

the scale, leaving the matter to the employee and the broker. Progress might be reported after proposed Subsection 1 has been disposed of.

Hon. J. NICHOLSON: I doubt whether members regard proposed Subsection 1 as vital. The law for years has been that the employment broker shall receive one-half of the fee from the employer and the other half from the employee. The clause creates something new. Hon. members should have an opportunity of thinking over the whole position in the light of the amendments Mr. Holmes has in view. Progress should be reported now.

The HONORARY MINISTER: I have no objection to progress being reported. The law as stated by Mr. Nicholson shows that the present position is unfortunate. In many cases employment brokers do not attempt to collect half the fee from the employer. As to that point, I gave considerable information when moving the second reading. In the great majority of cases the employee is the only one who pays.

Hon. Sir Edward Wittenoom: My experience leads me to think you are wrong.

The HONORARY MINISTER: My authority is the Chief Inspector of Factories. I have evidence on the point here. Quite recently a Perth employment broker informed the Chief Inspector that when she presented her bill to a large cafe proprietor for the payment of her fee, the proprietor said, "I never pay," and tore up the bill. The same broker further said that another Perth employer had offered her the work of engaging employees for him provided she made no charge, as, he added, was the case with other brokers. There being no provision that a charge shall be collected from the employer, the result is too frequently that the employee is the only one who pays anything at all.

Hon. J. J. Holmes: Under this provision the broker will get the fee from the employer or not at all.

The HONORARY MINISTER: If hon. members will consider Mr. Holmes's amendments as a whole, in conjunction with the clause, they may possibly take a different view.

Progress reported.

House adjourned at 10.40 p.m.

Legislative Council,

Friday, 15th December, 1933.

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

QUESTION—DAM CONSTRUCTION, REDUCING COSTS.

Hon J. M. MACFARLANE asked the Chief Secretary: In view of the statements made by Mr. W. H. Shiels, B.Sc., C.E., London and Australia, supported by plans lodged with the Public Works Department, that he can effect a saving of 66 per cent. in the construction of dams for water conservation,—(a) has the matter been brought to the notice of the Minister concerned by the departmental officers? (b) has the Department availed itself of these plans and proposals: if so, to what extent?

The CHIEF SECRETARY replied: (a) Yes. (b) The proposals have been duly considered, but not adopted.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.35] in moving the second reading said: The main purpose of the Bill is to ensure the continuance of the parent Act, subject to certain slight amendments which experience has proved are necessary. The provisions of the Act first became operative for the season March 1931 to March 1932, and, during that year, 415 settlers were carried on, the sum of £167,000, including cash advances and goods in kind, being made available by creditors, to permit of 230,000 acres being cropped and 100,000 acres being fallowed. The price received for wheat for that season averaged 2s. 9d. per bushel and advances were repaid practically in full. In addition, £65,000 was distributed between mortgagees, machinery

merchants, land rents, rates, taxes etc. For the season 1932-33, the total number of settlers carried on was 580, and £265,500, including funds released by creditors and the value of goods in kind, was made available to crop 250,000 acres of which 236,000 acres were under wheat, and to fallow 167,000 acres. The season was not so successful, as some districts suffered from floods and frost, and the average price realised for wheat was only 2s. 5d. per bushel, but, despite this, £221,000 was repaid and, in addition, £26,000 was distributed to the various creditors. For the current season, 1933-34, 512 settlers are being assisted; 478 of these were also helped during the previous season. These settlers have seeded 237,000 acres and are expected to fallow 166,000 acres.

The method of finance for the current season was arranged as follows:—

	£
New moneys to be advanced by Associated Banks	66,833
Moneys, including horse loans, to be advanced by Agricultural Bank	1,238
Proceeds released by creditors ..	51,158
Supplies in kind, super., etc. ..	106,741
Supplies provided by settlers, ex subsidy	11,065
Total ..	£237,085

It will thus be seen, that, in view of the unsettled condition of the wheat industry, the response of the creditors has been very satisfactory.

The operations under Section 13B, which provide for bills of sale, and do not necessitate the issue of stay orders, have been—

1931-2 season, area cropped, 48,000 acres; total advances, £41,000.
1932-33 season, area cropped, 56,000 acres; total advances, £51,000.
1933-34 season, area cropped, 68,000 acres; total advances, £78,000.

The total number of applications approved under this section has been 325. Since the inception of the Act, 601 successful meetings have been held; 944 stay orders have been issued; in 62 cases satisfactory arrangements have been made and stay orders have been withdrawn, whilst in 281 cases it was not found possible to make any satisfactory arrangements. It is not proposed to make any drastic amendments to the Act, but certain existing sections require revision. Clause 2 of the Bill proposes to enlarge the definition of the word "farmer"

so as to include any executor or trustee carrying on the business of a deceased farmer under the terms of a will, deed, or trust, or under the authority of an order of the Supreme Court. Clause 3 of the Bill is designed to define more clearly the amount of fees chargeable against the farm proceeds, as remuneration to the receiver, and it provides for a minimum of £10 10s., and a maximum of 3 per cent. of the proceeds, provided that in no case shall the total remuneration exceed £30 in any one estate.

Hon. J. Nicholson: Is that not a fairly big alteration?

The CHIEF SECRETARY: I do not know whether it will be considered a serious amendment, but we can discuss that at the Committee stage. The provision in the parent Act became contentious in view of the fact that it is not stated whether the £10 10s. is to be an annual charge in addition to the 3 per cent. of the proceeds. This amendment will clarify the position.

The section in regard to out-of-pocket expenses is also the subject of an amendment in order to limit, as far as possible, the claims for such expenses. Clause 4 provides that a receiver appointed shall be empowered to take over and administer the whole of the assets of a farmer who seeks the protection of the Act. Provision is also made to ensure the continuity of the stay order, and the authority of a receiver over any period of the adjournment of meetings. This will obviate the necessity to issue fresh stay orders in each new season, and will allow the receiver to carry on for more than one season where necessary. It will also mean a saving in work and fees, and will prevent congestion of work in the head office.

