

occasion on which the matter has been before us. Twice before it was introduced and each time it was rejected. Then a committee was appointed to try to persuade us to take a different view. The eloquence of the Minister must have been responsible for inducing the other members of the committee to change their minds because I know they were opposed to the site. They had only to look at it to be convinced, as I was, that it was the most unsuitable site that could possibly be chosen. If the college alongside had been acquired, and a street constructed to the Esplanade, where a decent building could be erected, the plan might have had some merit, but I do not know how the site will be used in view of that fall of 25 to 30 feet.

The Minister for Lands: It is nearly as great a fall as exists from Parliament House to the Terrace.

Hon. C. G. LATHAM: It is a drop of probably 30 to 40 feet but it is not as great a dip as from here to the Terrace.

Mr. Styants: The buildings will not extend over that fall.

Hon. C. G. LATHAM: It is proposed to build the offices down that street.

Mr. Styants: They will not go on the dip.

Hon. C. G. LATHAM: Then for what reason is the ground to be resumed?

Mr. Styants: For gardens.

[*The Speaker took the Chair.*]

Hon. C. G. LATHAM: Then I hope the garden will be a success. The creation of a garden on the flat ground—that beautiful garden which has been visualised—will probably be less expensive than if it were made on the hill. From the point of view of gardening the site is probably a far better one than any other that has been suggested. A good garden is not possible on elevated ground such as that on which Parliament House and the Observatory are situated. The possibility of establishing a good garden in the Government Domain is the only fact that commends the site. A good garden might be established or pastures sown to create a bucolic surrounding. I intend to oppose the second reading of the measure. I wish I could persuade the Minister not to proceed with it. One final word: The Government is not justified in spending the people's money on a new

building. I think I have proved convincingly from the evidence itself that the increase in population does not justify such a project and that temporary buildings could be erected to satisfy our needs.

On motion by Hon. W. D. Johnson, debate adjourned.

House adjourned at 10.30 p.m.

Legislative Council,

Wednesday, 28th August, 1940.

	PAGE
Questions: Electoral, as to death of candidate	459
Northam Military Camp, as to wet canteen	459
Return: Government motor vehicles, cost of fuel	460
Bills: Profiteering Prevention Act Amendment, 2R.	464
Rural Relief Fund Act Amendment, 2R.	466
Inspection of Machinery Act Amendment (No. 2), 2R.	472
Adjournment, special	473

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

QUESTION—ELECTORAL.

As to Death of Candidate.

Hon. J. CORNELL asked the Chief Secretary: 1, Is there any record of any candidate for Parliamentary election having died between the date fixed for closing of nominations and the date fixed for the polling, or on polling day? 2, If so, will the Minister furnish the House with all particulars relating thereto?

The CHIEF SECRETARY replied: 1, No; not so far as this State is concerned. 2, Answered by No. 1.

QUESTION—NORTHAM MILITARY CAMP.

As to Wet Canteen.

Hon. G. B. WOOD asked the Chief Secretary: 1, Is the Government aware that certain difficult conditions exist in Northam

owing to the sudden large influx of population to the district? 2, Is the Government aware that the Northam Municipal Council, strengthened by strong public opinion, views the present situation and possible future developments very seriously, and is of opinion that the establishment of a wet canteen at the Northam Military Camp is essential? 3, Will the Government make known the conviction of the municipal council and people of Northam to the Federal Government and request it to sanction the establishment of wet canteens at military camps? 4, If the desired sanction is not forthcoming, will the Government inform the residents of Northam of the reason for the refusal of such sanction?

The CHIEF SECRETARY replied: 1, Yes. 2, No direct representations have been made to the Government on this matter. 3, Answered by No. 2. 4, Answered by No. 2.

RETURN—GOVERNMENT MOTOR VEHICLES.

Cost of Fuel.

HON. C. F. BAXTER (East) [4.35]: I move—

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.

Members will have noticed that the Commonwealth, in announcing its proposals for the rationing of petrol, has intimated that it is not to apply to Government departments. Why that should be so, I have no idea, because I regard State activities as being amongst the most extravagant users of motor fuel. In view of existing conditions, we can see evidence of extravagance every day, but dealing with the State position, I have felt much disturbed over a long period of years about the ever-increasing use of motor vehicles by Government officials and the expense for fuel and other requirements occasioned thereby. Several times I have mentioned my misgivings in directions where I thought they would have some effect. At the latter part of last year I brought the matter under the notice of the Premier, and he seemed astonished at my suggestion that motor fuel was being extravagantly used. No doubt the Premier

was sincere, but I should say he is the only person in Western Australia who would not agree with me. However, he promised to take action, and the only action taken, so far as I know, was to send a weak minute to the officers of Government departments informing them that Government motor vehicles must be used for departmental purposes only. This intimation has had just about as much effect in the desired direction as has the police action in the direction of stopping starting-price betting in the streets of Perth.

During the last fortnight I have attempted, by asking questions in the House, to procure information regarding the cost of motor fuel to Government departments. 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 as 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! When such answers are given, one cannot but feel suspicious. Take the case of men in commercial firms who are responsible for the expenditure of funds. Those men must keep accounts in the books which will show at any time the cost of the services under their jurisdiction. It would be astonishing to learn of any commercial firm of any importance which destroys those books in a period of less than ten years. Most of the firms with which I am connected or of which I have knowledge carefully keep such books of record for 15 years. True, orders and requisitions are generally destroyed at the end of three years. The answer given me was that in three of our main departments orders and requisitions were destroyed in 1932 or 1933, seven or eight years ago. However, the supplying of the information for which I asked should not depend on orders and requisitions, to state what is the cost of fuel for any one

year or even any one month. Those things should be matters of book record. Records are kept in the Government service for everything, and are frequently alluded to as "red tape." That expression is used by persons who do not understand the matter, for it is highly necessary that Government departments should have careful and accurate records available for production at any time. This red tape represents an excellent system, and must be maintained in the Government service.

Hon. J. J. Holmes: There should be a record of all the petrol purchased, and how it was distributed.

