to police generally the activities of licensed surveyors, to protect their interests, and to hear charges against them in relation to activities within their profession.

The practice over a considerable number of years has been for the Surveyor General, as an act of courtesy, to invite the Institution of Surveyors to select two of its members for nomination to the board. Upon names being submitted to the Surveyor General, he nominates them with three others for appointment by the Governor. The institute has contended for a long time that it should have the right to nominate its own members direct, and requests that statutory powers be given to enable this to be done. The request is considered to be reasonable and has the support of the Surveyor General.

The institute, in not having direct representation on the board, considers itself to be at a disadvantage in that this is the only one of the Australian States in which the Institution of Surveyors is not legally represented on the board. It rightly argues that since the board has authority to investigate and hear complaints and charges against members of the profession, and has power to suspend or even cancel a surveyor's certificate, it should have legal representation on the governing body exercising such powers. An arrangement exists between this and all States of the Commonwealth, as well as with New Zealand, whereby a certificate of competency issued by one board is recognised by all boards. Suspension of a license by one automatically means suspension in all States. Examinations are held simultaneously throughout all reciprocal States, and each State in rotation sets an examination.

We consider that, so far as is possible, the constitution of the board should be on similar lines to those operating in reciprocal States, where surveyors' institutions are entitled to nominate at least two members. By the enactment of this Bill, therefore, the wishes of the Institution of Surveyors will be acceded to, and, at the same time, the privilege conferred will bring our Licensed Surveyors Act into line with the laws of other States. A further amendment provides that at least four members of the board of six shall be licensed surveyors, namely, the Surveyor-General, the two members to be nominated by the institution, and one at least of the three members to be nominated by the Surveyor-General. Under the existing Act it is not required that any member of the board, apart from the Surveyor-General, shall be a licensed surveyor. It is considered that owing to the continual approach of surveying towards engineering, and the increasing difficulty of the engineering-surveyor paper in the licensed surveyor's examination, it would be inadvisable to insist on all members of the board being licensed surveyors. The board at the present time consists of five licensed surveyors, and Professor O. F. Blakey (Engineering), of the University. That is the explanation of this simple measure, which I think will appeal to all hon. members. I move—

That the Bill be now read a second time.

On motion by Hon. H. Seddon, debate adjourned.

BILL—INSPECTION OF MACHINERY ACT AMENDMENT (No. 1).

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [4.52] in moving the second reading said: This is essentially a committee measure and will no doubt receive full and, I hope, favourable consideration from members of this Chamber. It is a similar Bill to that introduced last session, which was lost owing to objections being raised principally to the granting of certificates to engineers which, it was argued, would give them the right to drive engines without the necessary experience that is demanded from certificated engine-drivers. Those clauses have been excluded from the present Bill proposing to amend the Inspection of Machinery Act, which, as

members are aware, provides for the inspection and regulation of boilers and other machinery. Over recent years various developments in the use of machinery have taken place which were not foreseen at the time the principal Act became law, and it has now become necessary to overhaul our legislation generally so that provision can be made to meet requirements. Members will remember the tragic accident of two years ago at the Ayrshire Dairy when two men were killed and one injured in an explosion of a refrigeration plant. There is no provision in the present Act for control of plants of this nature, except of course, as to providing guards for belts, flywheels, etc. There are numerous refrigeration plants in this State which could easily become a menace to human life and property should the refrigerant escape; and it is essential that steps be taken for their control.

I propose at this juncture to outline as briefly as possible the need for, and the effect of, the various clauses in the Bill. Firstly, it is proposed to insert new definitions of "air receivers," "refrigerant," "refrigerating machinery," "ton of refrigerator" and "unit system." In regard to air receivers, which are exempt from inspection under existing legislation, the Bill provides for proper safety precautions to be taken. These "receivers" are a source of danger, and since 1929 explosions have taken place in six instances, to departmental knowledge. An amendment is inserted whereby better control is obtained over refrigerating machinery, particularly in cases where ammonia carbon dioxide or other gas is likely to prove dangerous. The Bill does not, however, apply to refrigerators used for domestic purposes. It is also proposed that refrigerating machinery must not be left in charge of any person under the age of 18 years, if the refrigerator gas would be likely to cause any injury should it escape; and certain restrictions are placed on the employment of young persons in working, or assisting to work, boilers and machinery.

The Act provides that working plans must be submitted to the Chief Inspector of Machinery where it is desired to erect a lift. The Bill proposes that a similar provision shall apply in the case of winding engines. It is considered that the control exercised over lifts is just as necessary for

winding engines. There is provision for full particulars being submitted to the Chief Inspector by persons seeking to erect refrigerating plants, so that proper safeguards may be insisted upon for the protection of employees and the public. As members are aware, some of the gases used in these plants can cause serious and probably fatal injuries by contact or inhalation should they escape from the plant.

Section 37 of the present Act provides for the determination of inspection fees. It is now proposed to set out a new basis for computing horsepower. This amendment is necessary owing to the introduction of oil, gas, and pulverised fuel firing where there is no grate area. I might also mention that the amendment anticipates the introduction of electrically heated boilers in the near future. It is proposed to add the words "any winding engine" to Section 55 of the Act. These words were not inserted in either the 1904 or the 1921 Acts. The omission did not matter while all winding engines were driven either by steam or compressed air. During late years, however, electric winding engines have been installed on many mines, and the need for regulations which will provide for the training and certification of the drivers of electric winding engines has become a matter of urgent moment. The regulations to which I refer cannot be made until the words "any winding engine" have been inserted in Section 53, this being a ruling of the Crown Law Department. At present a driver must train on steam engines to procure a winding engine-driver's certificate, and there are many outback centres where it is not possible to obtain the necessary practice owing to the absence of steam engines. The words "any refrigerating machinery" and a new paragraph have also been added in order to ensure that the person in charge of any refrigerating plant of over five tons' capacity shall have the necessary safe working knowledge. The board of examiners now consists of three members. It is proposed to increase the number to four members. This will allow the Deputy Chief Inspector to act as chairman in the absence of the State Mining Engineer, who, in the course of his inspections, has to go far afield. Section 55 of the principal Act provides for the issue of certificate of service for internal combustion engine-drivers, boiler attendants and electric crane drivers. An

amendment proposes to safeguard the rights of the holders of service certificates granted under the principal Act, these certificates having been granted to certain men at the commencement of the Act. It is also proposed to authorise the Board of Examiners to issue first and second class refrigerating machinery drivers' certificates of service to engine-drivers who have been in charge of refrigerating machinery of certain sizes for the periods stipulated in the Bill. The amendments to Subsections (1), (2), (3), and (7) will not in any way alter the privileges granted by the existing Act to the holders of the certificates in question. They aim to make the position much clearer in this regard. The proviso which it is proposed should be deleted from Subsections (2) and (3) is also contained in Section 68; thus there is no need for it here. The two new subsections set out the privileges of the proposed first and second class refrigerating driver's certificate.

The Acts of 1904 and 1921 permitted the board to grant a first-class steam engine-driver's certificate to the holder of either a first or second class Board of Trade certificate as engineer of a steamship. We propose now to give the board power to grant an internal combustion engine-driver's certificate to the holder of a Board of Trade certificate as engineer of a motor-driven ship. A further amendment relating to Section 68 of the Act enables the Chief Inspector to require any steam engine and its boilers to be placed under the charge of separate persons if it is impracticable and therefore dangerous for one person to be in charge of both. Since the section referred to was enacted, large internal combustion engine power houses have been built throughout the State. It is now desired by the department that Section 68 should cover any likely combination of steam engines, internal combustion engines and refrigerating machinery.

The principal Act provides that any person who removes any boiler or machinery as prescribed from place to place for a period longer than one month, shall furnish particulars of the removal to an inspector. The present section, however, is applicable only to portable and semi-portable boilers. The amendment proposes that any owner shall give ample notice of his intention to remove any boiler which is set in brickwork, so that any parts hidden by the brickwork

can be examined before the boiler is again built in. Finally, authority is sought to enable the Governor to make regulations concerning such matters as refrigeration, winding engines, hoists and cranes; the medical examination of crane drivers, and the qualifications to be held by applicants for appointment as inspectors. These are not dealt with under the principal Act. I have sketched in brief outline the salient features of the Bill. The details of a technical measure such as this can be more satisfactorily dealt with in the Committee stage. As I have explained, developments which were not foreseen when the original Act became law, have rendered necessary a general overhaul of this legislation. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

BILL—RESERVES (GOVERNMENT DOMAIN).

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.5] in moving the second reading said: This Bill when submitted to the House last session proved somewhat contentious, but on this occasion I think that we can all readily agree to it. It provides for the excision of portion of Class "A" reserve 1149, known as the Government Domain for the purpose of a reserve for public buildings and a roadway. It is proposed to erect Government offices on the reservation and to provide a road on the eastern boundary adjoining the Christian Brothers' College. After the failure to pass the Bill through this House last session it was decided to appoint a committee representing both Houses to investigate the problem and make a recommendation to the Governor. The committee carried out an exhaustive inquiry and arrived at a unanimous decision. I should like to give credit to the individual members of that committee for the manner in which they carried out their task. Those members were representative of the varied views that were held by members in both Houses on the question of a site for public buildings, but, as I have already said, the outcome of their inquiry was a unanimous recommendation in favour of the site mentioned in the Bill. The Government has been pleased to accept that recommendation and has included it in the Bill

without any alteration. Most members agree that there is a real necessity for centralised offices for all the Government services. That was made evident during the debate last session; yet it was not then possible to arrive at a definite conclusion on the problem.

The Bill I am now submitting embodies the result of the investigation and the site chosen is the unanimous decision of that committee of whom at least five members were opposed to the Bill presented last session. The site chosen is not exactly the same as that which was submitted last session. The area has been increased and includes the land which the Government then proposed to excise from the Domain. The area involved in the excision is eight acres. The urgency and adequate need for adequate accommodation for departments such as the Titles Office and the Agriculture Department cannot be over-emphasised. Members having read the report of the Committee must be aware that every consideration likely to influence the selection of the site was investigated from every angle. All the sites that were suggested as likely to be suitable were inspected, and taking into account that the requirements of the Government will be satisfied for many years to come by the excision of the eight acres from Government Domain, and that the decision of the committee was unanimous, I trust members will now give the Bill the favourable consideration it deserves.

I have a plan of the area in question, and for the information of members I propose to lay it on the Table of the House. The Government appreciates the thorough way in which the Joint Committee carried out its duties. It certainly is an example of what can be done when we appoint a committee of representative men who are prepared to look at every point of view and be convinced by the evidence supplied to them by persons in a position to offer advice. So I do not consider it necessary to elaborate the matter any further. I can only express the hope that the House will now agree to the Bill as it has been presented. I move—

That the Bill be now read a second time.

HON. J. J. HOLMES (North) [5.12]: I do not know that there is any great necessity to say very much on the Bill, except to mention I was a member of the Joint Committee. In another place it was suggested that the committee had had wool pulled over its eyes.