Cases have occurred in which execution creditors have seized horses, and consequently seasonal operations have been seriously interfered with. A stay order stays action, but does not provide for the temporary release of any assets seized. So provision is now made that, on the execution of a stay order, any property that a creditor may have seized or attached, shall be handed over to the receiver to utilise or dispose of as may be necessary. A further desirable provision has been made to enable the director to employ a Government auditor to audit all receivers' accounts. Another small amendment stipulates that, when a stay order lapses through effluxion of time or other cause, the

receiver's authority shall continue until any arrangements made at a meeting of creditors have been finalised.

Clause 7 proposes to insert a new section to provide for carrying on the affairs of a farmer who may die during the currency of the stay order, until a meeting has been held to decide future action. Clause 8 provides that if a farmer's creditors are fewer than three in number then all, or their representatives, must be present at a meeting to form a quorum, but if they are more than three a quorum shall consist of three creditors, or their representatives. Clause 9 (a) makes it necessary for a farmer to obtain the director's consent to encumber or part with any of his property, instead of the consent of the receiver, as now provided, and (b) permits the director to consent to a mortgagee making further advances for any improvements or stock calculated to be of benefit to the farmer and those concerned in his affairs. Crop liens will be dealt with as formerly, as authority will be delegated to deputy directors. Another very necessary provision is that wire netting instalments shall rank in priority after current season's costs. This is necessary owing to the fact that many farmers have been supplied with wire netting by the Lands Department under the Wire Netting Act, and the Government have to pay the interest and sinking fund charges as they become due.

Clause 10 of the Bill is simply a re-draft of Section 13A of the principal Act. It has been found that the wording of that section is so involved that it is necessary to have the position more clearly defined. The re-draft will not render ineffective any valid or duly registered bill of sale or statutory lien. It provides, however, that fees or money disbursed under Section 8 (2a) are a first charge on proceeds. It also provides that unregistered bills of sale, or bills of sale granted six months prior to the granting of a stay order, in an attempt to secure anything other than contemporaneous or future advances, or in an attempt to take security for a past debt, shall be void under this Act. Another necessary provision is that any order on proceeds, or assignment of proceeds, shall be void if it does not comply with or is not duly registered under the Bills of Sale Act. The reason for this is that a pernicious system of orders on proceeds has grown up, and in many instances farmers have given orders on

proceeds to a greater amount than the value of the crop or other proceeds. The provision will not affect cases where the produce or actual proceeds have been received by the creditor before the date of the stay order. Clause 11 provides for an extension of time for a period of up to seven days to permit of the registration of a bill of sale which may be authorised under Section 13b of the Bills of Sale Act. No compulsion is or can be applied in connection with advances or assistance by a creditor to a settler who desires to carry on his operations, but creditors have responded admirably to the spirit of the Act.

The value of this measure can not be judged only on the number actually working under its provisions, but its general effect is noteworthy; so much so that the basis adopted with affairs that are administered under the Act has become the basis of very many amicable arrangements outside, thus obviating the necessity for the issue of stay orders. The importance of such legislation has been admitted to such an extent that the Commonwealth Government have now amended the Commonwealth Bankruptcy Act so as to allow State legislation of this nature to function freely, and judges may now refuse orders in bankruptcy if satisfactory arrangements have been made under a State Act. The amendments provided under this Bill are those that experience has proved necessary to facilitate the working of the Act in a manner satisfactory both to the people immediately concerned and the State as a whole, and so long as the position of the wheat industry remains in such an unsatisfactory condition, legislation of this nature will be required. I move—

That this Bill be now read a second time.

HON. H. V. PIESSE (South-East) [4.50]: The Act which this Bill is to amend is a most important measure and has been helpful to the farming community in Western Australia. We have to thank the director for the excellent way in which the Act has been administered under his direction. But one must not forget that the business men of Western Australia have done everything possible to assist the director in carrying out this good work. Also the farmer himself has acted up to the spirit of the Act. All that has brought about a very friendly feeling amongst the business men and the farmers in the controlling of these

affairs. I myself am a receiver under the Act, although I have controlled only one estate in the district in which I live. On the other hand, I was also appointed a trustee under the Bankruptcy Act and I have had considerable experience of this work. Of the two positions, that of receiver is a very simple job as compared with that of trustee under the Bankruptcy Act. More freedom is given to the receiver than to the trustee, and the responsibility is by no means as great for the receiver as for the trustee. We must have men of good financial and practical business experience in the position of receivers, because that is very helpful when dealing with farmers' affairs; it makes the working of the Act much better and carries out that friendly spirit which is desired by all. Clause 3 of the Bill amends the original Act by providing that ten guineas is to be the minimum fee charged and 30 guineas the maximum. When appointed receiver I was under the impression that ten guineas was the amount allowed to a receiver in the first year of taking up an estate. In the second year in the case which I was running I was allocated three per cent. That three per cent. was deductible only from the proceeds of the wheat, not from other proceeds derived from the farm. In 1931, the year in which I took up that case, I deducted from the trust account ten guineas; in 1932 I allocated to myself £20, which was roughly three per cent., and in 1933 also £20; whereas if I had allocated the same amount as has since been allowed by the court, it would have aggregated just on £87. Not only am I a receiver, but I am also a farmer with large interests in the district I represent, and I know that the position of the farmers in my district is very serious, notwithstanding that we have receivers with practical knowledge who are very helpful in arranging for the purchase of sheep, of machinery parts and new machines. It all requires a fair amount of practical knowledge in the receiver. But we have to consider how much those estates will stand in point of cost, and I am of opinion that the proposed amendment is a perfectly reasonable one. Personally I would prefer to see the maximum amount even less. I think a minimum of £20 would be a reasonable figure, but as the proposal in the Bill seems to have met with the approval of the director, the farmers and the Government, I will

support the amendment for a ten guinea minimum and a £30 maximum. I will not support the retrospective clause, because all the creditors have the right to be present at a meeting of creditors, and at that meeting the fees to be allowed the receiver for the coming season are fixed. It was laid down at last year's meetings that those fees would be ten guineas plus three per cent.