Hon. C. F. BAXTER: The point is that there are users of vehicles on whom a tight check must be kept. One person running a motor vehicle gets 20 or 21 miles per gallon of petrol, whereas another person, running loose, may not get more than 12 or 13 miles. In view of the slipshod manner in which expenditure for petrol is handled in the Government service, what check is there on fuel and its use? We must keep down Government costs, in view of the strenuous circumstances. It is no use merely to talk about rigid economy. Even during last year there has been an increase of £97,000 in the cost of administration. Government departments are controlled by the Ministers, and carry out the policy of those Ministers. But the real controlling body is Parliament, and the departments should be able to account to Parliament for expenditure by way of items showing that there are no leakages. That is the only way to control the service. The Audit Department has a tremendous task, and I am afraid it does not go so far as to see that itemised accounts are there and that economy is practised in the service. Again, some Ministers are most extravagant users of motor vehicles, and certainly do not set a good example to the public servants who use Government motor cars.

Hon. J. J. Holmes: Will your motion get you anywhere? The departments state that they have not the information.

Hon. C. F. BAXTER: My motion now definitely asks for information concerning the year for which the departments say they have records. Time after time the Chief Secretary has challenged members here to show where economies can be effected.

However, that is not the duty of members. It is what Ministers are there for and are paid for—to carry out economies. The duty of members is to criticise. Still, I shall give the Minister a cue to where a saving can be made—not a saving of £40 to which allusion has been made, but many times £40 per annum. Take the many inspectors employed in the Public Service. In my opinion the duties of some of those inspectors could be amalgamated. We now have inspectors for almost everything that is operated. The duties of some of them could be amalgamated, with a resultant saving not only of salaries but of the cost of motor service and other costs as well. At one time there existed provision—an excellent provision—for inspection under the Public Service Commissioner. That operated until the last three or four years. The State is crying out for a competent man to be placed in that position. I throw out that suggestion now for the Chief Secretary to submit to the Government. An experienced man of ability as inspector for the Public Service Commissioner would carry out a duty that now is not carried out, and in fact never has been carried out. Such an inspector under the Public Service Commissioner would go through every department and sub-department of the Government, making investigations. I guarantee that in such circumstances better service, and more economical service, would be obtained from the departments. Even public servants are apt to get into a rut and merely follow in the footsteps of their predecessors. A good competent inspector such as I have in view would also keep the heads of departments vigilant in the control of the officers, because the heads would know that if they were not up to the mark the Public Service Commissioner's inspector would soon bring the fact to notice, and thus there would be reflection on their ability. After a good deal of thought, and with a great deal of faith in the value of the proposal, I suggest that the Government should set about choosing the right man for such an inspectorship. Mr. Pullin is now acting as inspector and secretary too. How he can fill both positions I do not know. If the right man is chosen for the work, the result will be economy and better working of the departments.

However, there is a case nearer home. Let us economise by reducing the present number of Ministers. I know that many people would reply to such a suggestion, "Look at the extent of the Government service." I would rejoin that if we took into account the time spent by various Ministers in their departments during the past three years, it could be shown that six Ministers could do the work very well. I say that as an ex-Minister. Undoubtedly, six Ministers could do the work. And it is not only the additional Ministerial salaries that have to be considered, but the enormous expense entailed by Ministers creating departments with the attendant heavy costs. The Chief Secretary asked me to state some cases where savings might be made. There are four cases. No doubt he will discover other cases later on. The Chief Secretary challenged me to place such opportunities of saving before him. Let us see what the Government can do with four Ministers less. We must all be prepared to help, because we cannot afford the present heavy cost of government. We must not criticise, but do what we can to assist. The number of Government vehicles in use in 1933 was 291. I asked a question on this matter last year. I did not bother to do so this year, as I was not desirous of putting the Government to the expense of preparing additional returns; last year's figure is sufficient for my purpose. In November, 1939, the number of Government motor vehicles had increased to the colossal total of 543. In seven years there was an increase from 291 to 543, or 252 additional vehicles. That will give members some idea of the increase in the use of motor fuel. It will be necessary for the departments to explain the increase to the Minister, so that when he is replying he may justify it. Steps should be taken immediately to control the use of these vehicles.

I desire to refer to another vital matter, the care of Government motor vehicles. Many people besides myself, when in the suburbs have seen Government motor cars parked in the streets all night in front of officers' residences, some under trees and some in other spots, anywhere but in a garage. Is that a fair way to treat Government property? The same state of affairs existed during the financial crisis. The Government at that time made

a hard and fast rule that every Government motor vehicle had to be garaged at night and during week-ends, instead of being taken to the private homes of officers. I am not troubling about Ministers' cars—they do not come into this picture—but about other Government cars. I do not often go into the enclosure at the Public Works Department; but, except for Ministers' cars, only one or two cars are garaged there. Where are all these other Government cars? Only one or two are parked there at week-ends.

Hon. G. W. Miles: There is some joy-riding going on, I should imagine.

HON. C. F. BAXTER: Mr. Miles is forestalling me. Perth has a wonderfully good city transport service, yet we find Government officers, in receipt of high salaries, using Government cars not only to travel to and from work, but also for other purposes. Some of these officers live from 7 to 10 miles from the city, yet they have the use of Government motor cars, the expense of which is borne by the taxpayer. All too frequently these cars are driven into the city loaded with friends of the Government officer. I do not care who these people are, the point is that the city has a fine transport service and they should pay for their transport, not be brought into the city by Government officers at the expense of ratepayers who are maintaining the services. I have seen Government officers motoring their children to school in a Government car. Frequently one sees them with their wives and friends in town shopping at week-ends. One would have to go about with one's eyes shut not to observe Government cars used for such purposes.

Hon. J. J. Holmes: Do the officers take them to church?

Hon. C. F. BAXTER: One does not see them at church; but there are large tracts of hinterland to be explored during the week-end. I quote the following letter which appeared in the "Daily News" of the 14th August last. It is headed, "Use the Trams," and reads—

Sir, On Saturday, August 10, at 4.30 p.m., after parking a W.A. Government motor car at 22 tram stop, corner of View and Fitzgerald streets, North Perth, three females strolled leisurely to a nearby shop. As a West Australian-born wife of a taxpayer, might I suggest that they use a tram?