I tell this House candidly that when the Bill was before us last session I considered that the Government Domain site was unsuitable. I agreed to become a member of the committee and after the investigation that was conducted I am bound to say that in my opinion no other suitable site is available on which to erect public offices without paying an enormous sum for land resumption. I do not consider that the finances of the State at the present time justify that. One objection by a member of this House to the site chosen was that we would be taking part of one of the first reserves made in the City of Perth. I may point out, however, that the area of eight acres proposed to be excised is at the eastern end of the Domain. The Domain area is 38 acres and there will remain 30 acres of the reserve and there are many other open spaces remaining in that locality. Moreover, we will allow quite enough ground to remain around Government House and gardens, remembering also that it was suggested that sooner or later Government House will have to be pulled down. The proposal is that after the excision of the eight acres from Government Domain the first section of the proposed building will be erected at the western end of the block, a building that will be sufficient to house the Titles Office and the Agricultural Department. If anyone goes into the basement of the present Titles Office and observes the conditions under which the business is conducted, and the manner in which the offices are crowded, and then visits the Agricultural Department and sees all sorts of specimens spread over the floor, he will agree that the time has arrived to provide adequate and more suitable accommodation for both those branches of the Government service. The decision of the Joint Committee was that we would not be able to control the whole of the eight acres straightaway, and I do not think it will be built upon in our time. So it was decided that the first building should house at the western end of the excised area the two departments I have named. Then when the Agricultural Department is moved from its present site and the land there becomes available, provision can be made to accommodate anybody and everybody who requires accommodation in our time. An advantage of the selected site is that it is close to where the business people are largely congregated, particularly those people whose businesses take

them to the public offices. The Joint Committee put a good deal of work into the task that they were given, and I think that every member of it tried to do the right thing. I believe all did the right thing. Reverting to the suggestion that wool had been pulled over the eyes of the members of the Committee, I will not say that that did not apply altogether to some of the witnesses. However, it had no effect at all. I have never seen public officers so much of one political mind. No influence was exerted on the committee by those men. One witness suggested that the eastern end of St. George's terrace would become a main thoroughfare and that the railway traffic would be diverted south of the river to Fremantle. Then the Commissioner of Railways said, "I must go down this side of the river to have access to the North Wharf, because otherwise I could not handle exports." The Committee had a difficult decision to make but I am certain it came to the right conclusion. Some witnesses declared that civil servants must be properly housed. With that I agreed. Proper accommodation must be provided for them. A suggestion was also made that motor garages should be provided for civil servants. With that I did not agree because we have a State tramway and railway service. What puzzled me was the suggestion of one witness that civil servants must have a Mediterranean outlook.

Hon. A. Thomson: Where did he come from, Italy?

Hon. J. J. HOLMES: I pointed out that big firms like Foys did not have garages for have a Mediterranean outlook, it is the but that did not matter. The witness considered that civil servants must have a Mediterranean outlook. I think the Honorary Minister will agree with me that if there is one section of the community that should have a Mediterranean outlook, it is the hospital patients. Consider the portion of the city in which the new Public Hospital is situated, surrounded with all sorts of buildings.

Hon. C. F. Baxter: It is the worst site that could have been selected.

Hon. J. J. HOLMES: Of course we could not deal with that matter, but the Public Hospital ought to have been erected on the Observatory site. The patients would then have had a Mediterranean outlook.

When I joined the Committee I was opposed to the Government Domain site, but

after having studied the matter very closely I am certain the right decision was reached. Some hon. members had an idea that Parliament house grounds should be selected as a site for public buildings. Were that course followed, however, the back door of the public buildings would be the front door of Parliament House. Hon. members can imagine what it would be like to have the Agricultural Department experimenting with rabbits and investigating all sorts of diseases at the front door of Parliament House. That would be entirely improper. Some people seem to think we did wrong in not selecting this site, and that we had the wool pulled over our eyes, but there is no foundation for that assertion.

HON. L. CRAIG (South-West) [5.20]: I am glad that the members of the Joint Committee at last saw the light. For many years before I came into Parliament, I was keen on the Government Domain site as a centre for public buildings, but I remember that when I spoke in favour of the Bill providing for the utilisation of that site, I did not receive much of a hearing in this Chamber.

Hon. A. Thomson: We heard you all right!

Hon. L. CRAIG: Not without many interjections. The decision of the Joint Committee, however, indicates that members of this House and of another place are men of vision who are not afraid to change their minds when they see the light. What I really rose to say was that I was a little disappointed about the appointment of the committee. I was not here the day following the appointment or the day after that. I expect I was attending some show or other. On my return, I was informed that when the committee was being selected my name was submitted by the Chief Secretary or by the Honorary Minister, but that somebody said, "Oh no, he would not be suitable because he has already expressed an opinion in favour of the proposed site."

Hon. C. F. Baxter: I do not think that was said.

Hon. J. J. Holmes: Is that in "Hansard"?

Hon. L. CRAIG: I was told that as soon as I returned.

Member: It was not said.

Hon. L. CRAIG: I hope that is so. Not that I wanted to be put on the committee. I accepted what I was told and replied that I did not mind. If the statement was untrue, I will say no more about it.

Hon. C. F. Baxter: A perusal of "Hansard" will prove whether it is true or not.

Hon. L. CRAIG: I will accept the hon. member's word.

Hon. J. J. Holmes: The only objection I can remember having been raised came from Mr. Bolton, who said there was no representative of the Metropolitan Province on the committee. Anyway, who could have been more biased than I?

Hon. L. CRAIG: I was about to refer to the appointment to the committee of members who had expressed very strict opposition to the site. It is to their credit that they were willing to change their views, and that on the evidence submitted the committee was able unanimously to agree upon the proposed site. I am delighted that that site has been chosen. To my mind it stands alone, being more central and more accessible than any other. Hills are not suitable places for public buildings which have to be visited by members of the public. It is necessary that people should be able to get to public buildings without having to climb elevations. Moreover, I know of no site in Perth more accessible to transport from north, south, east and west.

HON. C. F. BAXTER (East) [5.24]: As one of those appointed to the Joint Committee by this House, I want to emphasise that there is not the slightest truth in the statement that the committee was influenced. It was not influenced by the Government officers who gave evidence. The committee worked hard and long. I do not think any member was absent from any meeting. All members used their judgment in reaching a decision. The statement has been made that the opinion of the Minister for Lands predominated and that he influenced the committee. Mr. Wise had not the slightest influence on the committee. As a matter of fact, he was very impartial and did not make the slightest attempt to sway other members.

Hon. J. J. Holmes: Quite right.

Hon. C. F. BAXTER: All members of the committee will agree with me that Mr. Wise was anxious that some agreement should be reached regarding a site, but he made no attempt to influence us. Many sites came under our purview; they were all thoroughly investigated, and

some of them were visited on more than one occasion. Finally, the Government Domain site was selected, a site which I, with others, strongly opposed in this Chamber previously. There was one other block that I would have preferred but I found myself in the same position as Mr. Holmes and other members of the Committee. There were three Government departments that were in a shocking state. First there was the Agricultural Department, which has been in a bad way for over 30 years and has not been able to function properly. During my term as Minister for Agriculture the conditions were almost intolerable. I remedied them to a certain extent by opening up some small rooms, but the Minister who succeeded me undid the good I had done, and the department fell into a deplorable state.

The same remarks apply to the Titles Office. Admittedly we are losing thousands of pounds because the Agricultural Department is unable properly to house its specimens and to carry on work that could be done if proper facilities were available; but the position at the Titles Office is far more serious. If a fire occurred in the Treasury Buildings most of the titles housed in the basement would be destroyed, if not by fire then by water. The third department is the Public Works drafting section. At present we are asking professional men to go down on their knees on the floor to do their drafting. With such a state of affairs confronting the committee, it was not reasonable for members to report to the House without having reached a unanimous agreement as to a site for new public buildings. I preferred that the first of the new buildings should be erected on that portion of the ground south of the Supreme Court. In that case we would have had a new structure on a portion of the gardens which is seldom used. Next to that would be the Supreme Court, the very artery of all public work. The Treasury site could then have been built up to take the rest of the Government departments. However, I was influenced by the fact that it was no use the committee coming to Parliament without a unanimous decision and consequently agreed to the selection of the Government Domain site, provided that there could be unanimity on two points. One was that no land should be acquired for the erection of public buildings and the other was that a one-chain street

should be provided at the eastern end of the block selected for Government buildings. Inspections of the selected site showed conclusively that the excision of eight acres would leave six acres in the vicinity of Government House, and my opinion is that the money provided will be insufficient properly to maintain even that area of land.

Hon. J. J. Holmes: There are another 24 acres west of Government House.

Hon. C. F. BAXTER: Yes, but there is another feature about that. At any rate, there is quite enough ground for Government House. Another point that influenced the committee was that Government House is beginning to show signs of wear. It will not be long before considerable sums of money will have to be provided for its renovation, or alternatively it will have to be moved to another site. Mr. Holmes referred to grounds to the west. There is no doubt that area was intended for public buildings. I refer to Stirling Square. Provision was made for a public library to be built there at the corner of St. George's terrace and Barrack street. That shows conclusively the purpose to which it was proposed to devote that area. Who amongst us in Parliament, or outside, would think of denying to the people the use of that very pleasant spot, almost in the heart of the city? No one would dream of making any other use of it when other sites are available for public buildings. From the health standpoint that reserve is too valuable to be taken from the people, and to my mind that site was out of court. The committee arrived at the unanimous decision that Government Domain was the right site for public buildings. The money, too, was available for their erection. I am satisfied that I have acted in the best interests of all concerned by agreeing to the Government Domain site. For that reason I support the second reading of the Bill. I trust that, after the heated controversy there has been over this matter, the action of the committee will be approved by the House.

HON. L. B. BOLTON (Metropolitan) [5.32]: As a member representing the Metropolitan Province I am delighted that this matter has been settled, and that we have in view, I hope at an early date, the erection of respectable Government offices. The question need not be laboured. The committee has done excellent work. I am one

of those who changed his mind when I became acquainted with certain facts and had gone more carefully into the matter. I am satisfied that last session I made a mistake when opposing the selection of the site referred to in the measure then before the House. I hope the Government will get on with the job as quickly as possible. I have pleasure in supporting the second reading of the Bill.

On motion by Hon. Sir Hal Colebatch, debate adjourned.

BILL—ELECTORAL ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—PROFITEERING PREVENTION ACT AMENDMENT.

Report of Committee adopted.