Hon. G. W. Miles: With wheat at 2s. a bushel?

Hon. H. V. PLESSE: I have run but one estate, in 1932, when the wheat limit was 3s. per bushel, so I am not sure whether with wheat at 2s., the maximum will be reached at three per cent. In Committee I will move for the deletion of that retrospective clause, because it is not fair to the receivers, and the farmers after going to the Supreme Court and getting a ruling from the judge, agreed last year that this would be the charge.

Hon. J. Cornell: Do you think the farmers will be benefited by the proposed amendment cutting down the receiver's fees?

Hon. H. V. PLESSE: In many instances the receivers have carried out excellent work. One business man with whom I was speaking this morning said he could instance many cases in which the receivers had saved hundreds of pounds for the benefit of the controlled farmers. In the case I am running, when I took over, there were 150 sheep on the farm and there was a bill of sale to a stock firm for about £40. But because the farmer was brought under the Act, that firm wrote to me, saying they were not going to stand up to any farmers under the Act and would I please arrange to pay the money as soon as possible? I had some difficulty at the time, and had it not been for a personal friendship with a man in another stock firm, I do not think I could have raised the £40 on those sheep. However, I took an opportunity, when sheep were very low in the Kataning market, to buy a line of 200 stud ewes. I allowed the farmer to take them out to his property, but the firm told me that I had no power to do it. They refused to pay, and so I had to carry the account for the farmer. I then transferred the account to another firm, and I now have been able to secure sufficient money out of the sheep account to pay cash for the farmer's bags; his wool clip will clear the original sheep account and he has to-day 700 sheep

practically free of debt. It goes to show the necessity for having as receiver a practical man who can use some influence in business deals. That is one reason why we should be very careful, as from what I see in the "Government Gazette" it is likely that a new department will be created to control the whole of these farmers' affairs.

Hon. J. M. Macfarlane: Without the influence either of the receiver or the creditor?

Hon. H. V. PIESSE: Yes. According to the "Government Gazette" it appears that the later men, nine or ten of them, have come under the Act and their estates are being run mainly in the director's office. I think that would be unfortunate. If we created a big department and had a large number of estates being controlled by it, I do not think the farmer would get the same good attention for his affairs as if the business were split amongst a number of receivers in different offices.

Hon. J. Cornell: Would not any saving under the contemplated amendment go to the creditors and not to the farmer?

Hon. H. V. PIESSE: I think it would go to the Government. The Government would take the fees for the department, just as trustees collect fees. I take it that similar fees would be charged and credited to the department, regardless of whether the work was done by the Agricultural Bank, the Farmers' Debts Adjustment Department, or any other department. The majority of men appointed to receiverships are located in the city, but I feel that men in the country could do the work just as well as men in the city. The men in the country areas are more closely in contact with the farmers. It is all very well to argue that, when spare parts are required, the city man is on the spot and can obtain them more expeditiously than could a man in the country, but that is not the main consideration in running a farmer's business. The strong point in favour of having city men is that the business people of the city can be represented at the review meetings. Most of the business people operating in the city, however, have representatives in the country, and it would be as easy for the country representatives to attend meetings in the country as it would be for city representatives to attend meetings in the city. Some little time ago, acting under the Bankruptcy Act, I called a meeting of the creditors of one estate. I sent out 37 notices,

and the day arrived for the meeting. I sat in my office waiting for the representatives to arrive and asked my accountant to give me the list of proxies. Then I found that I was representing by proxy practically all the creditors of the estate. That illustrates the sort of thing that occurs. Clause 8 proposes an amendment under which a quorum shall consist of three creditors, or all the creditors of the farmer where they number fewer than three. The clause proceeds to say that such creditors may be present and vote at the meetings either personally or by a representative. I cannot believe that that amendment will be of any great value, because the same thing will happen. Invariably the Perth meetings are attended by trained men representing their firms, and they are very helpful in assisting the director-receiver and the farmer to provide a new scheme of operations for the future.

Hon. H. J. Yelland: Is not that a reason why it would be better not to have the meetings in the country?

Hon. H. V. PIESSE: I think that representatives are to be found in the country quite as brainy as those in the city.

Hon. H. J. Yelland: They would not be in close touch with their principals.

Hon. H. V. PIESSE: Once a meeting has been held, is it necessary for the representatives to be in close touch with the principals? The receiver in the country, it must be remembered, would be in much closer touch with the man whose affairs he was controlling. Regarding bankruptcy cases, my accountant is kept busy every Friday afternoon—which is sale day at Katanning—in making out orders and interviewing at least 20 per cent. of the customers who, if they require orders for goods, can get them. I have heard other people who were under Perth receivers say that they did not get the prompt attention they expected. On the other hand, let me say that I have heard excellent reports of many of the receivers operating in the metropolitan area. I believe that there are only three receivers operating in the country. Soon after I was appointed, the Agricultural Bank at Katanning was appointed to take over a number of estates in the district other than those being run from Perth. I think that is something that should be avoided. The Agricultural Bank authorities have much influence that

the receiver has not, particularly when dealing with clients of the bank. Conversely, the bank authorities have their inspectors continually travelling through the district. The officer in charge of the Agricultural Bank at Katanning is an exceptionally fine man and has done excellent work. He and I have often conferred on important matters affecting estates. My experience has been acquired in dealing with estates under the Bankruptcy Act, rather than as a receiver under this measure, and if I were asked which class of business I preferred, I would favour that of the receiver. There is not the financial responsibility attached to the duties that exists in handling an estate under the Bankruptcy Act. I was pleased to hear the Chief Secretary's remark that the Federal Bankruptcy Act had been amended to allow of this measure, and of similar legislation in other States, operating without conflict with the Bankruptcy Act. That is a most important decision, and I feel that it will prove very helpful to those engaged in administering this Act. Clause 4 creates a doubt in my mind as to the position of sheep or livestock under a bill of sale. I interpret the clause to mean that the receiver will handle the total proceeds of the wool clip, regardless of the fact that the wool and the sheep are under a bill of sale to a stock firm or bank. In my opinion this would be detrimental to the carrying on of all farmers' estates, as I cannot see that it would be reasonable to expect any firm holding a bill of sale over stock to give away their rights under the bill of sale. A receiver might approach a stock firm with a view to stocking up a farm. The only chance is to stock up, because the price of wheat does not return within 30 per cent. of the cost of putting in and taking off a crop. Consequently, the great idea now is to stock up a farm with sheep, however small may be the beginning made. If a receiver approached a stock firm and asked for 100 ewes costing, say, £30, they would probably consent to do the business and it would cost £30 under the bill of sale. Could anyone by any stretch of imagination believe that the firm would consent to a deduction of £10 10s. from the proceeds of the wool clip in the following year? Yet that is what the clause proposes. No protection will be afforded for the proceeds of wool under a bill of sale. Admittedly the receiver's fees