That is a case in point, only one of many.

Hon. G. W. Miles: Civil servants work only five days a week.

Hon. C. F. BANTER: Yes, but the taxpayers find a motor car for their use seven days a week. I now wish to refer again to Government inspectors and the question of overlapping of duties. On the goldfields we have inspectors of machinery and inspectors of mines who travel long distances, as far as Leonora and Laverton and perhaps further outback. Two inspectors make the journey, but I have never yet learnt that they travel together. They never so arrange that there should be but one expense for the two on such a journey. Another point is that I fail to understand why we should have these separate inspectors. Surely the person acting as inspector of mines could act also as inspector of machinery and do all the work, more especially in war time. We could obtain competent men.

Hon. H. Seddon: But their qualifications are altogether different.

Hon. C. F. BANTER: Surely they could combine the qualifications for the two posts.

Hon. H. Seddon: No.

Hon. J. J. Holmes: They might use the train on a long journey.

Hon. C. F. BANTER: No. We have two inspectors of mines at Kalgoorlie and each has a car. Who is looking after the office while they are absent? In the Inspection of Machinery Department we have nine inspectors and seven cars. No wonder the number of Government cars has increased by 252. Why cannot inspectors in Perth use the transport services available? Instead, they use a car to make inspections at works such as Tomlinson's the engineers. They must travel everywhere by car. Mr. Seddon mentioned special qualifications; what I desire to know is where the special money is coming from to maintain anything like the services we have to-day. We must get down to some basis in order to effect tremendous savings in our present expenditure or we shall be in a sorry plight. More especially, we require the services of some of these inspectors, who are highly skilled, in making munitions. We must have the most highly qualified men for that work. We have inspectors of machinery, of mines, factories and shops, forests, scaffolding and heaven knows of how many other indus-

tries. While I may be wrong in what I said about inspectors of mines and inspectors of machinery, I still think inspectors of machinery should be able to superintend the erection of scaffolding and pass it. What is entailed? A hoist and concrete mixer—nothing else. If we continue to appoint inspectors in this way, where shall we end? There is another matter, and that is the question of the keeping of accounts. Up to the present time I have not said anything about the use of cars for Ministerial departments, but I must now refer to this side of the question. Up to 1933 the cost of Ministerial cars was kept separately and it was possible for any member to learn what expenditure was involved in running those vehicles. Mr. Hall asked a question towards the close of the 1933 session, but the figures were prepared too late for him to get them. Since then we have been told that the expense associated with the Ministerial cars are grouped with other expenses, and there is no way of ascertaining the figures. I want to know why. The question asked by Mr. Hall related to the details for the final nine months during which the Labour Government was in office and the figures for the corresponding nine months of the preceding Government. The information that we received was that during the last nine months of the Mitchell-Latham Government the expenditure on Ministerial cars was £1,800, and for the corresponding nine months of the Labour Government the total was something over £5,000. It looks to me as if something similar might be expected to-day, and that perhaps is the reason why all the costs have been grouped. That is not right. The sooner the Government system of costing transport services is separated and the expenditure of each department shown, the better will it be for the State and also for the unfortunate taxpayer. I will not take up any further time, except to say that in view of the fact that there appear to have been abuses associated with the use of Government motor cars, and because the cost has doubled itself in the last seven years, and further because the Government in control is not able to give us any figures for that period, I am justified in asking for the return so that we may learn what the position really is. At least the Government should have furnished me with whatever particulars were available

for the different departments. If that had been done there would not have been any need for me to submit the motion. The figures must be available, and as I have not been able to get any information about the year 1932-33, I am asking to be supplied with the figures for 1933-34 and 1939-40 respectively.

On motion by the Chief Secretary, debate adjourned.

BILL—PROFITEERING PREVENTION ACT AMENDMENT.

Second Reading.

HON. G. B. WOOD (East) [5.5] in moving the second reading said: In submitting this amending Bill it is not my intention to repeat the various statements that have recently been made with regard to the acts of interference on the part of the Price Fixing Commissioner. I do not wish to be misunderstood when I say that in my opinion the Profiteering Prevention Act is a very good measure and that it has done a wonderful service. I can remember that during the last war prices soared to great heights at a time when there was no control whatever. The Act now in force is serving a very good purpose, and I have no wish whatever to do anything by way of amending it that is likely to hamstring it. Something however was recently done which, I feel sure, Parliament, when it agreed to the legislation, never intended should be done. I am not going to resurrect what is well known to members as having happened recently; that is now past history, but I intend to ask members to assist me to embody something in the Act that will debar the Price Fixing Commissioner or any other commissioner repeating what was done a little while ago.

When it became known that I was introducing an amending Bill, it was suggested to me that I should make it impossible for the Price Fixing Commissioner to have anything at all to do with meat. That, however, is not my intention. I do not wish the price of meat to soar so that the consumer will be penalised; the object of the Bill will be to provide that the Price Fixing Commissioner shall not in any way at all interfere with prices that are ruled by public auction, that the Commissioner shall not in a crude way say, in effect that the

maximum price shall be 6d. or 5d., or anything like that, but that he will have power to declare that the profit shall be on a percentage basis. I submit that that will be a fair and equitable way of dealing with the question. For instance, at an auction sale the wholesaler will pay £1 or £2 for his beef, and his profit will be subject to a percentage basis. The Price Fixing Commissioner shall have power to say, "You are not going to charge the consumer what you like; you can only charge 15 per cent. or 20 per cent on your outlay or what is a fair thing after investigation." I do not think there is anything wrong about that. The Profiteering Prevention Act was passed to prevent people, during the period of the war, being exploited. Similar legislation was submitted before the war but we rejected the Bill. Later it was again submitted after the war had started and we passed it because it was recognised that some people would create a monopoly and proceed to exploit the community. By the greatest stretch of the imagination it cannot be thought that the primary producer on sending his stock to the market can be regarded as a profiteer. He has no control over the price of his goods; he has to be content with what the butcher will give him. Even when a butcher buys stock privately in the country the producer cannot say "I want so much for it." If he does that he will be told what the Midland Junction prices were the day before. The whole industry is ruled by the sales at Midland Junction, and therefore I submit that the producer of beef or mutton should not be subject to the Profiteering Prevention Act. A good deal has been said about what it costs to produce meat, but I do not intend to repeat what has already been said. Mr. Piesse gave an example the other day and I could quote many also, applying not only in a drought period but at other times. We know that throughout the autumn months it costs a good deal to hold bullocks or sheep in a fat condition. The farmer has quite enough to contend with by being subject to prices prevailing at Midland Junction, without having the Commissioner stepping in as well. Anyway, I have no intention of going into past history; my sole desire is to make the position secure for the future. What has been said by members proves my con-