BILL—RURAL RELIEF FUND ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. SIR HAL COLEBATCH (Metropolitan) [5.35]: I listened attentively to the speech made last night by Mr. E. H. H. Hall, and regret that at the moment he is not in his place. I should like to suggest to him, in the kindest possible fashion, that the method of argument he followed is not calculated to win support for the Bill under consideration. The suggestion underlying his speech was that members of the House who cannot see their way to give their support to the measure, were lacking either in a knowledge of or sympathy for the desperate plight in which so many men on the land to-day are situated. That is an improper suggestion. I am sure it does not apply to any single member of this Chamber. For my own part, during the 13 years in which I represented the East Province, and during the four years when I was a member of the Senate in the Federal Parliament, I used my utmost endeavours in the interests of the man on the land. The efforts I made then will not cease now because I happen to be a representative of the Metropolitan Province in this Parliament. I re-

cognise that the well being of my constituents in the Metropolitan Province depends on the prosperity of our primary industries. Without their prosperity and development it is impossible to build upon a substantial footing secondary industries in the metropolitan area. I suggest to members of the Country Party and other members who intend to support the Bill that we do not want a lot of talk about sympathy and bowels of compassion. What we do want are reasonable arguments in favour of the Bill. We want to be shown how it will benefit not only some sections of the farming community but the community in general. There is another direction in which I ask members to refrain from following the example set by Mr. Hall. He quoted a specific case of a man who was, I understand, living in his province. The man was not a small farmer but had been a pastoralist on a large scale. It is not a proper thing for a member of the House to refer to a specific case, and endeavour to enlist the sympathy and obtain the support of other members without giving the name of the party concerned, and giving members an opportunity to inquire into its merits, and ascertain whether it is a case that would in any event come within the provisions of the Bill. There was not a word in the speech of the hon. member, to suggest that the case would be met, or ought to be met, by the passage of this measure. Members of Parliament from time to time have had cases brought under their notice, and the full details have been given to them. They have then been able to investigate the cases for themselves in the right quarters, and in many instances have, as often as not, found that the hardships were imaginary, and that the fault was really on the other side. I have no particular sympathy for banks and financial institutions generally. I am content to regard them merely as corporations possessing neither bodies to be kicked nor souls to be damned. My objection is that any hon. member should attempt to influence the votes of his colleagues by quoting a specific case, without giving us the opportunity to ascertain the real merits of it, so that we can determine whether such a case would be benefited, or ought to be benefited, by an amendment of the Act. I suggest that if the hon. member is prepared to give to the Minister the name of the party to whom he referred last night, that hon. gentleman would be only too glad

to investigate the case, and if any relief is necessary to take the earliest opportunity of giving it.

Hon. E. H. H. Hall: It is not a question of an investigation being made by the Minister, and the hon. member knows that, or ought to know it.

Hon. Sir Hal COLEBATCH: I know nothing about the matter. Hon. members know that before the holder of a mortgage can foreclose, he must secure an order from the court. They are also aware that the court is slow in granting such orders unless the circumstances are such as completely to justify foreclosure. I say again that members should have an opportunity to inquire into the merits of any case submitted for the purpose of influencing their votes.

Hon. E. H. H. Hall: That is the hon. member's opinion, and he is entitled to it.

Hon. Sir Hal COLEBATCH: I am sure every member fully sympathises with Mr. Thomson in the object he has in introducing this Bill. He desires to improve the lot of perhaps the most deserving section of the whole community, a section that has suffered for a long period, partly from circumstances arising outside Australia, but very largely to circumstances for which Australian legislation has been responsible. I am not going to refer in detail to a matter, which is perhaps only incidental to, rather than directly associated with this Bill, but I suggest to members that they might look at this morning's "West Australian." In one column they will find two items of interest. In the first there is a statement by Mr. Wood setting out the truly desperate condition in which farmers in many parts of the State find themselves. That statement is not overdrawn. It is a faithful representation of the situation. In the same column they will find a report of proceedings before an arbitration tribunal at Collie. The miners there already obtain over £300 a year for working nine shifts a fortnight, and are now clamoring for more. The effect of these high wages and easy conditions is reflected in high tariff charges against farmers and others. They are also reflected in the big railway deficit which is another burden upon our industries. I have always felt that the material prosperity and political stability of every country depend on the well being of the man on the land. For that reason, I am prepared to look at the Bill solely from

the point of view of the man on the land, without regard to any other considerations. No one is likely to belittle the importance of the principle involved in the Bill. After listening to Mr. Thomson I had it in mind that some good purpose might be served by referring the measure to a select committee. I found that one had been appointed last session and therefore I realised that no good purpose could really be served by going into the matter again.

One point I would like to make at the outset is that in considering this measure it would be entirely wrong to allow ourselves to be influenced in any way by the circumstances that a very large section of our farmers and pastoralists are facing at the moment. I refer to those arising out of the widespread drought. Those circumstances must be treated as a separate emergency, demanding special and immediate treatment. The Bill is of a more permanent character and is intended to apply over a long period of years. In our sympathy and desire to meet the immediate needs arising out of the present emergency, we should not allow ourselves to be drawn into passing some legislation that has no reference whatever to that emergency. We should confine ourselves to the intention of the Bill now before the House. I am satisfied that in the Bill there are defects of detail and that the principle involved is one that cannot properly be considered at the present juncture. My reasons for saying that, I shall give to the House. Some reference was made to the moral aspect of the question and to the sanctity of contracts. I have no hesitation in saying that arguments of that kind would not prevent me for one moment from investigating the merits of this proposal. Finance and morals have been divorced from each other for a long time. Synthetic currencies have destroyed the last elements of morality so far as finance is concerned. So I have no hesitation in considering the Bill purely from the point of view of what is best for the man on the land. I am satisfied in my own mind that when the war is over there will have to be drastic, and probably revolutionary, alterations in many of our financial methods.

To consider first the defects in the details of the Bill, I would remind the House that Mr. Thomson said similar legislation was in operation in Victoria. I understand

that a feature of the Victorian Act is that it is possible for any borrower to contract himself out of the Act. There is a special provision in this Bill that will prevent anyone from contracting himself out of the measure when it becomes an Act. I suppose it is generally admitted that there are, despite the difficulties the industries have had to face, a number, regrettably small no doubt, of pastoralists and farmers whose credit is still such that they can secure from financial institutions the advances they require for seasonal and other purposes. Could it be contended for a moment that the passage of this Bill would not seriously embarrass them? The least they could expect is that the institutions would demand a higher rate of interest because of the additional risk this legislation must impose upon them. Under the Victorian Act a farmer of that type could agree from the outset to contract himself out of the provisions of the Act and thereby be saved from any penalties resulting from its passage. So long as that difference exists between the Victorian Act and the Bill before this House, I do not think it is right to claim that there is any very striking similarity between them. The difference is fundamental. The right of anyone who wishes to contract himself out of the Act makes the Victorian Act entirely different from the Bill we are considering.

Then there is the method proposed of assessing the value of land. Why eight years? Why has that particular period been adopted? I have looked at the prices that prevailed over the last eight years. I find that the prices have been very low all through. The average, as nearly as I could get at it, has been 2s. 10d. per bushel for wheat, whereas for the previous eight years the average was 4s. 2d. per bushel and for the five years immediately preceding the date selected in the Bill as that on which the process of valuation shall commence, the average price of wheat was over 5s.. I am not going to prophesy as to what the price of wheat will be in the future, but I shall not subscribe to a doctrine of despair and assume that prices will never be better than they are at present. I shall certainly not assume that the difficulties under which farmers labour, difficulties of Australian legislative creation, are always to prevail, and that costs against the farmer will be kept up as in the past. It seems to me that there is no justification for accepting the

last eight years as the criterion of what the products of the land are likely to be worth permanently.

The Bill contains references to the "average efficient farmer." How will he be arrived at? During my long residence in the centre of one of the leading agricultural districts of the State, one thing always puzzled me. There was never a season when certain farmers did not secure a return of over 20 bushels to the acre. Some got more; yet the average for the district was only 12 bushels. I frequently ask myself what must be the return to some farmers to bring the average down to such an extent. If we consider that one-fourth of the farmers in the district could average 16 bushels to the acre, and half secured a return of 12 bushels, which was the average for the district, what must have the remaining quarter of the farmers obtained in order to reduce the return from 16 bushels to the average of 12 bushels? No legislation that this Parliament can pass will make farming a profitable vocation for those who obtain such a low average as that—not in a bad season, but throughout the seasons as a whole. I do not know how many of the farmers obtaining such low yields are to be eliminated from the remainder when we set out to find the "average efficient farmer." It seems to me that in both respects—the valuing of property during a period and the method of finding who is an average efficient farmer—the Bill is singularly defective. These defects of detail might be adjusted in Committee if the underlying principle of the Bill was sound and the time opportune for its consideration. I say that the underlying principle is utterly unsound. It runs exactly contrary to what should be our aim.

I am satisfied that in the future we shall find only one method of breaking down the curse of unemployment, and that is by the employment of the savings of the community in productive enterprise. There is no other way. I have already said that morals departed from finance with synthetic currencies and the consequences have been very grave. Banks and insurance companies are entrusted with the savings of the people. Those concerns have to consider the interests of the depositors and policy holders and, in most instances, their shareholders. In some instances there are no shareholders but only policy holders. What we want to do

is to induce these financial concerns, while having due regard to the interests of depositors, policy holders and shareholders, to conceive that there is no better way of utilising the money entrusted to them than by lending it for the purpose of increasing production in our primary industries. The Bill is entirely opposed to that principle. It will have the opposite effect. It will intensify an evil that has grown to a most alarming extent, ever since the de-valuation of currency became a widespread political expedient. For many years in England these three things have run hand in hand—abundance of work waiting to be done; an enormous amount of money lying idle; upwards of 2,000,000 people unemployed. One of the main causes has been the distrust of money, which has led to the enormous hoardings of gold. People have been afraid to put out their money for productive enterprise or to lend it, because they feared that, year after year, the currency would be depreciated in value and when the time came for repayment they might receive less for their money than they had.

Hon. E. H. Hall: The Government should have acted.

Hon. H. Seddon: What could the Government do?

Hon. Sir HAL COLEBATCH: I will come to that directly. In Australia we have similar evidence. From one end of the Commonwealth to the other financial institutions in recent years have been devoting an enormous proportion of their money to the erection of unnecessarily fine buildings, chiefly in the cities. I do not blame them for doing so. They have regarded it as one of the means of protecting the interests of policy-holders and shareholders. All the same, it has not been good for the country. Another thing has certainly happened. Thrift has been discouraged. "Eat, drink and be merry, for to-morrow our money may not buy as much"—that has been the general policy. As long as those two considerations prevail—the disinclination of people to save because they distrust money, and the disinclination of those who have charge of the people's savings to lend the money because they fear that subsequently, when the time comes for repayment, their money may have lost its value—have contributed largely to the unemployment problem in every country. Many of us know

the enormous losses that have been incurred, not so much in this country, but in many other parts of the world by those who have lent money on properties and who have seen the value of the currency depreciated so that they got nothing back and lost their properties. I happen to know from my own investigations into the matter that one of the things that enabled Hitler to obtain the power and popularity that he did was the transactions of that description that have taken place all over Germany. The people felt they had been robbed by those astute enough to buy property with small deposits and who when the time came for paying off the balance, were able to do so in currency that was practically valueless.