would be the first charge. The existing provision has operated satisfactorily. I do not think there is a single firm who would refuse to reimburse the receiver if the estate were being well conducted, but the firm must have the right to handle their own money under their bill of sale. Clause 9 proposes to amend Section 12 of the Act by striking out the word "receiver" and inserting the word "director" in its stead. I consider that the receiver is just as capable of carrying out the duty as is the director. It would be much better to retain the provision in the Act, and when the Bill is in Committee, I intend to move for the deletion of that provision. Paragraph (b) of the same clause also tends to give the director greater powers, and it is possible that he could override the powers of a mortgagee. The debtor and creditors should be allowed to make their arrangements, which can usually be done when the review meeting is held in the early part of the season. The present arrangement has worked exceptionally well. If creditors and debtor can come to an amicable decision, it is not necessary to give the director the power proposed. Paragraph (c) deals with wire netting. The Minister said that some properties had been fenced with netting and that it was essential that the cost should be met by a first preference payment, after the payment of the cost of putting in and taking off the crop. I quite agree with him, but I am of opinion that we should not give to the director power to say, "I am going to fence Bill Jones's property with netting," without all the creditors having an opportunity to say whether they approve. Is it reasonable, when money is owing to unsecured creditors, that the director should be empowered to undertake such work without referring to the creditors?

Hon. J. Cornell: Will paragraph (c) of Clause 9 over-ride the Agricultural Bank?

Hon. H. V. PIESSE: Apparently it will.

Hon. J. Nicholson: That, read in conjunction with the proposed new Section 13(a) would create an anomalous position.

Hon. H. V. PIESSE: The proposed new Section 13(a) should rather be read in conjunction with Clause 4. I think it would over-ride a bill of sale over the livestock on the property. Paragraph (c) might create a preference to one creditor, and I consider that the approval of the creditors as a whole should be obtained before any capital expenditure whatever is undertaken

by the director or the debtor. The proposed new Section 13(a) begins—

(1) Subject to the powers of the receiver under section eight, every creditor who holds any security at the date of the stay order over the produce of any farmer's farm shall, notwithstanding any resolution of the creditors, be entitled to the full benefit thereof, subject, however, to the payment thereout of the following:—(i) the fees, emoluments or percentage payable to deputy directors and receivers under subsection (6) of section four.

In Committee I propose to move the addition of the following words:—"arrangements having been made with the bill of sale holder over livestock." It is going to curtail the credit of the farmer and that of the poorer estates, if arrangements cannot be made to raise money from the stock firms to stock up the properties. The clause is a most worrying one, because it gives too much power to the directors and receivers. I referred it this morning to a lawyer. He considers that if the following words were inserted after the words "provided for" namely, "that in regard to any such security other than over bills of sale on credit" they would meet the case. These words would protect the security of the business man who holds a bill of sale over live stock. The clause really refers to bills of sale on crops and produce, and not on livestock.

Hon J. M. Macfarlane: What about machinery?

Hon. H. V. PIESSE: That comes under the stay order. That is, the payment is postponed as soon as the debtor comes under the Act. Arrangements are made at the meeting of creditors, after the payment of directors' fees, for the carrying on of the farm. It is usually arranged that any machinery payments are equally divided on a pro rata basis. I congratulate the Agricultural Bank on the generosity it has shown in the running of these estates. It has been really wonderful. The receivers must realise the excellent manner in which the Bank has met the situation, and that this has enabled everyone to work amicably together.

Hon. J. Cornell: The Bank gives consideration to some that it does not give to others.

Hon. H. V. PIESSE: It is only right that the added powers which have been given should be given, but it does not mean that these things can be demanded. In most instances the Agricultural Bank comes in pro

rata with machinery funds, after the cost of putting in and taking off the crop has been provided.

Hon. J. J. Holmes: The Bank has been so generous that we have to provide more capital for it out of loan funds.

Hon. H. V. PIESSE: The machinery firms have put their money into a depreciating asset, which is being used every year. Only last week I took over my farm from my partner. I engaged a young man to cut the crop with a binder, but he averaged only two acres a day for three weeks. I had a look at the machine and found it was worn out. That is what is happening to a good deal of the machinery throughout the farming areas. The matter of replacements is a serious one. Unless we have a proportion of business men associated with the conduct of these farms, the replacements will not be made, and the farmers will cease to conduct operations. I am pleased that the Government have, in Clause 13A (b), amended the Act along the lines of the Bankruptcy Act, in that a bill of sale must be taken up at least six months before a man calls a meeting of creditors and a stay order is issued. This constitutes a protection. I also commend the Government for including Clause 11. This is purely a machinery clause. I am pleased to learn from the debate in another place that the Minister intends going more fully into the question of farmers' debts. He has promised to bring down a Bill next year to deal more directly with the situation. When this Bill is in Committee, I will bring forward the amendments to which I have referred.

On motion of Hon. V. Hamersley, debate adjourned.

BILL—EMPLOYMENT BROKERS ACT AMENDMENT.

In Committee.

Resumed from the previous day. Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 13—Repeal of Section 15, and insertion of new section in lieu thereof (partly considered):

The CHAIRMAN: Mr. Nicholson has moved an amendment to strike out proposed Subsection 1.