tention regarding the little say the primary producer has in the matter of prices he receives at Midland Junction. I have a graph which shows the manner in which prices fluctuate and proving that the producer has no say at all in this respect. The graph shows that over a number of months prices fluctuated from 12s. to 37s. In 1932 the average was about 16s. per head or 3d. per lb. Take away the skin and the butcher would receive for his meat about 2½d. or 3d. per lb. On the 3rd July only a small proportion of the sheep went over 30s. per head, and just because of that the Commissioner, who might be said to have lost his head, rushed in and declared that there would have to be a maximum price. I have some dockets showing the prices to which sheep went at Midland Junction: Some went to 37s. and one went to £2. Then pressure was brought to bear on the Price Fixing Commissioner but he did not actually threaten to invoke the Act if the maximum price was not fixed at 6d. It is practically impossible scientifically to fix the price of fat stock; it cannot be done. There is something very different about every bullock and every sheep that goes into the market.

Hon. J. J. Holmes: They might have separate values.

Hon. G. B. WOOD: That is so. In the case of bullocks from the North, the skin of one may be different from that of another, and the same principle may apply to the entrails. Some of the beasts are small, some are of good quality and others of bad quality. Because a few sheep went up to 37s. 6d. and £2 a head, the Price Fixing Commissioner took the action he did. That official might have said to motor car manufacturers, "The maximum price of every motor car shall be £400," regardless of quality. He might have said, to the vendors of batteries that they could charge only £2 per unit, regardless of whether the battery was good or bad. Prof. Copland did not attempt to interfere with the price of meat, because he knew how impossible it was to do that on a fair basis.

The Bill seeks only to leave things as they are at Midland Junction. Meat will still remain under the jurisdiction of the Price

Fixing Commissioner when it reaches the butchers' hands. The Bill says—

There shall not be a declared price for any commodity mentioned in the Schedule of this Act, but the Governor may from time to time, on the report and advice of the Commissioner under Section 11 of this Act, by proclamation fix and declare in respect of such commodity, on a percentage basis, the maximum margin of profit (calculated on the actual cost to the trader of the commodity sold) which is to be allowed to the wholesale or retail trader on the sale of such commodity.

Surely that is fair. It definitely protects the consumer. If members will peruse the Bill they will see that it is a clever one. It does not seek to protect any one class of people. Not only does it protect the producer, but the consumer as well. The producer will still be subject to the auction system. He can never be regarded as a profiteer. The meat comes under the control of the Price Fixing Commissioner as soon as it reaches the hands of the butchers, and he will always be in a position to fix the profits of the wholesale and retail butcher on a percentage basis. That would be a better system than one which involves the fixing of the maximum price, regardless of what the cost may have been either to the producer or the butcher. If the parent Act is still held over the producers for the next two years, they will not attempt to put fat stock on the market other than those that fatten in the ordinary course of events, running on natural feed. I cannot imagine that they will put 5s. or 10s. into their sheep in an ordinary season, with a view to making a little profit, when they fear that something may happen to their stock at Midland Junction. The auction system is rotten enough already. Producers are knocked about a great deal by that system without having the other menace to contend with as well. We are prepared to adhere to the auction system, bad though it may be. I appeal to the Minister to allow that system to work out its own destiny, and to agree to this amendment to the Act, so that the Price Fixing Commissioner may not get panicky and act foolishly, as he has done in the past. When the market price went up a little while ago, the position would have righted itself without interference in the course of a few weeks. I have shown by a graph the manner in which prices came down. No protection was af-

forded to the producers. They had to stand by prices of 2d. or 3d. per lb. or anything the buyers liked to give. Immediately the specialists put a few fat sheep into one or two markets and got back a little of their money—and little enough that was—in walked the Price Fixing Commissioner. No doubt he acted under instructions, probably from the Minister who controls a position of that kind.

Hon. A. Thomson: That is the suggestion.

Hon. G. B. WOOD: If the Minister was the Chief Secretary, I think he was probably told by the Government what to do.

The Chief Secretary: That is an entirely wrong assumption.

Hon. G. B. WOOD: I am prepared to accept that statement, but it makes the position all the worse. It seems that the wholesale butchers waited on the Price Fixing Commissioner and told him what to do. They put forward their standard of prices and said, "We want these prices, Mr. Commissioner," and he fell for that suggestion. The primary producers do not want prices to soar and do not want to exploit the public

Hon. V. Hamersley: They want all they they can get.

Hon. G. B. WOOD: If prices soar through the action of the wholesale butchers, the consumption will fall. The Bill will undoubtedly protect the consumer. I want members who represent the large consuming provinces to recognise that fact. I also point out that up to the time the Act was passed the consumers were not protected. I move—

That the Bill be now read a second time.

On motion by the Chief Secretary, debate adjourned.

BILL—RURAL RELIEF FUND ACT AMENDMENT.

Second Reading.