I suggest that the time is inopportune for considering the principle behind the Bill. That principle is: How are we going to adjust or provide for varying values in land or in money? When this war is over we shall have to face many troubles, but there will be two outstanding features. One will be an appalling volume of unproductive debt; the other will be generally-inflated currency. There is no sound method of financing a modern war. Incidentally, having been chairman of the executive committee charged with raising funds by means of the war savings certificates scheme, I should like to say that I have been amazed at the generous response that has been made throughout the country districts, particularly in those districts where hardship is most acute. It was a magnificent response.

Members: Hear, hear!

Hon. Sir HAL COLEBATCH: I think, too, that the Commonwealth Government is adopting the wisest policy possible in the financing of the war but it will be impossible to prevent currency expansion and inflation, and such problems will have to be dealt with after the war. I know that in Australia certain people, shrewd rather than patriotic, who by reason of their previous residence in another country, have a very ample and exact knowledge of what happens as the result of inflation, have been acquiring equities, in the expectation of being able to pay off the balance in depreciated currency. I know that not a few people have instructed their agents to realise on mortgages and preference shares and to put the money instead into ordinary

shares, or into property or into something that will not be detrimentally influenced by any alteration in the value of money. What we shall have to do is to encourage saving again, and encourage the use of savings in productive enterprises. Those two things can only be achieved by restoring that confidence in money which has now been almost entirely dissipated. People must be made to feel that it is worth their while to save; and their savings, whether they are at their own disposal or at the disposal of institutions acting on their behalf, must be employed for productive effort. They can only be so employed if there is an absolute assurance that the people will obtain a due return; and, when the time arrives, that payment will be made or the mortgage renewed, but that in any case the interest will stand at the value that it had.

I would ask the hon. member to consider the obverse of the proposition that he is putting up. His Bill contemplates that the lender becomes a sort of part-proprietor of the property. Assuming the value of the property was £2,000 and he lent £1,000 on it, then he acquires a sort of half-interest in the property. If afterwards the property depreciates in value until it is worth only £900, then his mortgage must be cut down accordingly, so that he still will only have a sort of half-interest in the property. Consider the opposite that has happened in many countries and to some extent in this country shortly after we departed from the gold standard. It is not difficult to imagine the case of a property worth say, £4,000, on which someone advanced £2,000 on mortgage. Then, because of the depreciation in currency, the property acquires a value of £6,000 or £8,000 in the money then obtaining. Does the hon. member suggest that the lender should then be regarded as a sort of half-owner of the property and that the amount of his mortgage should be put up accordingly? I contend it is quite impossible to consider now a problem that may assume an entirely different shape before this war is over. I admit there is a problem, a problem that must be solved; but, in order that the basic principles of our society may be maintained, people should be encouraged to save and the investment of savings in productive enterprises should be regarded as safe. My reason for suggesting that the time is inopportune is because so

many attempts have been made to solve problems before the circumstances surrounding them were fully understood. Let me give one illustration. Members will recall that for many years up to 50 years ago, the value of silver was stable at 4s. 8d. an oz. In the United States of America free coinage of silver was discontinued and silver dropped to about half that price. Then, immediately after the last war, for reasons which it is not necessary to go into now, silver rose to 7s. an oz. and it became extremely profitable to melt down silver coins and sell the product. The learned directors of the Bank of England met and unanimously came to the decision that there was no likelihood of silver falling in price and that therefore some steps must be taken to prevent the melting down of silver coins. So they decided that instead of silver coins containing, as they had done in the past, 92½ per cent. of silver and 7½ per cent. of copper, they should be made to contain 50 per cent. of silver and 50 per cent. of copper. The result was a coin very objectionable in appearance, so the directors amended their ideas by sticking to the 50 per cent. of silver, but using 40 per cent. of copper and 10 per cent. of nickel. This made a sort of silver plate which rubbed off in the raised places, particularly on the cheeks of the King, giving him a very dissipated appearance. Of course that would not do, so the directors tried a further experiment—50 per cent. silver, 40 per cent. copper, 5 per cent. nickel and 5 per cent. zinc. But the point is that before these experiments had been completed the price of silver dropped to such an extent that the silver in the English shilling to-day is worth less than 2d. That is an illustration of the folly of attempting to grapple with problems before they fully develop themselves. I suggest that if an attempt is now made to grapple with this problem of adjusting land values and money values we shall make still greater blunders than were made by the directors of the Bank of England, because we have far less knowledge and far less information at our disposal. Let us wait, bearing in mind always that the essential features of our prosperity depend on the right use of money; first, saving, and then using it properly. The difficulties with which farmers are confronted to-day are being met by voluntary action, backed up by

legislative control. If that is not sufficient to meet the present case, if it is not sufficient to meet exceptional circumstances arising from drought conditions, let us strengthen that legislation, let us amend it, do what is necessary to help the man on the land in his difficulties. But do not let us allow our sympathies with his condition to provoke us into doing something that will not be of benefit to any considerable section of the farmers. To my mind this Bill is diametrically opposed to all sound principles of public policy and I shall oppose the second reading.

HON. J. J. HOLMES (North) [6.10]: Like the previous speaker, I can safely say that my sympathies are with the man on the land. I have given evidence of that within the last 48 hours, when something was rectified for his benefit. But this Bill is the exact opposite. I have tried hard to find any virtue in the measure. I understood Mr. Thomson to say that similar legislation is in force in Victoria and New Zealand; I do not know whether he included Russia, but he may have done so. There is no justification for the Bill. I ask Mr. Thomson to inform us when he is replying whether this Bill coincides with the Victorian legislation. The previous speaker said there was a vast difference between the two, so that is a point that needs explanation. To my mind, an important principle is involved in the measure. It undermines sound, sane finance. I go a step further and say that it is repudiation in disguise. The last speaker, with his eloquence, could express that in more flowing language; but, briefly speaking, the Bill is repudiation in disguise. I am aware what happens in the country. The butcher, the baker, and the grocer are paid, under the Rural Relief Fund Act, so much in the pound; but the conditions governing registered security holders are entirely different. The butcher, the baker and the grocer know that the farmer's assets are encumbered, but are prepared to take a sporting chance of being paid their money. They come under the provisions of the Act. But the position of the registered holder of a mortgage is quite different. He has told the farmer, "If you want the money the only way you can have it is by giving me sufficient security. I am acting as a trustee for shareholders or de-

positors. You must give me ample security." That brings me to my point about repudiation.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. J. HOLMES: I was dealing with the money lent by banks and other financial institutions on the security of mortgages, money that otherwise would not have been advanced. Who has lent most of the money? The banks represent the shareholders and fixed depositors who are prepared to trust the banks and to accept a nominal rate of interest instead of trusting outsiders. The banks in turn take the risk of lending the money provided they get the security. Money is also provided by life assurance companies. Whose money is that? It is money belonging to the policyholders. A father dies and leaves money to be invested in property in the city or country in order that income may be earned for his children and those dependent upon him.

Hon. H. L. Roche: How many of those investments have been made on farming securities?

Hon. J. J. HOLMES: A good many. Often when a father dies, the trustee companies take over the estate and invest the money. Mr. Thomson, by his Bill, proposes to intervene and write down those loans and put part in cold storage for five or six years.

Hon. A. Thomson: The Bill deals only with rural investments.

Hon. J. J. HOLMES: I shall raise later the question of separating rural from other securities. Other people are as much up against difficulties as are the farmers. We have heard a good deal of talk about the banks; yet Mr. E. H. Hall told us last night that one bank had advanced to one person no less a sum than £90,000. A bank to do that must have considered the client a very good man; otherwise it would not have lent the money. Not only farmers but every other section of the community and every Government have followed a policy of borrow and spend. The Governments set the lead and other people followed the example. There must be a general squaring up sooner or later.

Hon. L. B. Bolton: Why put it off?

Hon. J. J. HOLMES: Why should the farmers have the advantage by getting in early? I said there must be a general squaring up. At the beginning of the depression there was trouble throughout Australia. Sir Otto Niemeyer came out to pilot Australia through its difficulties. He put up a scheme, and Australia would never have got out of its difficulties but for the sound financing of the banks. The banks of Australia provided the money to help us out of our difficulties at that time. People who are handling trust moneys have made perfectly clear their attitude—no security, no advance. That is a policy of finance from which we cannot depart. Now a section of the borrowers, having lodged security and having obtained all the advantages, comes back and ask for some adjustment. I am quite satisfied that some adjustment will be necessary in the immediate future, but there are people, apart from the men on the land, who are confronted with difficulties.

Hon. A. Thomson: How do you propose to make the adjustment?

Hon. G. W. Miles: Voluntarily.

Hon. J. J. HOLMES: When moving the second reading of the Bill, Mr. Thomson referred to the representatives of North Province and said he felt sure of their support. As a representative of the pastoralists, I have yet to learn that we have been asked or are expected to abandon principles in order to catch votes.

Hon. A. Thomson: I object to that statement and must ask for its withdrawal. This Bill is not intended to catch votes. The statement is objectionable.

The PRESIDENT: What was the statement?

Hon. A. Thomson: The hon. member said the Bill was introduced only to catch votes.

The PRESIDENT: I am sure Mr. Holmes will withdraw.

Hon. J. J. HOLMES: I did not say that; I said I had yet to learn that the representatives of the North Province were going to abandon principles in order to catch votes.

The PRESIDENT: I think there is an inference in the remark and I am sure the hon. member will withdraw.

Hon. J. J. HOLMES: I withdraw; I did not know I was so near the mark. The pastoralists have suffered the longest and severest drought ever experienced in this

State. The position of many of them is almost hopeless. But have the pastoralists asked their representatives to come here and support a repudiation Bill?

Hon. E. H. H. Hall: It was a pastoralist whose case I mentioned last night, and I mentioned it at his request.

Hon. J. J. HOLMES: I am asking whether pastoralists approached their representatives in this House and asked them to support a Bill of this kind.

Hon. G. B. Wood: The pastoralists got an inquiry by Royal Commission.

Hon. J. J. HOLMES: That is the correct procedure to adopt. They asked, through the Pastoralists' Association, for a Royal Commission to inquire into the position of the industry. I told Mr. Thomson that the least he might have done was to withhold the Bill pending the presentation of the Royal Commission's report. If on that report he had submitted a Bill approved by the pastoralists and endorsed by Parliament, the agriculturists could have come in on the same basis. The pastoralists have been putting their money into their holdings and working hard against adverse conditions, and nothing but drought has defeated them. Let me give an instance of what pastoralists have done to help themselves in contra-distinction to having their debts written off. In 1910, when people lost their heads over the possibility of a rabbit invasion, the pastoralists of the Gascoyne borrowed £60,000 from the Government to erect their own fence and enclose 9,000,000 acres of land.