Hon. J. NICHOLSON: The custom to-day is that the fee charged by the employment broker is divided equally between the employer and employee. If a schedule is attached to the Bill setting out the fees to be charged, both parties will know where they stand. The services of employment brokers are more generally used on behalf of the man on the land, and as things stand to-day that individual is in anything but a flourishing condition.

Hon. J. J. Holmes: An extra 10s. to the broker will not make him or break him.

Hon. J. NICHOLSON: The man on the land is going through a very bad time.

Hon. J. J. Holmes: But the man in the street has no fee to give to the broker.

Hon. J. NICHOLSON: The man on the land is trying to keep a roof over his head, and at the same time add to the wealth of the country. I am inclined to adhere to the practice that is now being followed in this matter.

Hon. G. FRASER: I am opposed to Mr. Nicholson's amendment. Most of those who have to seek employment in this way have no roof over their heads, and certainly have no fee with which to pay the private employment agency. Many of them are taking these occupations because they are forced to do so, and in doing so they have to work for very low wages. The payment of a fee would greatly affect their chance of securing employment. In many cases a man cannot get a job through a private broker unless he first pays the requisite charge.

Hon. V. HAMERSLEY: I support the amendment. All these people could go to the Government Labour Bureau, where no fee is charged. Notwithstanding this they do go to the private brokers, knowing that a charge will be made.

Hon. G. Fraser: The Government Labour Bureau is not in a position to get all the business a private broker gets.

Hon. V. HAMERSLEY: It would certainly create more unemployment if the private brokers had to shut down.

The Honorary Minister: There is no question about that.

Hon. V. HAMERSLEY: This proposed subsection will have a tendency in that direction.

Hon. J. J. HOLMES: I shall vote for the proposed subsection. Employment can be obtained through the State Labour Bureau without any charge, but does the

bureau supply employers with the men they want? An employer wants a qualified employee. If he can get such an employee through the private employment broker, the fee is a mere bagatelle. Mr. Nicholson seems to suggest that the employer, through being compelled to pay a fee of £1 instead of 10s., will be brought to the brink of ruin. The Bill gives the owner protection in case the employee turns out a dud. It is wicked to lure men into the country on the off-chance of a long job, whereas frequently they obtain work for only a month or so instead of, say, six months.

Hon. H. J. YELLAND: I am not greatly concerned about the amount to be paid by the employer, but I am concerned about the principle involved. The employer and the employee both make use of the employment broker to bring them together, and both should pay a quota of the fee. I support the amendment.

Hon. Sir EDWARD WITTENOOM: Last evening I favoured Mr. Holmes's amendment, but on thinking the matter over I consider it unwise that the employer should be responsible for the whole fee, as one never knows whether an employee will carry out his agreement. Persons engaged, after agreeing to come, find some better position to go to. If they had to pay part of the fee, they would not be so ready to disregard their engagements. It is far better to leave things as they are.

Hon. R. G. MOORE: I am in favour of the proposed subsection. If the employment broker, as has been stated, knows something about the employee, the position is safeguarded.

Hon. Sir Edward Wittenoom: How can the broker get that intimate knowledge?

Hon. R. G. MOORE: One can put a shilling advertisement in the paper and secure labour without troubling the broker at all.

Hon. C. F. BAXTER: If the employee does not want to pay a fee, let him go to the State Labour Bureau or the Pastoral Labour Bureau.

Hon. G. Fraser: Girls cannot go to those bureaux.

Hon. C. F. BAXTER: The fact is that at the State Labour Bureau satisfaction is not given to either side, and therefore both employers and employees prefer to go to private employment brokers. Legislation of this kind means that soon there will be no private employment brokers left. It is a common occurrence for an employee engaged

in Perth not to reach his destination in the country. A single bureau, such as the State Labour Bureau, could not function satisfactorily.

Hon. C. H. WITTENOOM: We have been told time after time that there are already two employment agencies in Perth which do not charge employees any fees. In addition, there are six private employment brokers. However, employees are being charged too much by private brokers—one-half of the first week's wages. Employees should pay some fee in order to give them some idea of their responsibilities. The employer should also pay something. When we have the two agencies that are absolutely free, I cannot see that there is any need for this clause. It amounts to adding to the cost of the struggling man like the farmer.

Hon. J. M. MACFARLANE: The employees who are out of work go to the Government bureau which is free, but in spite of that, the private brokers manage to live. The employee knows that the private broker has built up a clientele, and that he can get a better position through the private agency where he has to pay a fee, than he can at the Government bureau, where there is no fee charged. I agree that there should be some fee charged for services rendered.

Hon. J. Nicholson: There could be a refund made in, say, six months.

Hon. J. M. MACFARLANE: Yes, something of that nature. I am not prepared to support the clause.

Hon. G. FRASER: It is true that the employee can get free service at the Labour Bureau and Mr. Macfarlane ought to know the reason why a person goes to a private bureau. It is Hobson's choice with the employee because he is aware that a great number of employers do not send their vacancies to the Government Bureau to be filled. So the employee is forced to go to the private brokers. Men would go to the Labour Bureau if the employers patronised it.

Hon. J. J. HOLMES: The employer goes to the private broker because he wants efficiency. That is the sole reason. Imagine Mr. Hamersley going to the Government Labour Bureau for a man! Could we imagine anything more dreadful! When an employer gets efficiency he wants the employee to pay half the brokerage. There is no occasion to advertise because you pay the broker to do that. I believe the brokers will lose a lot of their income if we transfer the liability of the fees from the employees

to the employers. Mr. Bolton will bear me out that it is the employee who pays and not the employer, especially about the city of Perth.

Hon. A. THOMSON: This is an additional restriction upon the rights and liberties of the people. The Government would obtain what they are after if they were to bring down a schedule stipulating the fees that should be imposed by the brokers. It has been suggested that the employers could deal with the State Labour Bureau rather than with private employment brokers. Some years ago I applied to the bureau for men, and my experience was such that I wished I had not done so.

Hon. G. Fraser: I can cite instances of most efficient men being sent to jobs.