HON. A. THOMSON (South-East) [5.23] in moving the second reading, said: This Bill has been most carefully considered by the Country Party. Three years ago that party appointed a committee to find ways and means of accomplishing that which this measure seeks to achieve,

namely, to give to those engaged in rural industries the right to obtain some relief from secured creditors when that is deemed necessary by the trustees of the Rural Relief Board. The Bill will enable those people to avoid the Bankruptcy Court, and after a strict examination, to have portion of their indebtedness frozen. Sir Earle Page, then Leader of the Federal Country Party, a man of considerable practical experience and knowledge, realised the severe disabilities from which the rural industries were suffering owing to adverse circumstances and bad seasons, the burdens imposed upon them by low prices, and the high protective policy of Australia. He induced the Federal Government to provide a fund to assist those engaged in rural industries. By means of the Farmers' Debts Adjustment Act and the Rural Relief Fund Act, which this Bill seeks to amend, money was made available in an attempt to rehabilitate the agricultural industry. Whilst that legislation has brought a certain amount of relief, no provision was made for reducing any portion of the debts of secured creditors. This Bill is the result of the considered deliberations of the Country Party as a whole. It seeks by statute to assist those engaged in rural industries to obtain a respite from payment to secured creditors, for a period, of interest greater than the property can meet, when it is properly worked. Low commodity prices and adverse seasons have led to the compounding of interest, and the position has been reached when—although probably the original advance was equal to about 40 per cent. of the estimated value of the property—with depreciated land values, holdings, if forced upon the market, would probably not meet the amount of the accumulated debt. I know the majority of financial institutions have assisted in keeping their clients on their properties, and are still doing their utmost in that direction. This measure provides for a productive valuation of the property based on an eight-years' average return covering other properties in the district, taken from or provided by the Government Statistician.

Hon. J. J. Holmes: Who would arrive at the valuations?

Hon. A. THOMSON: The board would do that. An eight-years' average would pro-

vide a fairly reasonable estimate of the productive capacity of any property.

Hon. J. J. Holmes: Irrespective of the seasons?

Hon. G. W. Miles: And the man's work? One man will make a profit and another a loss.

Hon. A. THOMSON: I am dealing with the average, not with the man who does not work. This Bill is not intended to help such a settler. If a man is loafing on his property, I have no desire that he should be permitted to remain there. Such a man is no good to himself, to the property or to the financial institution that is involved.

Hon. J. J. Holmes: That does not help the man who is working.

Hon. A. THOMSON: Such a man will receive assistance if this Bill becomes law. An eight-years' average provides an equitable basis to work upon, and is just to all concerned. When the trustees have ascertained the actual productive value of the property by this means, they will then be in a position to say to the secured creditor, "We consider, after providing for reasonable sustenance, rates and taxes, that for a period of years, not to exceed six, this property can only meet interest on a stated amount. We consider the balance should be put into cold storage, and that no interest should be paid on the frozen principal." If a man is forced off his farm, he will be in no position to pay anything. Legislation of this kind is in existence in other parts of the world.

Hon. J. J. Holmes: Exactly the same legislation?

Hon. A. THOMSON: Similar in effect. No interest will be paid on the frozen principal during the period when it has been determined that the farm is not in a position to provide interest out of the income its productive capacity enables it to earn.

Hon. J. Nicholson: It will help the security if no interest is paid.

Hon. A. THOMSON: The security will be improved by this process.

Hon. J. Nicholson: And it may induce other people to take up the property.

Hon. A. THOMSON: We will see. I hope other members will not be as satirical as is Mr. Nicholson. The Country Party has been considering this matter for three years. It has arrived at the decision that the Bill provides one method whereby we

can possibly rehabilitate the farming industry. The period of suspension may last for two years or six years.

Hon. J. Nicholson: Or it may be for ever.

Hon. A. THOMSON: If that be so, there is no use in farmers staying on their properties. Were the hon. member in that position on a farm of his own, he would not like to stay there. At the end of the period of suspension, which may be for two years or six years, the position will be reviewed. If conditions have improved, no honourable man would expect to continue in receipt of the benefits, nor would the trustees of the Rural Relief Fund permit him to evade his just responsibilities.

Hon. J. J. Holmes: His secured creditors would have to wait for six years to find out where they stood.

Hon. A. THOMSON: The farmers can be put off to-day if the courts will permit that action to be taken. I remind the House that the position is serious, and we desire to retain on the land people who have spent so many years in fostering the rural industry. If members are anxious to have a wholesale evacuation of our farms, well and good. Let them reject this proposal and carry on as they deem fit.

Hon. J. J. Holmes: Better to have that than a wholesale evacuation of money from the country.

Hon. A. THOMSON: There are some considerations of more importance than money. One is that we shall keep the men on the land and provide them with some recompense for the many years of toil and labour they have spent in building up assets for the State. As I have already mentioned, no honourable man would expect to continue at the reduced rate should conditions generally improve, nor would the trustees permit him to evade his just responsibilities if the position were so improved at the end of the period of suspension as to enable the individual to pay more than the trustees had determined was fair and equitable during the suspension period. Unfortunately, despite men having worked their holdings to full capacity and to the utmost of their power and ability, should the position not improve, then the trustees, it is proposed, will have power to reduce the principal by writing off part of the secured debt. On the other hand, if the position improves, then

the trustees would probably say to a farmer, "You are on the high road to recovery and we are delighted. Therefore to give you every opportunity finally to get on your feet, we will increase the amount of interest for which you are responsible. We will do that for a further year or two in order that we may see how your affairs progress. We shall grant you a further period of suspension such as is deemed advisable in the interests of yourself and of the financial institutions." If, unfortunately, that should not be the position, then portion of the farmer's indebtedness would be written down by the trustees automatically. Rural relief provisions have given much assistance to the farming community through the writing down of indebtedness to unsecured creditors to the advantage of secured creditors. In fact, it is only by means of a stay of proceedings through the Rural Relief Fund authorities that many men are still upon the land. Country storekeepers have received as small a return at 2s. 6d. in the pound and many other creditors have received even smaller amounts. That has resulted in going some way towards rehabilitating farmers and keeping them on their holdings.

Hon. H. V. Piesse: There are many instances of storekeepers who are still waiting to be paid.

Hon. A. THOMSON: That is so. I have briefly outlined the purpose of the Bill which I suggest is essentially one for consideration in Committee. I appeal to members to pass the second reading of the measure, for it deals with a matter of vital importance. If this assistance is not rendered now, sooner or later we shall have to face the position. Even to-day a large section of the community is asking that a moratorium shall be decreed. If we can legislate along the lines I have indicated, the effect will certainly be beneficial to the farmers and to the financial institutions involved. Furthermore, Clause 8 has been embodied in the measure and the effect of that provision is that the amendments set out in the Bill will have no effect upon the Crown.