Hon. L. Craig: And they are paying for it still.

Hon. J. J. HOLMES: Yes, they had to pay the cost plus 5 per cent. per annum. They have paid and paid even during the drought years, and if the arrears were collected, so far as I can gather, there would remain a liability of only £1,900.

Hon. E. H. H. Hall: They must have had to pay.

Hon. L. Craig: I wish Mr. Hall knew the real position.

Hon. J. J. HOLMES: Only through the generosity of the banks have the pastoralists been able to pay. This Bill proposes to interfere with that system.

Hon. E. H. H. Hall: The farmers cannot get anything like that.

Hon. J. J. HOLMES: The trouble is that the farmers have borrowed too much money. I repeat that there has been no such request

from the pastoralists, but after they have paid £58,000 of the £60,000 plus 5 per cent. per annum over 30 years, the least we might do is to write off the balance. That suggestion, however, does not come from the pastoralists. On one occasion Mr. Drew accused the pastoralists of wanting to evade their responsibilities. On the following day he examined the facts and was man enough to come back to the House and withdraw all he had said. Unfortunately, there are not many men of Mr. Drew's type in this Chamber.

Members: Oh, oh!

Hon. J. J. HOLMES: What I mean is that some people have to be compelled to withdraw.

Hon. L. B. Bolton: That was your experience a few minutes ago.

Hon. J. J. HOLMES: I withdrew voluntarily.

Hon. L. B. Bolton: Then Mr. Drew did more than you did.

Hon. J. J. HOLMES: When we consider what the State has done for the agriculturists and when we recall the Chief Secretary's account of what has been done for them, we can see where the difference lies. I wish to be fair. The pastoralists have had their rents reduced, which does not amount to much. All the same I want to thank past Governments and in particular the present Government for what they have done in that direction. They examined the position of each lessee and made reductions in rent that represented a fair deal. But this Bill proposes to write down and tamper with agriculturists' debts. Who is going to take on the big job of arriving at the values of these properties?

Hon. C. B. Williams: We will put the Prices Fixing Commissioner on to it.

Hon. A. Thomson: The Trustees of the Agricultural Bank. They fixed other securities.

Hon. J. J. HOLMES: We shall see all about that before I finish. I do not know that there are two men, but there might be one man, in this State who would undertake the job; and the reason why he would undertake it is that he knows nothing about it; otherwise he would not undertake it. Just think what the job is! How are values arrived at in order that advances may be made? In an institution with which I am associated, if it is a city property we call in a sworn valuator, a man who understands the job. In the case

of an agricultural proposition we call in a sworn valuator to value that property only—not the whole lot. If it is a pastoral security, we call in a valuator to make a valuation. Under the Bill values are to be arrived at from the net proceeds during a period of eight years. Such an absurd thing I never heard of before! I do not know whether it is Parliamentary to call it a silly proposition, but a silly proposition it is.

Hon. L. Craig: Call it stupid.

Hon. J. J. HOLMES: I cannot do so, because Mr. Craig monopolises the use of that word. The result may be that the man who has a first-class property consisting of beautiful land taken up in the early days and cleared and fenced by himself has left his son to carry on; and if a panel of fencing falls down, the son will not put it up again, or keep down the undergrowth. How can one expect a valuable property to produce any sort of income under such conditions? If I interpret the Bill correctly, it is the net proceeds that fix the value of an estate.

Hon. A. Thomson: You are taking an extreme case.

Hon. J. J. HOLMES: That is what the Bill provides. I know what some hungry members of this House are. Next door might be a man with inferior land, a second-class security; but he has worked hard and has worked well, and has been able to keep his accounts balanced. Under the Bill he gets nothing, no reduction at all.

Hon. A. Thomson: Such exceptions apply in every case.

Hon. J. J. HOLMES: But the lazy, extravagant man next door is to have the benefit of a writing-down. Dealing with things on their merits, the man on an even keel will not come in at all. He has looked after his affairs in the past, and will look after them in the future. But many of these people would not develop estates left to them by their fathers, and they are the people to whom the Bill extends consideration. I said many years ago—it can be turned up in “Hansard”—when things were booming and I travelled by train that I would find men in the country, so-called farmers, travelling in by motor car to meet every train. I also said then—and my memory is pretty good—that they came for their mail, and that the only mail they would get was bills they could not pay.

Another mistake has been made in this country, as I said years ago. That also can

be turned up in “Hansard.” The State was putting on unsuitable land a whole lot of men who did not know the job, and was expecting them to win through. In many instances, if the men had known the job, they would not have remained 24 hours on the land, because they would have recognised that it was useless. However, they stopped there; and in most instances the Agricultural Bank, in some instances other banks, assisted them. Those men should never have been put on the land. As I said many years ago, instead of establishing small farmers with no equipment, the better course would have been to establish big farms, properly equipped and employing men at good wages and giving them cottages in which to live with their families instead of a lot of unsuitable farmers, requiring them to live in hessian shacks. The whole policy of putting on the land men who did not understand land, and moreover putting them on land not suitable for the purpose, has proved a complete failure.

Hon. A. Thomson: Quite a lot of men without any knowledge of land have made a success on it.

Hon. J. J. HOLMES: Assuming that this Bill is passed—though I cannot imagine this House passing it—who will find the money to carry on these farmers? The Chief Secretary has told us that the Government cannot do it. The Government has its hands full, and knows it. The banks would not make further advances, especially as a leading light of the legal profession has said that the Bill contains no provision to secure any further advances. Imagine all these men who are high and dry having their present liabilities written down! Who is going to carry them on?

Hon. G. W. Miles: Country Party members will pool their salaries to assist them.

Hon. J. J. HOLMES: The Bill in my opinion has one redeeming feature, and that is, it will stop all credit. It may be pretty hard for the time being, but we have not yet reached a stage which I predicted. I thought we had reached it when the London money market was closed against us. However, the Australian money market came to the rescue of the Federal Government because it was satisfied to put money into Government securities and not into speculative industries. I said then that we had reached a stage I had long expected, when we would have to earn first and spend afterwards. That

stage is coming sooner or later. If I visualise the present position clearly, we shall reach it before long. Look up Government advances and look up all the advances made by the Associated Banks. The debtors say, "We cannot pay now, but we are going to write down most of the amount you loaned us and put it into cold storage for five or six years. Then, if a man makes good in the meantime, we will bring it back; but if he does not make good we will write it off." A nice inducement for men to make good! The only thing they will do is to carry on in the same old way—get all they can written off and then wake up and again carry on in the same old way. The thing is so absurd, so preposterous, so monstrous that one cannot realise the Country Party proposing it. Judging from the silence in this Chamber, Country Party members have awakened to the fact, and do not seem prepared to support their Bill.

Let me refer to one or two concerns the Government is carrying now. Take the State Implement Works, established, I believe, to supply the farmer with cheap machinery. Some time ago I saw the Auditor-General's report for 1938-39. That officer then reported to Parliament that the loss on the works amounted to £386,931, and he added that the works showed a loss each year and that interest must gradually absorb the whole of the capital.

Hon. C. F. Baxter: It has been a Government repair shop since 1930.

Hon. J. J. HOLMES: But if it has been going on since 1930, why did not the hon. member interjecting, who I believe was in office 10 years ago, put an end to it? At any rate, the hon. member was a Minister of the then Government, and that was the time to deal with the works.

Hon. C. F. Baxter: On a point of order. I cannot allow the hon. member to make a statement which is wrong. He challenged me with not having taken certain action. During the time I was Chief Secretary I put through this House an amending measure, which was passed in another place, to take the works out of the State Trading Concerns. However, the Act has never been proclaimed.

The PRESIDENT: That is a personal explanation.

Hon. J. J. HOLMES: The fact remains that the works have been going on for years because nobody would tackle them. Nobody

will tackle anything in this country. The statesmen of the Empire saw the war coming, but they would not tackle it though it was right at their doors. Thank God they are made of the right stuff and they will pull the Empire through; and I hope this Government, or some other Government, will pull Western Australia through. We find that last year the State trading concerns lost £114,000. At every turn we can see what is going on. There must be a straightening up. I admit that the people on the land, both pastoral and agricultural, will participate in anything that is to be made available. But why should we grant the agricultural industry this special concession? If a man puts nearly all his money in a mine and gets money on mortgage and the mines does not turn out as well as he expects, he should be entitled to receive assistance such as this Bill proposes to provide for the agriculturist. Why should we say that his liability should not be written down? Take hotels and breweries and other industrial concerns. The people who have invested their money in those ventures are deriving handsome profits. Tax some of their profits and give it to the man on the land. There would be some equity in that. But no; we must deal with the rural industry and the rural industry only! So long as I can remember it has been said that whenever the Labour Party came into power there would be repudiation. But there has been no repudiation. If the Bill goes through this House the country will be told that it was put through when the Labour Party was in power. That is what will happen, and so I cannot imagine any Labour man voting for the Bill because it amounts to repudiation. Let me mention before I conclude what has happened to mortgagees since 1931. They have not been able to call up their principal. So long as they are receiving interest they cannot call up the principal. Whether they want their principal or not, they cannot get it. Quite recently the Federal people have prevented the selling of mortgages at a greater discount than five per cent.; so everything has been done to harass the man with a family. The man who has been thrifty enough to save money for himself and his family has been harassed and annoyed in every way and he has been put in a false position. I crave the indulgence of the House while I read this opinion which has been given by one of the principal firms of lawyers in this State.

The stay order is to have the effect of suspending all rights and remedies of creditors against the farmer or his assets. The right of a judge (under a section of the Farmers' Debts Adjustment Act) to permit any action against a farmer to be carried on up to judgment, is cancelled.

There will be no appeal at all under the amending Bill. The opinion goes on to point out that there is no provision for additional advances. I do not suppose there will be any additional advances in these cases although some generous individual may be prepared to make an advance without security. The opinion goes on to sum up the position in this way—

The amending Act would place the secured creditor entirely in the hands of the trustees and there would be no appeal against the decisions of the trustees or to review the values placed by the trustees on the farmer's assets.

The contingent liability of a guarantor is reduced by the amount written off the guaranteed debt, notwithstanding that the guarantor may be well able to stand up to his obligation.

There is no provision for protecting such advances and interest from suspension or writing down. The draftsman perhaps assumed that no secured creditor would make any further advances after suspension of the secured debt; but a secured creditor in some cases might wish to make further advances to protect the security.

Under Subsection 1 of Section 6 of the principal Act the trustees are not to exercise their powers in favour of a farmer unless they are of opinion (inter alia) that in the light of his past conduct in farming operations he is deserving of the protection of a stay order under the Act. We point out however, that under the amending Act, if the trustees apply the Act in favour of a farmer and make the first valuation then the second valuation and the consequential writing down of the principal sum of the secured debt must automatically follow at the termination of the period of suspension and act in such a manner as should disentitle him to a writing down and as might conceivably result in a greater writing down under the second valuation due to neglect and consequential repudiation.