Hon. A. THOMSON: Seeing that the State Labour Bureau is financed by the State, it is not right to expect from the private employment broker what we expect from the bureau. I would not have any objection to the employer paying the whole of the fee, and I formerly stated that view in another place. I do not think it reasonable that the employee should be expected to pay half his, or her, first week's wages to the broker. The position requires tightening up, especially as some employment brokers have not played the game. Heavy penalties should be imposed upon the dishonest broker. The weakness of the Act is that the charges to be imposed are not prescribed, and, in my opinion, the Government would accomplish their objective if they specified the fees chargeable in the legislation itself. As to an employer advertising in the newspaper for men, one member told me that for a certain position in the city, 364 applications were received in response to an advertisement. How could an employer be expected to choose the man most suited to his requirements when so many applied for the position?

Hon. J. J. Holmes: Could not the employer pay a few extra shillings and let the broker run the rule over them?

Hon. A. THOMSON: I agree that the employment broker should receive something in return for the services he renders. A small fee and an even smaller registration fee might be fixed for the employees, and the position as between the employer and the broker could be left open for arrangement between them. I shall support the amendment.

Hon. Sir EDWARD WITTENOOM: If a capable and efficient man were obtained from an employment broker, the employer would be prepared to shoulder the expense, but the trouble is that too often the man is neither capable nor efficient. The employer has to take a chance. I have had considerable experience with domestics, and I know that if they are satisfactory, the fee is almost certainly refunded to them within a week or a fortnight. I think I will move that the question be now put, as we cannot say much more about it.

The HONORARY MINISTER: In 1925, when speaking in the Legislative Assembly, Mr. Thomson expressed himself in favour of the proposal embodied in the Bill. "Hansard," page 1137, shows that he said: "I would support a provision that no employee should have to pay any fee."

Hon. A. Thomson: That is right.

Hon. J. Nicholson: Times have changed since then.

Hon. A. Thomson: The Honorary Minister must have had my statement beside him for some time.

The HONORARY MINISTER: I have, and I have references to statements made by other members, too. It is said that times have changed since Mr. Thomson expressed that view, and that is quite correct. The position is worse to-day when there are hundreds seeking employment, whereas in 1925 there were comparatively few out of work. Mr. Thomson, in the course of the speech I refer to, said that the employer need not pay anything unless he wished to, and that is a point I have made during the course of the present debate. In too many cases the employer does not pay anything at all, but the employee always has to pay. In addition to that, the employee has to pay the fee without knowing from the broker where the job is or who the employer is.

Hon. L. B. Bolton: That is natural. The broker need not give the job away until he receives his fee.

The HONORARY MINISTER: This afternoon Mr. Thomson referred to the large number of applications received in response to an advertisement. Employment brokers advertise in the newspapers daily. Would Mr. Thomson suggest that the broker should collect the fee from each one of those 364 applicants? It has been done.

Hon. A. Thomson: You could deal with that by way of regulation.

The HONORARY MINISTER: It must be remembered that the employment brokers deal with many industries, and with female as well as male workers. I have given some indication of the abuses under the existing system.

Hon. J. J. Holmes: One member of this House said that a particular broker should be in gaol.

The HONORARY MINISTER: I was going to deal with that point.

Sitting suspended from 6.15 to 7.30 p.m.

The HONORARY MINISTER: Mr. Thomson has said that there should be displayed in a prominent place in the broker's office a schedule of the charges to be made. Unfortunately in many cases the fee is not charged to the employer. Mr. Nicholson suggested that the time has not come for the proposals in the Bill. As a fact, that time has long passed, for in many countries the very proposals we have in the Bill are in operation. Before tea I remarked that frequently the employment broker demands the fee before he will even say where the vacant position is. A few days ago I gave the House the instance of two girls who applied to a Perth broker for two positions. They were told those positions were available in Kalgoorlie, but were not told whereabouts in that town. They were advised that if they paid the broker's fee and went to Kalgoorlie, they would there be met by another broker, who would place them in the positions. Those girls paid the fees, paid their railway fares and went to Kalgoorlie. They arrived there on a Sunday, but were not met by the local broker. Policewoman Dugdale looked after one of those girls that night, and was able to introduce her to an employer who gave her a fortnight's work. The other girl did not succeed in getting any employment. They are both back in Perth, and I have a declaration from one of them which any member may read if he wishes. The department is making investigations with a view to taking proceedings against the Perth broker, but actually no offence has been committed against the Act. One of the girls has had her railway fare refunded, and also the fee she paid the broker, but to the other girl nothing has been refunded as yet. As a fact there were no positions available, yet those two girls were sent all the way to Kalgoorlie.

Hon. A. Thomson: Such a broker deserves hanging.

The HONORARY MINISTER: For a broker to promise a position and collect a fee when he knows there is no employment available is, in my opinion, a criminal action.

Hon. J. Nicholson: You might meet the position by introducing another penalty.

The HONORARY MINISTER: Again, within the last few weeks the Chief Inspector of Factories reported that a Perth broker, a woman, presented her bill to a large employer of labour, who tore up the bill in front of her and said he would never pay. The same employment broker told the Chief Inspector of Factories that another employer of labour had offered to give her the securing of all the employees he might want, provided she charged him no fees; for, he said, other brokers never charged him fees. Both these cases I have related can be proved in every detail. In view of these instances and the inability of a large number of unemployed to pay even the fees charged by the brokers, I say it is time we gave relief to those seeking employment, for it should not be necessary for them to pay for the right to work.

Hon. J. J. HOLMES: Mr. Thomson should read the proposed amendments appearing on the Notice Paper, which would relieve him of the necessity for discussing the principle of legislation by regulation. Under one of my proposed amendments the employer will have to pay; it will be merely a question of terms between the employer and the broker. Under that system, if the broker should attempt to victimise the employer, or even if he failed to give service, he would soon have to close down his business, for he would not then have the unemployed to fall back upon. If the Bill were to pass in its present form, a regulation might be put in force in January, the effect of which would be to close up all the brokers before Parliament could disallow the regulation.

The Honorary Minister: There would be no intention to ruin the brokers.