Hon. J. Nicholson: What about Agricultural Bank mortgages?

Hon. A. THOMSON: I am coming to that. The Bill will not affect the position of those mortgages. That is the position under

the Act and will remain so if the Bill be passed. Clause 8 specifically sets out that the amendments will not be binding, nor have effect, upon the Crown. If I were to propose anything to the contrary, the President would rule me out of order. In effect, the Bill seeks to place the secured creditors in the same legal position as the clients of the Industries Assistance Board and the Agricultural Bank.

Hon. H. Seddon: That will involve a pretty heavy load to carry.

Hon. A. THOMSON: At present they have power, provided the farmer is worthy of consideration and has done his best as a client of those institutions, but has failed owing to adverse considerations such as low prices, bad seasonal conditions and possibly the element of bad luck, to write down the value of the securities of that client. We amended the Agricultural Bank Act to provide for the adoption of that course. At one stage the problem occasioned considerable discussion and we appealed to the then Premier on the matter and urged him to provide the bank with legal authority to conserve the interests of the good settlers. Formerly, if the man's position had reached the stage at which he could not meet his commitments, the only course open was to push him off his property, advertise the farm as available for selection, and thereafter permit another man to take over that improved farm at a greatly reduced figure. We then argued, as I argue to-day, in an endeavour to impress upon the Premier the fact that a man who had spent ten or 20 years of his life in developing his farm should be entitled to the advantage of any such reduced figure in preference to some newcomer being permitted to secure that advantage. Surely members will agree with that contention. If any man is entitled to the benefit of a reduced price attached to any property, he is the man who has spent years on the property and developed it to the best of his ability, rather than some newcomer.

Hon. G. R. Wood: He does not always get that advantage.

Hon. A. THOMSON: But the trustees of the Agricultural Bank possess the necessary authority to do that, and all we ask is the application of that principle.

Hon. J. J. Holmes: It is to be compulsory.

Hon. A. THOMSON: Yes, and it is compulsory with regard to the Agricultural Bank trustees.

Hon. J. J. Holmes: No.

Hon. A. THOMSON: Yes, inasmuch as if a man is not able to meet his commitments, they can say to him, "Considering that you have been for so long on your property and have worked hard, and seeing that it is not all your fault that you have not been successful, as the value of the property is to be written down, we will give you the opportunity to carry on at the reduced valuation."

Hon. J. J. Holmes: How do you propose to handle advances from the Commonwealth Bank?

Hon. A. THOMSON: Possibly I will deal with that phase.

Hon. J. J. Holmes: But it is beyond our jurisdiction.

Hon. A. THOMSON: Exactly.

Hon. J. J. Holmes: Then you propose to set up two different sets of conditions.

Hon. A. THOMSON: In what way?

Hon. J. J. Holmes: You will have two sets of conditions.

Hon. A. THOMSON: What can be done with respect to the clients of the I.A.B. and the Agricultural Bank can be done morally, if not legally, by the private institutions.

Hon. J. J. Holmes: But you still have the Commonwealth advances that cannot be written down.

Hon. A. THOMSON: If we cannot affect them, let us deal with those that we can. If the Commonwealth Bank is such a marvellous institution that it will provide people with money for nothing, as some individuals imagine, let us all avail ourselves of the opportunity, and the sooner the better. The Commonwealth Bank to-day is busy taking clients who are in a good position, but will not deal with those who are at all risky.

Hon. G. B. Wood: They have one or two.

Hon. A. THOMSON: Not too many! Clients will not be taken over if they are not considered quite safe.

Hon. H. V. Piesse: Not to-day.

Hon. A. THOMSON: Yes, I can give the hon. member two instances of which I have personal knowledge. The bank has taken away something that was considered a good security. I do not claim that the institution is robbing the other banks, but certainly it is taking business regarding mortgages and so forth from private individuals. Instead of compelling a man to become bankrupt and forcing him from his property, the bank should afford him an opportunity to carry on rather than place his property on the market for sale or lease. If the indebtedness of his property is reduced, then the farmer who has worked the holding should reap the advantage. We want that benefit to be granted by the financial institutions, not to anybody and everybody but only in those instances where, after due inquiry and strict examination of the situation, the trustees, acting under the provisions of the Rural Relief Fund Act, consider such assistance to be warranted.

Hon. J. J. Holmes: That would suit me all right, because I would never get any more money with which to carry on!

Hon. A. THOMSON: If I may judge by the interjections of some members, they regard the proposal as amounting to repudiation, and the breaking of solemn contracts. They seem to think that if the Bill be agreed to, the effect will be apparent in restricted credit for the farmers. I do not agree with such views. Similar legislation is in operation in Victoria and New Zealand and the result there has not been to freeze the credit of farmers. On the other hand, the legislation has rehabilitated and stabilised the position of farmers in Victoria and New Zealand.

Hon. H. V. Piesse: And brought about compositions more freely.

Hon. A. THOMSON: Exactly, and has afforded farmers some hope of winning through, some encouragement to continue their work. The legislation has lightened the load considerably, to the great advantage of the State, of the financial institutions and of the farmers themselves. If the Bill be agreed to, the effect will be to enable the trustees on behalf of the Government, and the financial institutions to do legally what private individuals are doing to-day. If a man has a mortgage with me and states his case, I say "Very well, you can only

pay so much; we will freeze the remainder." I have done it and I know other people who have said, "We will allow the amount to stand over for a period."

Hon. G. W. Miles: That is all right; that is voluntary.

Hon. A. THOMSON: Yes. Now we are dealing with institutions which are not in a position to do it voluntarily because of the existence of shareholders. Their only method is to push a man off a farm or to put the place up for sale. That is legally the only way it can be done by financial institutions. The Commonwealth has properly taken the right to restrict and reduce interest and to prevent profiteering. The Commonwealth practically broke a contract when it effected that allegedly voluntary conversion of war bonds at a rate of interest reduced from six per cent. to four per cent. That did not greatly affect the financial institutions or those who voluntarily converted under a threat of compulsion.

Hon. J. J. Holmes: The Commonwealth did not write off the principal.