That is the opinion of a leading counsel in Perth. I repeat what I have already said that there is a principle involved here—the repudiation of a contract. I have never voted for such a thing and I hope I never shall. Consequently I cannot support the second reading.

HON. G. B. WOOD (East) [8.6]: I intend to be brief in speaking on the second reading of the Bill. I do not think any member of the Country Party likes this type of legislation and I say that advisedly.

Knowing what we do know, we honestly believe the Bill is desirable and necessary not only in the interests of the country and the farmers, but in the interests of the financial institutions themselves. A man with a tremendous burden of debt has to-day lost all heart. Take the case of the man who has put £3,000 or £4,000 into a property. That might have been money which was left to him. Then perhaps he borrowed another £5,000 and there followed bad times and low prices. Before many years are over he finds that his debt is £15,000. Together with his wife he has put in many years of hard work and those years he realises have been wasted. Is it any wonder that he has lost heart. It was not his fault. Somebody has said that farmers have indulged in joy riding. I venture to say that farmers have not done as much joy riding as have the squatters, nothing approaching it. If the squatters have done so, I am very glad to know it. Every squatter who is a member of this House knows that what I am saying is true. Very few farmers have been able to establish homes in the city and I will not allow the statement that has been made to that effect to pass unchallenged. I have lived in the North-West and I have relations there. Thus I am aware of the position of the pastoralists in that part of the State. Why, I ask, should the farmer be charged with joy riding?

Hon. J. J. Holmes: I said they did 10 years ago.

Hon. G. B. WOOD: I am not referring to the hon. member, but to the remarks of Mr. Miles.

Hon. G. W. Miles: I have seen it.

Hon. G. B. WOOD: I think that Mr. Troy said that any farmer who had a motor car should not receive assistance. Just recently I have been out in the country. Mr. Holmes knows of the case where one man made good and his neighbour failed. I could take the hon. member to places where dozens of farmers, all in a row, are right up against it. Right through the wheat belt there is not a single man to-day with any hope for the future unless his debts are written down. So it is in the interests of the country that the debts should be written down or put into cold storage. In that way farmers might be given some hope. Only the day before yesterday I spoke to a man who had a big debt for water rates to pay. He said that he could not possibly pay it, and I know

of many other farmers who are in the same position. That particular man said, "If the Government reduces the rate it will be possible to pay." I was speaking to a man at Beneubbin who had to leave his place because the water had been cut off. A few weeks ago the Chief Secretary and I had a little argument on this question of payment of water rates. The Beneubbin man unfortunately could not pay his water rate and so had to come down here and secure relief work. I venture to say that the same thing is happening with regard to secured debts. I do not like this kind of legislation and I remember the time when I thought I was the greatest sinner on earth, because I had occasion to ask Harris Scarfe & Coy. to extend a promissory note.

Hon. L. Craig: Since you joined the Country Party?

Hon. G. B. WOOD: No, but I have seen all this distress since I have been a member of the Country Party. The Bill is based on equality of sacrifice. These debts were incurred when prices were high and the secured creditor should bear his share of the sacrifice.

Hon. L. Craig: Do you represent the storekeepers?

Hon. G. B. WOOD: Yes, and they had a rough time. Apparently Mr. Holmes does not think they matter. They are not sacrosanct like the secured creditors. I do not support the argument that the storekeeper took more risk than the banker did. I do not say that everybody's debts should be written down. All cases should be dealt with on their merits. Maybe some farmers have not tried to make a success of their properties, but those who are left are mostly triers. In the north-eastern wheatbelt there are dozens of abandoned farms, but the men remaining to-day are really good farmers. Last week-end I came into contact with many of them, and they said they were prepared to stay on their holdings so long as they were obtaining a living. They said they did not want to go onto group settlements to milk cows because they knew nothing about group settlements. Those men have had only $2\frac{1}{2}$ in. of rain. Do not they deserve some consideration? Most of these farmers incurred debts through no fault of their own.

Hon. L. Craig: Who is to decide that?

Hon. G. B. WOOD: Mr. White.

Hon. L. Craig: Your friend?

Hon. G. B. WOOD: Yes. I have never said anything against Mr. White in his capacity as commissioner for farmers' debts.

Hon. L. Craig interjected.

The PRESIDENT: Order! The hon. member will have an opportunity to speak.

Hon. G. B. WOOD: Sir Hal Colebatch has told us what the people in the out-back have done to assist the war effort. I myself have wondered where the money has come from. Obviously they have given such savings as they had, which indicates that they are trying to be good citizens and are worthy of some consideration. I do not want to suggest that everybody should have his debts written down. Every case should be dealt with on its merits. Mr. Holmes has mentioned the pastoralists and the inquiry which is now being made into their conditions. I wonder whether the pastoralists will be insulted if Mr. Fyfe says their debts will have to be written down. I think he will say that, and that their debts ought to be written down. The pastoralists, like the farmers, are in an impossible position, many of them through no fault of their own.

Hon. A. Thomson: If something like that is not recommended, the Commission will not have been worth while.

The PRESIDENT: Order!

Hon. G. B. WOOD: I appreciate interjections which are helpful.

The PRESIDENT: The hon. member should not provoke interjections.

Hon. G. B. WOOD: I do not think I can be accused of doing that.

The PRESIDENT: When the hon. member expresses appreciation of interjections, he is provoking them.

Hon. G. B. WOOD: That was afterwards. I do not want to say any more, except that I support the Bill because I think it is necessary, and not because I like this type of legislation. If something like this is put on the statute book it will give these unfortunate people more heart to carry on and will be in the interests of the financial institutions and the country as a whole.

HON. L. CRAIG (South-West) [8.20]: I understand this is a Country Party measure. The Country Party evidently met and put their heads together, and members of that party here are all committed to vote in favour of the Bill. I thought that members of the Country Party belonging to this

House had some independence, and I am surprised that they should have committed themselves to vote for a Bill with the principle of which I am sure they are not all in agreement.

The PRESIDENT: Order! The hon. member must not reflect on any member of this House.

Hon. L. CRAIG: I am not reflecting on them. I withdraw anything—

The PRESIDENT: The hon. member's remarks came very near to being a reflection on other hon. members.

Hon. L. CRAIG: I think that some Country Party members have the idea that anybody who does not agree with their views on this Bill has no sympathy for farmers who are having a bad time. I want to disabuse them.

Hon. G. B. Wood: We never said that.

Hon. L. CRAIG: Some members have intimated as much. We have been smothered with sob-stuff. Members have spoken with tears in their eyes.

Hon. E. H. H. Hall interjected.

Hon. L. CRAIG: Sir Hal Colebatch castigated the hon. member as he thoroughly deserved.

The PRESIDENT: Order! I wish the hon. member would proceed with his speech.

Hon. L. CRAIG: I hope I am not provoking further interjections. When an important Bill of this kind is introduced, some evidence should be forthcoming to convince us that we should vote in favour of it, but we have heard of nothing but the terrible times farmers are having. We know all about that, and I do not think the Bill will improve their conditions.

Hon. E. H. H. Hall: Of course you do not.

Hon. L. CRAIG: No.

Hon. E. H. H. Hall: We knew you would not.

Hon. L. CRAIG: It must be remembered that a large proportion of the money that is keeping farmers on their holdings is trust money. Trustees have great responsibilities in regard to such money.

Hon. G. B. Wood: We are trying to make the road easier.

Hon. L. CRAIG: This is not the way to do it. It is the very reverse. The Bill proposes to break down a certain principle, and that to my mind is its greatest drawback. It breaks down a prin-

ciple that has been built up over many years. It definitely proposes repudiation, and places upon one part of the community the burden of assisting a section of the farmers, and in some instances the people upon whom the burden is to be placed can ill-afford to bear it. Nothing is said about providing carry-on money. Weekly I am dealing with cases in which money up to £1,000 per farmer is being provided for men to put in their crops and to find sustenance for their families. There is no provision in the Bill for security against those advances.

Hon. A. Thomson: It is proposed to make an amendment to adjust that matter.

Hon. L. CRAIG: I am dealing with the Bill as it is. What will happen to people who are responsible for the carrying on of these farms and who have been carrying them on for upwards of 20 years?

Hon. E. H. H. Hall: And have been well paid for it.

Hon. L. CRAIG: Obviously the hon. member knows little about that subject. Colossal sums are being found to-day for the improvement of farms. Farmers have fallen into arrears and are unable to meet any of their commitments.

Hon. G. B. Wood: Is that their fault?

Hon. L. CRAIG: Not always, but in many instances.

Hon. G. B. Wood: Then why carry them on?

Hon. L. CRAIG: Because there is an earnest endeavour being made to keep these people in employment on their farms. I will tell members what is happening. Money is being advanced to improve these properties so that the farmers will be in a position to meet their commitments. In many instances farmers have been practically ruined through the invasion of rabbits. They have no money to improve their properties, but it is necessary that the rabbits should be eradicated before the farmers can have a chance to meet their commitments. Who is finding the money? The mortgagee is doing so without any hope of receiving interest for some years; yet the Bill proposes that he should have no security.

Hon. G. B. Wood: Did not the Government find money for rabbit-proof netting?

Hon. V. Hamersley: Apparently not.

The PRESIDENT: Order!

Hon. L. CRAIG: At the risk of being irreligious one cannot help saying, "God forgive them, for they know not what they do." This Bill will have a greater effect on mortgagees than anything I have ever known. I will go further and say that nothing for which the Country Party has been responsible has done more to injure its name in the opinion of the community than has this Bill.

Hon. G. B. Wood: What community?

Hon. L. CRAIG: The community that counts.

The PRESIDENT: Order!

Hon. L. CRAIG: Like Sir Hal Colebatch I admit that in cases of drought or conditions over which the settlers have had no control, it may be necessary for further assistance to be rendered to them, but that assistance should be given by the community as a whole, and not by people who have invested trust moneys. Mr. Wood mentioned the case of an unfortunate man who may have put £5,000 of his own money into the purchase of a property for £10,000. That means that he has a mortgage of £5,000. Through adverse seasons and perhaps bad management that indebtedness may have grown to £10,000. If such property has not improved in value, the hon. member would have the lender of the money write off his £5,000.

Hon. G. B. Wood: Not all of it.

Hon. L. CRAIG: The Bill says that the amount which exceeds the value of the property shall be frozen and in the case instanced by Mr. Wood that amount would be £5,000. If at the end of a period the place is revalued—and goodness knows who will make the revaluations—and is found not to have improved in value the whole of the £5,000 will be written off. I would point out that it cannot be improved because no mortgagee would supply money to improve a property over which he had no security. This would mean that the settler would still retain his full £5,000, but the man who had advanced him money and kept him on his farm would lose what he had advanced.

Hon. J. A. Dimmitt: They are endeavouring to bite the hand that feeds them.