Hon. J. J. HOLMES: But under the Bill it could be done by regulation. Again, if we make the payment of fees a matter between the employer and the broker there will be no necessity to have a schedule of fees displayed in the broker's office.

Hon. A. THOMSON: The Minister said I had gone back, and had declared that the

brokers charged only a nominal fee, and that the employer need not pay. What I really meant by that was that the employer need not go to the broker, because as an alternative he could advertise his requirements. Mr. Holmes said I had urged legislation by regulation. The Act provides that regulations may be made, and what I said was that we should fix a scale of charges and place them in a schedule to the Act. The Minister quoted a case in which there were 365 applicants. We should also have in the Act provision that the broker could not charge more than one fee; it would be absurd to suggest that 365 applicants should each pay a fee before being considered. It would be better if the registration fee were made a nominal one of a shilling, with a fee of 5s. on the allocation of a position.

Hon. G. Fraser: But that would mean 8s. for registration.

Hon. A. THOMSON: Not necessarily.

Hon. G. Fraser: The employee would avail himself of every avenue.

Hon. A. THOMSON: Yes, but when times were good, he could take his swag and go to the country and get work. We should permit an employment broker to receive a fee for the services rendered to the employee. A scale of charges should be included in the measure and any infringement could be punished.

The CHAIRMAN: I do not remember ever having previously called attention to Standing Order 397.

Hon. G. W. Miles: Referring to members repeating themselves?

The CHAIRMAN: It might have a salutary effect if I point out that the Chairman may call attention to continued irrelevance or tedious repetition on the part of any member, and may direct such member to discontinue his speech. I am perfectly satisfied that some of the speeches have been made five times.

Hon. G. W. MILES: The proposed new subsection seems to be the kernel of the Bill. If the Minister is defeated, he will probably recommmit the Bill on Tuesday next, and therefore I suggest that progress be reported. We have already wasted over an hour on discussing the clause.

The CHAIRMAN: "Spent" an hour would be in order.

The HONORARY MINISTER: I was about to adopt the course suggested by the hon. member.

Progress reported.

BILL—PURCHASERS' PROTECTION.

Second Reading.

Debate resumed from the previous day.

HON. C. H. WITTENOOM (South-East) [7.49]: Although I consider that several clauses of the Bill are too drastic, I intend to support the second reading, because I believe that legislation should be introduced to deal with people who buy large blocks of land near the city or towns with the idea of cutting them up into residential blocks or factory sites. I agree that the present is the right time to introduce such legislation. We should not wait for boom times, but should avail ourselves of the present quiet period to enact the necessary measure. Western Australia is a comparatively young country with extraordinary possibilities of development. Even in the present time of depression, when there is supposed to be little money about, one cannot fail to be impressed when approaching the city—no matter from which direction—with the expansion evidenced by the number of new dwellings. The City of Perth is expanding extraordinarily in spite of the bad times. The Government have initiated a prospecting scheme in which 1,500 prospectors are out trying to find gold and other minerals. As times goes on, many of those men will probably find another goldfield, if not another Golden Mile. Some of those men are getting on to gold, and I understand that quite a number are commencing to repay the money advanced to them. An aerial survey of country areas is about to be undertaken in the hope of finding oil, gold and other minerals. All this must result in the population of Perth increasing greatly, the price of land will advance, and there will be a large demand for building blocks around the city. Consequently, we should be in a position to deal, not only with buyers, but with sellers, and I agree with the Government that the present is an opportune time to introduce such legislation. As far back as I can remember, and probably as far back as any member can recollect, divisional sales have been going on

all around Perth. To my knowledge there has been very little in the way of publicity against the methods adopted. When the Minister was speaking last night, he referred to only one instance. I feel confident that had there been many instances on record, he would have referred to them. It would have helped his argument had he been able to prove that from time to time similar outreries had occurred. As a matter of fact he mentioned only one and that concerned Land & Homes, Ltd. I can remember two instances. One that occurred a good many years ago was Kendenup, about which there was a fairly loud outcry. Then there was the instance of Land & Homes mentioned by the Minister. Each of those matters was investigated by a Royal Commission, and after all the information had been obtained, very little was found to be wrong. Kendenup is now one of the most progressive little settlements in the State. Yet a tremendous fuss was made about Kendenup a few years ago. The complaints against Land & Homes seem to have been nothing but a storm in a teacup, or much ado about nothing. A rather humorous instance occurred at Albany some years ago. A progressive land salesman purchased a large tract of country in south Albany. He came to Perth and advertised the blocks, some of which were sold. One of the chief arguments used to boom the sale was that the blocks were opposite the London Hotel, one of the best known hotels in the town. When purchasers later visited Albany, they found truly enough that their blocks were opposite the London Hotel, but between their blocks and the hotel was an expanse of three miles of Albany's magnificent harbour. It is idle for people to complain that land companies or syndicates have purchased land at a certain price, and have sold it at a considerably higher figure and apparently made a huge profit. Before such land can even be offered for sale, much money has to be expended. The land has to be cleared of bush, a large sum has to be expended in surveys and drains—all very expensive work—and in the initial stages roads have to be constructed, though later on the local authorities build the roads. On top of all that expense, interest has to be added to the purchase price of the land. Credit must be given to people who foresee the direction development will take. That needs a certain amount of experience and training. They spend a con-

siderable amount of money, possibly risking fortunes, and they have to exercise care in determining what improvements should be made. According to the Bill, exception is taken to agents going from house to house and endeavouring to sell land. It would be very difficult to sell blocks if the vendors remained in their offices or on their front verandahs to wait for purchasers to come to them. Selling land necessitates an extensive campaign which is exceedingly costly. Surely it would be a retrograde step to pass legislation that would seriously impede the improving and selling of land in the vicinity of the city. We should not interfere with such dealers so long as they carry on their business in a legitimate manner. I admit that the Bill is necessary and that, as amended by another place, it contains many good points. I suppose the worst sin a land salesman can commit is misrepresentation, an offence of which I believe those people are often accused. The Bill deals with that offence, and rightly so, too. It will be an offence to make false statements regarding blocks of land offered for sale or as to future prospects, such as the likelihood of the land being provided with public facilities in the shape of trams, telephones, etc. Provision is made particularly against a person who promises, either by himself or through other people, to repurchase the land some years later at a profit. Such provision should be made, but I should say that such instances rarely occur. I cannot imagine anyone buying a block and accepting a promise from the vendor to buy it back in years to come. If purchasers allow themselves to be gulled so easily, and if they believe all they see on plans relating to lakes, rivers, etc., they have only themselves to blame. Nor do I object to purchasers being allowed a fortnight, after completing and signing a contract and paying the deposit, in order to inspect the land.