Hon. A. THOMSON: No, but it broke a contract. People who took those bonds were assured that they would receive six per cent until such time as the bonds expired. So the Commonwealth itself has in effect established a precedent.

Hon. G. W. Miles: That was a voluntary conversion.

Hon. A. THOMSON: We know it was, and we want the banks to be in the position legally to do voluntarily what we request exactly as the Commonwealth Bank was able to persuade people to accept two per cent. less on their bonds. Some refused. I do not know how they fared, but I believe they were compelled to accept the reduction, and to convert at the lower rate. I do not say that I have any objection to that. I believe the conversion was in the interests of the Commonwealth.

Hon. H. Seddon: It was immoral.

Hon. A. THOMSON: If it was immoral, at any rate it was a precedent established by the Federal Government.

Hon. G. W. Miles: And you want to follow in the footsteps of the Federal Government?

Hon. A. THOMSON: Yes, because I believe this measure is in the interests not only of the farmers, but also of the financial institutions.

Hon. E. H. H. Hall: The circumstances demand it.

Hon. A. THOMSON: We have a precedent established by the Federal Government and we know that similar legislation exists in Victoria and New Zealand.

Hon. J. J. Holmes: I do not like the word "similar."

Hon. A. THOMSON: Well, the legislation is not exactly word for word with this Bill, but the effect is similar in that writing down is provided for and in those other places that writing down has been exceedingly beneficial. The legislation in Victoria and New Zealand has not proved detrimental either to the creditors or to the debtors and I hope the House will agree to this measure. If men are forced to leave their properties they must become a charge on the State. Hon. members are aware that at one stage many men were leaving the group settlements and the position became so serious that the then Government—I think it was the present Administration—issued instructions that no sustenance work was to be given for a period of three months to men who left a group. The situation to-day is much the same. Farmers ask me whether they have any chance of securing work on the roads and I tell them I do not think they have any hope at all. So that by pressure in one direction the Government is seeking to keep people on the land.

Hon. V. Hamersley: It is a form of compulsion. There is only one avenue open to them.

Hon. J. J. Holmes: The group settlement scheme cost this country nine millions of money.

Hon. A. THOMSON: The settlers cannot be blamed for that. I am glad the hon. member mentioned the matter. We find that the State, in order to stabilise the group settlements, wrote down the values of properties to a considerable extent, and the Government is now saying to new settlers, "Come along, here is a wonderful opportunity for you to take up land." I recently had the privilege of speaking at the opening of the new Denmark butter factory and I felt very sad as I looked round that large gathering and saw so few of the original settlers present. Many folk gave their best years working on those settlements and

though a number failed, the fault was not all theirs. They were driven off their farms. Had a little more leniency and consideration been extended to some of them, they would have been better settlers and more valuable residents of the State than they are to-day. After all the work they carried out on their holdings they are now working on the roads for sustenance, and in that way have become an additional burden on the taxpayers of the State. Far better would it be, by means of the legislation I have introduced, to encourage men to remain on the land and cultivate the soil. By doing so they would create new wealth for the State, increase the avenues of employment, and stabilise the values of land. A wholesale evacuation from the farming areas will be disastrous, not only to the State as a whole, but to the financial institutions as well.

Representatives of the North-West have made interjections concerning the position of the pastoralists. I regret that we have not before us the finding of the Royal Commissioner appointed to inquire into the pastoral industry. He has a very difficult task in preparing his report. We are all aware of the disasters experienced by the pastoral industry in the last six or seven years as the result of drought conditions. Flocks have been decimated year after year until the indebtedness per sheep has reached an appalling figure. The Government has done much to assist the pastoral industry by the remission of rent.

Member: The Mitchell-Latham Government began those remissions.

Hon. A. THOMSON: Yes, but the present Government is carrying on the good work. It is faced with a difficult task. I cannot perceive how the Government will be able further to assist the pastoral industry. It cannot possibly say to the pastoralists, "We will give you money to rehabilitate yourselves." Possibly advances could be made to assist men to re-stock, but that again would benefit the financial institutions which have a grip on the pastoralists. I appeal to my friends representing the North-West to give this measure very serious consideration before opposing it. I ask them to reflect on the result its rejection will have on the pastoralists in

their electorates. I had hoped that the report of the Royal Commissioner would have been available.

Hon. J. J. Holmes: You would have been wise to wait for the report.

Hon. A. THOMSON: I could not. We have waited too long already. This measure has been submitted on two previous occasions. It was introduced in the Legislative Assembly last year, but did not reach this House until the closing hours of the session. I had the privilege of introducing it on that occasion, but hon. members of this Chamber did not have an opportunity fully to consider the benefits that would accrue from its adoption.

Hon. G. W. Miles: You did not have us much confidence in it then as you have now.

Hon. A. THOMSON: If I had not had confidence in it I would not have introduced it. I am one of the hon. members who was consulted about the matter, and I assure members that the measure is of great importance to that section of the community to which I belong and to the party I have the honour to represent. I hope the measure will receive sympathetic consideration from members representing the North-West because I believe that if it is adopted it will be the means of helping to rehabilitate men who have experienced disastrous times in the pastoral industry. The situation of the pastoralists has occasioned the Government a good deal of concern. Apart from that, a number of men who have borne the heat and burden of the day in the North-West are faced with the fact that whereas they had looked upon their properties as providing them with a competency for life, they find that their holdings are a heavy liability instead. The measure was brought to this Chamber at the eleventh hour last session shortly before the House rose. It has been introduced earlier on this occasion and I appeal to members to consider it carefully because its acceptance will have a beneficial effect on the rural industries of the State, and on the stability of the financial institutions upon whom some people seem to think the sponsors of the measure seek to inflict a grave injustice. I appeal to the House to take the long view and consider what is best for the State. If members do that I am sure the Bill will be passed. That something of this kind should be

done is absolutely imperative and that it should be done as quickly as possible is essential. I hope members will not be carried away by the suggestion that the measure is designed to injure anybody. Its aim is to benefit both the farmers and the financial institutions. I move—

That the Bill be now read a second time.

On motion by the Chief Secretary debate adjourned.