Hon. L. CRAIG: Yes, they are killing the goose that lays the golden egg. There are further factors involved in the Bill. The valuation of these farms is to be based on the average net income for the last

eight years, which were probably the worst eight years the State has ever experienced. No stipulation is made with regard to the averaging of costs in a similar manner. Costs in this period have been showing a definite tendency to rise, so that, whereas the income will reflect the low prices obtaining during the depression years, costs apparently are to be determined on the basis of the comparatively high charges ruling at the present day. Here is a further question—

The values determined by the trustees are to be conclusive. The mortgagee is apparently to be given no right to state his case or to advance any extenuating circumstances.

Hon. C. F. Baxter: Whose questions are those?

Hon. L. CRAIG: Never mind. They are questions that are fairly set out. Not all my questions are prepared, as is the case with some members.

Hon. C. F. Baxter: Have they been prepared?

Hon. L. CRAIG: The questions are very apt.

Hon. C. F. Baxter: Who is the author of them?

Hon. L. CRAIG: They have been prepared with a full knowledge of the Bill. They were not prepared by me, but by someone who knows more about the subject than I do.

Hon. G. B. Wood: He does!

Hon. L. CRAIG: And more than the hon. member knows.

Hon. C. F. Baxter: You should state your authority.

Hon. L. CRAIG: Not necessarily.

Hon. G. W. Miles: It is all common sense, anyhow.

Hon. L. CRAIG: That interjection was a proper one. The hon. member has many notes prepared, not by himself.

Hon. C. F. Baxter: I feel inclined to ask that you lay the questions on the Table of the House.

Hon. L. CRAIG: I would not mind putting the notes themselves on the Table.

The PRESIDENT: Order!

Hon. L. CRAIG: I stated that the values determined by the trustees are to be conclusive. Would anyone like to question that? The mortgagee is to be given no right to state his case, to advance any extenuating circumstances, or to appeal against the

valuation either (1) at the time of suspension or (2) at the end of the five-year period. These are very pertinent questions.

Hon. G. B. Wood: Why not amend the Bill in Committee?

Hon. L. CRAIG: "Said he laughingly." Another question is—

The trustees who are to be given very wide power under the Act are three in number, and it was stated in the original 1935 Act that one at least should be a farmer. It would thus seem that the farmers, being the mortgagors, have a representative on the board of trustees, whilst the mortgagees have no representation.

Hon. A. Thomson: Put up an amendment on that point.

Hon. L. CRAIG: If all the amendments necessary were put up the Bill would not be recognised. A further question is—

No provision is made for the purpose of ensuring that all applications under the proposed Act shall be filed within a given period, thenceforth all relief legislation to cease to be operative except insofar as the period of suspension is concerned. Relief legislation in this State has been operating for a considerable number of years, and it is not to be thought that this state of affairs can continue indefinitely.

No provision is made whereby any excess derived by the mortgagor over and above his mortgage on a sale of the property within, say, five years of the date of adjustment, would be payable in part at least to the mortgagee. If no such provision as this were made, the mortgagor might well be placed in the position of reaping a considerable profit in the event of a substantial rise in prices, whilst the mortgagee would have to continue to bear the loss which he had already incurred.

I think Mr. Wood had better draft a new Bill. Further questions are—

Sales of certain properties have in recent years been negotiated on extended terms, without deposit and at a low rate of interest.

I know of many instances of that kind. Prices have been written down below the original price, and a specially low rate of interest granted. Many such instances have occurred recently. What is it proposed to do by this Bill in such cases?

Hon. A. Thomson: What do you propose?

Hon. L. CRAIG: I am afraid the arguments that have been advanced are not very logical. Transfers of properties have been given to those people who are regarded as likely to make good. No deposit has been paid and yet properties have been transferred to them.

Hon. A. Thomson: People are glad to get someone to take the properties over.

Hon. L. CRAIG: Members will see the construction that is placed upon the activities of any organisation that endeavours to assist, "We are glad to get anyone to take them over."

Hon. A. Thomson: Unfortunately that is true.

Hon. L. CRAIG: It may be true in some instances.

Hon. A. Thomson: I am not casting any reflection upon the company that is doing this.

Hon. L. CRAIG: The hon. member has made a suggestion to that effect.

Hon. A. Thomson: I have no wish to do that, but it is quite true.

Hon. L. CRAIG: After such liberal treatment the mortgagee is entitled to expect protection in these cases against the type of legislation now contemplated. I quite agree. The mortgagee is given no protection against any action by the mortgagor in the period of suspension, which may be detrimental to his interests.

Hon. A. Thomson: That is very interesting information.

Hon. L. CRAIG: I know what effect this legislation will have upon mortgagees who have trust funds to lend. Those funds are their responsibility, and the mortgagees must look after them. They are the trust funds of people who, in the large majority of cases, are themselves poor. Mr. Wood pretends to put up a case for people who are in poor circumstances, and invites the assistance of trustees of the money belonging to thousands of people who are just as poor as, if they are not poorer than, the other people he is endeavouring to assist, and he sneers and says, "Wealthy institutions." The legislation will have a disastrous effect upon the credit of the country for all time.

Hon. G. B. Wood: Come to the wheat-belt and I will show you poor people.

Hon. L. CRAIG: I know a great deal about the circumstances of those people, but this is not the way to help them.

Hon. E. H. H. Hall: What is the way?

Hon. L. CRAIG: The State or Commonwealth Government should help them. This is a repudiation Bill. I know as much about the agricultural industries of the State as does any member of the Country Party,

and have lost more money through agricultural and pastoral industries than has any member of that party.

Hon. G. B. Wood: The pastoral industry, yes.

Hon. J. J. Holmes: I should like to have what I have lost in the last five years.

Hon. L. CRAIG: I hope the House will base its decision on evidence and not entirely on sympathy. The evidence submitted by supporters of the Bill has been very meagre. I hope members will use their brains rather than their hearts when considering the Bill. I regret I must oppose it.

HON. H. S. W. PARKER (Metropolitan-Suburban) [8.40]: Not only will this Bill kill all credit in the ordinary sense of credit through mortgages, but because of the provisions of the measure it will prevent farmers from getting any machinery on hire or under hire purchase.

Hon. G. B. Wood: They cannot get it now.

Hon. H. S. W. PARKER: One advantage about the measure is that the farmer will be unable to buy anything unless he has the cash with which to pay for it. He will get no credit against his land, which will be entirely valueless from the point of view of financing upon it.

Hon. G. B. Wood: How can a man finance on his land for the purchase of machinery if there is a mortgage upon it?

Hon. H. S. W. PARKER: What is overlooked by many people is that when a man has borrowed money up to the full value of his property, he has nothing left. He has sold his land with a tag on it. Apparently many farmers do not appreciate that position. When they have an asset worth £1,000 and they borrow £1,000 upon it, once that £1,000 has gone, the property has also gone. When they reach the position of being unable to repay the money, they have to hand over their properties.

Hon. A. Thomson: No institution will advance £1,000 on a property worth only £1,000.

Hon. H. S. W. PARKER: Institutions will advance £1,000 on a £2,000 asset.

Hon. H. L. Roche: They are like pawn-brokers.

Hon. H. S. W. PARKER: The hon. member does not appreciate the arguments that have been advanced. If he listened more and interjected less he would be more useful.

Hon. H. L. Roche: Not according to your arguments.

Hon. H. S. W. PARKER: If a person has a property worth £2,000 he may borrow £1,000 upon it. Through his own fault or adverse circumstances, the value of the property may decline to £1,000, and the borrower has nothing left. Why should the person who entrusted that money to him be called upon to lose it? I cannot see the force of the argument. If I borrowed £1,000 to invest and my investment went wrong, and I went to the lender and said, "I have fallen in over my investments and I should like you to accept £500 instead of £1,000" I would be laughed at. The farmer has had a disastrous time. I am not concerned with the individual farmer. It is the duty of the Upper House to look to the State at large and not to the individual. Hard luck cases have no concern with this Chamber, but it is concerned with the general welfare of the State. As long as I can remember all public men and all honest men have endeavoured to induce all the capital possible to come into the State so that it may be developed. Up to the present we have not developed a quarter of the State. By the introduction of this type of legislation we are discouraging those who otherwise would possibly invest in Western Australia. We are saying to them, "Be careful; you do not know what will happen." What this means is that the representatives of the farmers are definitely asking for permission to repudiate debts. We can imagine what any one of us would say to our friends in the Eastern States if they suggested investing money in Western Australia. For my part, I would advise against the investment of money in agriculture.

Hon. C. F. Baxter: Do you think that no such legislation exists in the Eastern States?

Hon. G. B. Wood: Or in Canada

Hon. J. Nicholson: That legislation is different from this Bill.

Hon. C. F. Baxter: It is not.

Hon. H. S. W. PARKER: I do not care whether legislation has been enacted elsewhere. I am a Western Australian, and I want to keep the name of the State clean.

Hon. G. W. Miles: You want the State to pay 20 shillings in the pound.

Hon. H. S. W. PARKER: I want it to be realised that of all the States of Australia, Western Australia is the place where money can be invested, and there will be no sug-

gestion of repudiation. Legislative proposals such as this must drive money from the industry that might otherwise be available for assisting the farming community. We want people to feel that their money is safe if they make it available for that purpose. We want them to know that their money is as safe in that direction as if it were invested in, say, house property. In these days, when all are adversely affected by circumstances, I do not know why one section of the community should be relieved of some of its secured debts while other sections are not. Let us consider this question from the standpoint of its logical conclusion. Let us assume the Bill is agreed to. In that event, there would be in the future no such thing as a mortgage on a farm. Money would have to be obtained without security. The moment a farmer attempted to mortgage his farm or establish any security therein, he would immediately be presented with a writ. He would be sued, and sold up. The idea of keeping mortgages sacrosanct is for the purpose of protecting money so invested, and creating a feeling of security that cannot be present if debts are to be written down in some extraordinary way. I must oppose the Bill. At the same time, in common with every other member, I fully appreciate the extraordinary difficulties confronting the farmers, but I equally regret the extraordinary way in which endeavours are made to assist them. The means adopted are calculated to do them more harm than good.

Hon. E. H. H. Hall: You cannot show us a better way.

Hon. H. S. W. PARKER: I am afraid I cannot show the hon. member anything!

HON. G. W. MILES (North) [8.48]: I intend to say a few words about the Bill. I congratulate the Chief Secretary on the able argument he advanced in opposition to the measure. As indicated by me in interjections, the Bill will have a more harmful effect on the credit of farmers than anything else one can imagine. As I indicated previously, many farmers are running about in motor cars. When I was in the Great Southern district looking around for a property for my son, I noticed on one side of the road a farmer who was making good and who could afford to take a trip every other year. The man on the other side of the road was a failure. I have seen some of the constituents of members who are seeking to

assist the farmers, borrowing all they possibly could from people and taking their creditors down. That is the class of man that the representatives of primary producers want to assist to rob secured creditors of their security. Mr. Craig and others have pointed out that the financial institutions which have advanced the money, have the custody of the savings of poor people. There are the insurance companies and the trustee companies which, if we agree to the Bill, will be affected by the proposed repudiation. All this is doing great harm to the credit of farmers. I cannot understand the Country Party introducing legislation of this description, which has been turned down two or three times already.