BILL—INSPECTION OF MACHINERY ACT AMENDMENT (No. 2).

Second Reading.

HON. C. F. BAXTER (East) [6.0] in moving the second reading said: This short Bill contains three amendments, which were suggested to my mind when the measure of last session was before the House. There are three provisions in the Act that need to be rectified. The Bill is not in any way controversial. I consider that no controversial legislation should be brought before Parliament in such serious times as the present. The Bill of last session was highly controversial and would have imposed very heavy burdens on industry. The national emergency is such that this is not the time for extending and experimenting with innovations to the conditions of industry as the whole of our energies should be applied to prosecuting the war to a successful issue. The Act is comprehensive and far-reaching enough for the war period at least, though stricter administration should give better results. The exemptions provided in the Act could be enlarged without extending the scope of the law, thus giving greater relief to industry and reducing administrative costs. Inspection Acts of this kind are intended to apply more to industrial concerns than to those privately owned. If a farmer or orchardist wishes to crush corn or cut chaff occasionally for his own use, why should his machinery be subject to inspection under the Act? If a boiler is used to generate power, I think it should come under registration and inspection, though in some of the other States such a boiler would be exempt.

The first amendment is to Subsection (7) of Section 4. The existing exemption covers oil engines up to 6 h.p. used by agriculturists, orchardists and pearlers, and I propose that this be extended to apply to

any internal combustion engine or electric motor used by a farmer, market gardener, orchardist, dairyman, pastoralist or pearler in pursuit of his calling. Section 14 of the Act empowers the Governor by Order-in-Council to declare that any kind of machinery shall cease to be subject to the Act. This power was exercised by Orders-in-Council in 1922. One of them exempts electric motors of any horse-power not driving dangerous machinery, used by agriculturists, pastoralists, orchardists and dairymen. Is there greater danger in driving a chaff-cutter with a 10 h.p. oil engine than with a 10 h.p. electric motor? Yet there is a distinction between the two current exemptions. These exemptions are inconsistent, and therefore a definite exemption should be established.

The advent of power farming has brought the tractor into general use, and many farmers now use a tractor to drive chaff-cutters, wheat-graders, etc., instead of a smaller engine. Under the Act the farmer is compelled to register the tractor, and inspection becomes necessary simply because the power of the tractor exceeds 6 h.p., whereas much less than 6 h.p. is being used in the operation. Though the tractor must be registered and inspected while using only half its power, it can be used for all other farm work, developing its full power, without registration or inspection. Admittedly the department does not enforce this provision rigidly at present, but the day might come when it will, and I think now is the time to amend the Act to show clearly what is desired. Members will appreciate that a farmer can do anything he likes with a tractor in the way of ploughing and harrowing, but if he puts a belt on the pulley to drive a chaff-cutter or other machine, for use apart from cropping operations, he should register and come under inspection. I suggest that where any danger exists, power-driven farm machinery should have standard guards attached before leaving the premises of the manufacturers. If the amendment is not agreed to, the extension of the use of tractors will necessitate our having an army of inspectors travelling around the country at a cost far above the amount received for inspection fees, thus inflicting a further burden on the producers. We should show consideration for those farmers who have done away with horses and have brought

tractors. They should not be placed in the position of having to buy another engine for chaff-cutting, etc., when the tractor they have can do the work.

The second amendment, which is to be made to Subsection (1) of Section 53, will be the means of ensuring that all winding engines are under certified control. I do not infer that owners fail to realise the advisability of having certified drivers and employing them in all cases. As a matter of fact, they do. I have been advised that mine owners and the Engine Drivers' Union are agreed upon the need for this amendment. The existing section has application to steam and air winding engines only, and overlooks the electric winder. The section became law in 1921 and electric winders were in use at that time. Why they were not included in the Act, I do not know. I can only suppose it was due to some oversight in the drafting. If members read Section 56, they will find that the winding certificate is available for any winder, but power is lacking in Section 53 to enforce its application to electric winders. The point might be taken that the Mines Regulation Act requires certificated control of all winders. No doubt that is correct, but surely the Inspection of Machinery Act is the proper place for this authority. Briefly, the effect of this amendment is to include electric winders in Section 53.

The third amendment, which affects the second schedule, will bring under full control of the Act all passenger and goods lifts irrespective of where they are situated or the purpose for which they are used. No one can deny the need for regular and careful inspection of lifts that carry human freight or large loads of merchandise. I feel that sufficient reasons have been given to justify the acceptance of all three amendments. The first amendment will provide a long-felt want; it is necessary from the producers' point of view and will result in a saving of Government funds. The other two amendments will have the effect of regularising present and past practice. I move—

That the Bill be now read a second time.

On motion by the Honorary Minister, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [6.11]: I move—

That the House at its rising adjourn till Tuesday next.

Question put and passed.

House adjourned at 6.12 p.m.

Legislative Assembly,

Wednesday, 28th August, 1940.

	PAGE
Question: Defence Forces, civil servants' privileges	478
Leave of absence	474
Bill: Financial Emergency Tax Assessment Act Amendment, 1A	474
Papers: Case of Martin Chadwick	474
Return: Ministers and public servants, visits to Eastern States	480
Motions: Bernie's caravan, to inquire by Select Committee	476
Health Act, to disallow by-law	497
Fire Brigades Act, to disallow regulations	500
Dentists Act, to disallow regulations	501
Builders' Registration Act, to disallow regulation	502

The **SPEAKER** took the Chair at 4.30 p.m. and read prayers.

QUESTION—DEFENCE FORCES.

Civil Servants' Privileges.

Mr. NORTH asked the Premier: In view of the announcement by the Prime Minister that the defence forces of the Commonwealth are to be increased to a total of at least 250,000 men, will he inform the House whether a civil servant desirous of joining those forces will, by so doing, lose all or any privileges, such as long service leave, seniority, or superannuation?

The **PREMIER** replied: All privileges are retained by permanent employees who volunteer for active service or are compulsorily called up for home defence. Employees who volunteer for full time home defence are given leave without pay during which privileges are suspended. The decision of the Government and the reasons are fully set out in my statement in the "West Australian" of the 22nd December, 1939.