Hon. A. Thomson: It was passed by the Legislation Assembly last time.

Hon. G. W. MILES: This Bill should have been included in John Curtin's "new deal"; that is its proper place. I think it would have been much more fitting if it had been introduced by Mr. Curtin instead of by Mr. Thomson.

The Chief Secretary: Why not by Mr. Lang?

Hon. G. W. MILES: I wanted to have a few words to say about this Bill before the Federal elections. I think Mr. Thomson should hand this business over to John Curtin and allow him to include it in his manifesto for catching votes. I certainly oppose the second reading of the Bill.

On motion by Hon. C. F. Baxter, debate adjourned.

RETURN—GOVERNMENT MOTOR VEHICLES.

Cost of Fuel.

Debate resumed from the 3rd September on the following motion by Hon. C. F. Baxter (East)—

That a return be laid on the Table of the House showing the cost of fuel used by Government motor vehicles for the years 1933-34 and 1939-40 respectively.

HON. J. A. DIMMITT (Metropolitan-Suburban) [8.51]: If the motion is carried, it will not lead the House any distance along the road to progress. The actual circumstances of the two periods are entirely different. In 1933-34 we were just emerging from the depression and the Government was spending comparatively little

money. In 1939-40 business was reasonably normal and the Government spent much more money than in 1933-34. Road transport has developed to a point where comparison between the two periods would convey very little to the House and would not assist members to reach a conclusion. Nevertheless, I feel the motion has done some good because it has revealed to Parliament the lack of control in the transport operations of some Government departments. I suggest that every commercial house that engages in transport of any sort is in a position to say just how much is spent on each vehicle for tyres, petrol, oil or repairs. If the manager were to ask his accountant or secretary to produce a dissected account concerning any single vehicle and the employee could not produce it, he would be out of his job shortly afterwards. Not only will the manager have such dissections but he will be able to secure the actual average cost per mile per vehicle. Government departments should be in the same position.

Early this year I had an opportunity to inspect the transport branch of the Victorian Electricity Commission. The branch has under its control 440 motor driven vehicles, so the comparison with the Government departments here may be regarded as apt. Under the centralised control adopted by the Victorian Commission, it is necessary for every officer, with the exception of a few executives who have motor cars all the time as they are likely to be called out by night or day, to put in a requisition for a vehicle stating the use to which it is to be put, and the estimated mileage to be covered. By putting in such a requisition the officer is able to secure the use of a vehicle. As a result of close supervision, the Victorian Electricity Commission has probably the most economically run transport branch throughout Australia. Perhaps more centralised control by Government departments here might meet the situation. I feel quite sure that the Government is anxious to effect economies in any direction possible. The Chief Secretary indicated that the Government had 301 vehicles under its control.

Hon. G. W. Miles: I thought he said 500.

Hon. J. A. Dimmitt: No, Mr. Baxter referred to that number. Is it not reasonable to suppose that some economies could be effected along the lines I suggest? They

would probably result in a saving of 1,000 miles per vehicle per year. People interested in transport matters will appreciate the reasonableness of that suggestion. Such a saving would represent about 6d. per mile. An average motor vehicle of 20 h.p. would cost, with depreciation on capital cost, replacements and running repairs, about 6d. per mile, and a saving of 1,000 miles per vehicle per annum would represent about £7,525. I should think any Treasurer would be interested in such a saving. Some years ago the Government established a centralised messenger exchange in place of the old order whereby messengers were engaged in each department, with the result that a considerable saving was effected.

Hon. L. B. Bolton: But it slowed up the delivery of correspondence.

Hon. J. A. DIMMITT: That may be so, but money was saved. There are three alternative suggestions for the control of motor transport. In my Address-in-reply speech, I suggested that our industrial engineer, Mr. Fernie, could be profitably employed in endeavouring to co-ordinate the various transport services of the Government departments. I suggest the advisability of creating an inter-departmental committee to investigate possible methods of economising in our motor transport services. The Auditor-General, the Industrial Engineer and the Plant Engineer should certainly act in such an inquiry. Another alternative is the appointment of a select committee by either House or both Houses to investigate the possibility of securing economy in the motor transport of the various departments of the Government. The third alternative is the introduction of a man from some other part of Australia who is already handling a proposition like this to investigate our transport problems. I feel that Mr. Baxter has done a service by bringing this motion before the House because it has revealed the shortcomings of the present system. The position can be rectified and if the Government is in earnest, as I believe it is, it should investigate the possibilities I have mentioned. I do not know whether Mr. Baxter intends to proceed with his motion, but should he withdraw it and move along the lines of either of the three alternatives I have mentioned, I shall be happy to support him.

HON. C. F. BAXTER (East—in reply) [9.4]: Only a few members have shown sufficient interest in this important matter to speak on the motion and thus there has been little encouragement for bringing forward a question that involves thousands of pounds. I certainly expected something more in that direction, especially in view of the answers given to my questions and the speech made by the Chief Secretary. Any reasonable person would say that the replies to my questions were no answers at all. They were purely evasion and nothing else. I asked for figures and I received nothing. The Minister said the figures could not be supplied by the departments and he was rather caustic in his comments. He said—

The hon. member complained about the long delay that had occurred in giving the replies to his questions. One would have thought that, as a result of his experience as a member of a Government, he would realise that the information asked for in a question cannot always be supplied on the following day.

When I moved the motion, these were my words—

Members will recall that I gave a whole week's notice of my questions. I knew from experience that the preparation of the information would take some time, and I was not in the least surprised when the Chief Secretary asked for an extension of a week, to which I was only too pleased to agree. When I received the answer in a fortnight, however, it was couched in such terms and to constitute a challenge to me to take further action in seeking the information. Had a proper answer been intended, why was it not given at the end of the first week? Why was it necessary to ask for a week's extension in order to inform me that the departments did not have the records? Surely one week should have sufficed to give that reply!

In the face of those words, how can the Chief Secretary say that I expected an answer in a day? The Minister proceeded to say that some of the replies from the departments were rather illuminating and that he proposed to quote one or two to show the difficulties that sometimes occurred when information of this kind was being sought. He first took the Public Works Department and gave the following reply from the Under Secretary—

As verbally requested, I have to report that in order to ascertain with any degree of accuracy the cost of petrol supplies to this department for the years 1933-34 and 1939-40 respectively, it would entail the scrutiny of the copies of approximately 35,000 local purchase orders and 50,000 Government Stores requisitions.

Then he proceeded to say how long he would need to collate the required information. What an astounding admission! A department like the Public Works Department makes the bald statement that it has not kept any records, and would have to go back to the local purchase orders and Government Stores requisitions to ascertain what the cost of petrol, etc., had been. How is it possible for a department run on those lines to follow business methods? Anyone associated with business knows full well that, notwithstanding the remarks of the Chief Secretary, a careful record must be kept of all costs for motor vehicles. Otherwise one cannot determine whether the vehicles are being run economically or not. After a period of years, a motor vehicle becomes too costly to run and the only course is to pass it out, but it is impossible to know the running costs for petrol, oil, etc., unless a careful record has been kept. Here is a department using the largest proportion of the Government cars boldly admitting that orders and requisitions would have to be turned up before the costs could be supplied.

Another statement by the Minister was that I was somewhat critical of the fact that dockets had been destroyed in some departments, and he proceeded to say I had suggested that in any properly-run business concern such dockets would be retained for 15 years or so. I made no such statement. When I referred to dockets, I said that I would not expect them to be kept for more than three years, but as regards records, I said that books were never destroyed in less than 10 years and that some firms kept them for 15 years. I was speaking of books and records when I mentioned the longer period, and those are what I want. The turning up of requisitions and orders would not carry us very far.

The Chief Secretary: The books are still available.

Hon. C. F. BAXTER: But the unfortunate part is that they do not contain the requisite records. The Chief Secretary's remarks, boiled down, indicate that particulars cannot be given except for certain departments. It appears to me that the only department that has kept a proper account of such costs—there might be one or two others—is the Department of Agriculture. I wish to commend the Department of Agriculture

as one that has kept some record of what the different vehicles are costing for running.

The Chief Secretary: There are other departments.

Hon. C. F. BAXTER: I said there might be one or two others.

The Chief Secretary: I offered to lay all the available information on the Table.

Hon. C. F. BAXTER: Yes, but on the Minister's own statements, an inquiry by a select committee would be warranted. In this I feel sure that Mr. Dimmitt and other members will agree with me, but I do not propose to move in that direction. At the same time there is great need for action being taken along the lines I have indicated. I intend to ask leave to withdraw the motion and see what information is tabled. At the same time I urge the Government to introduce a system of proper control in every department. First of all, there should be a person or persons appointed to inquire into the need for each motor vehicle and be responsible for those vehicles. If this were done, I believe that the number of cars in use could be considerably reduced. For this duty, it might be wise to appoint a man like Mr. Fernie or Mr. Frank Shaw. Apparently things have been allowed to drift by the heads of departments. If this suggestion was adopted control could be exercised over the vehicles. Secondly, the Government should insist upon all its vehicles being housed at 5 p.m. or as soon after they finish work as possible, and at week-ends. It is scandalous that Government-owned cars should be left standing in the streets and under trees. They should be garaged at the end of the working day; they should not be in the hands of private persons at night or at week-ends. This rule was insisted upon during the depression and I urge the Government to re-institute it and maintain tight control over the use of its motors. Thirdly, I suggest that a running sheet be kept by each person in control of a motor vehicle. This should be handed in weekly so that a proper check can be kept on the quantity of petrol, etc., used. This would also facilitate proper control. Last but not least, a system of book records should be kept showing the maintenance and running costs of each vehicle. Then the departments would be able to determine whether any vehicle was too costly to run and, if it was, it could be

passed out. That is the practice adopted by commercial concerns.

Hon. H. Seddon: That is very important at the present time.

Hon. C. F. BAXTER: It is. I ask the Chief Secretary to consider the recommendations I have made with a view to instituting a system based on a good solid commercial footing.

The Chief Secretary: Most of those rules are in operation.

Hon. C. F. BAXTER: They are not observed in some departments or the figures I have asked for would have been available from the records. Any department that is not observing them should adopt them at once and get down to a sound system. Then there would be less private use of Government-owned cars, and fewer people would be transported by those cars to the detriment of our transport services. I shall await the tabling of the papers, and hope that the Government will adopt a sound system. I ask leave to withdraw the motion.

Motion, by leave, withdrawn.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [9.13]: I move—

That the House at its rising adjourn till Tuesday, the 24th September.

Question put and passed.

House adjourned at 9.14 p.m.