Hon. J. Nicholson: It is a period of seven days.

The Honorary Minister: Seven days in which to inspect, and four days in which to repudiate.

Hon. C. H. WITTENOOM: I do not like the repudiation part of it; it occurs in other parts of the Bill also. I have no objection to the provisions which prevent the seizure of a house, the chattels, or the land around the house without the issue of a special judgment. Some of the clauses are too stringent.

In one case the onus is put upon the vendor of the land, subject to a mortgage, to secure assent to the contract of sale from the mortgagee in writing. That is altogether too sweeping. It would make it possible for the mortgagee to dictate terms, or he may insist on payment either of the whole or a large proportion of his mortgage. I hope it will be possible to improve that clause in Committee. Another part of the Bill says that attestation should be made before a justice of the peace, or a commissioner for declarations, however small the amount may be. Surely an independent person would do quite well to take an attestation in the case of small amounts, although when it was a question of £300 or £500, the other arrangement might stand. The ordinary independent person should do quite well as a witness in the case of small amounts. One portion of the Bill refers to married women. It is hardly complimentary to them in its present form, because it suggests that they are scarcely to be trusted or are incapable of dealing with matters of this kind. They can sign a document and complete the whole contract, but if within six months they have not had the approval of their husbands, they can do away with the whole thing. That is wrong, and I hope in Committee the clause in question will be deleted. Meanwhile, I support the second reading of the Bill.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.4]: The subject matter of this Bill has been intimately connected with what may be regarded as the scandals relating to a particular firm of land agents. The situation generally led to the appointment of a Royal Commission, presided over by Mr. Justice Dwyer, and quite recently to the appointment of a select committee from another place. The result of these investigations is the Bill that is now before us. It is wonderful to think that Parliament is called upon to protect so many so-called intelligent people who entered into contracts of the nature disclosed in the evidence before the Royal Commission.

The Honorary Minister: They are not always business people.

Hon. J. M. MACFARLANE: At all events the firm in question was able to bring off a number of deals with very gullible people. Mr. Wittenoom says that one clause in this measure is not complimentary to women, but it so happens that most of the

victims in the case under review were women. We have heard of the case of an apparently well educated man repudiating a contract in the courts. It appears that the land agents followed him into the country and endeavoured to bring him to the right frame of mind necessary for him to buy some blocks of land. Finally, the blocks were sold to him. It seems that he thought he was bilking the agent of a commission as agent between, but he discovered that he had been "dished." He bought the land with the full knowledge of what he was doing. When asked to explain why he did so he said, "I was reduced to such a frame of mind that I would have bought the town hall." Apparently these particular agents laid themselves out to effect sales in that way, with the result that we have this Bill now to deal with. I have only a few minor objections to the measure. The definition of subdivisinal land reads—

Subdivisinal land means any allotment or portion of any lands which have been subdivided into lots for the purpose of sale in lots for residential, factory or shop premises, and which allotment or portion has not previous to such subdivision had erected on it any substantial buildings.

It is considered that, if this definition is allowed to stand, the Act will not be restricted in its operations to sales made by vendors, who themselves have subdivided the land or acquired it in subdivisions for the purpose of selling in subdivisions. There seems no doubt that the definition as it stands will apply to any subsequent sale of real estate, without exception, whether improved or unimproved, or within the city boundaries or outlying suburban areas. Another suggestion is offered which the Honorary Minister will possibly accept. It will tend to make that portion of the Bill concerned more clear and terse and also more brief. The suggestion is that the following definition should be substituted:—

Subdivisinal land means vacant land which has been subdivided into lots for the purpose of sale in lots. A lot shall be deemed to be vacant if there is no dwelling, shop or factory erected thereon.

This amendment would give considerable satisfaction to reputable business firms. To clarify the position regarding auction sales and re-sales of separate blocks purchased in any subdivision, it is suggested that the

following clause should be embodied in the Bill:—

This Act shall not apply to a sale by auction of subdivisinal land, nor to a sale of any lot in any subdivision made by or for or on behalf of a seller who has not himself created the subdivision for the purpose of effecting the sale of the land in subdivisinal lots or acquired the land for that purpose after the subdivision thereof. If any person acquires land after subdivision and sells or causes to be sold two or more lots of such land, the onus shall be upon him in any proceedings to establish that he did not acquire such land for the purpose of selling the same in subdivisinal lots.

It would surely be the intention of the Honorary Minister to facilitate business, and not to cause it to stagnate in any way. The sale of land by contract from subdivided areas will undoubtedly be resumed when conditions become normal. Although we would desire to protect people who are as gullible as many of them are shown to have been as a result of the transactions of Land and Homes Ltd., we should not do anything to restrict legitimate sales by accredited houses. I agree with Mr. Wittenoom that Clauses 8 and 9 are very drastic. They provide that attestations can only be obtained from persons who are authorised to do that class of work. It would be very difficult in cases of this kind to get hold of the right people. The conditions could well be widened to embrace postmasters, the police, members of Parliament and the like. This would relieve the situation and remove the objectionable feature of that clause. If the attestations are restricted to those who are registered as properly authorised persons, it will be very difficult to get hold of those persons.

The Honorary Minister: The land agents would know them all within a radius of a mile.

Hon. J. M. MACFARLANE: It is very difficult to find even a justice of the peace in his office. I appreciate the difficulty from the point of view of the land agents. When they have taken out a buyer to view the property, they are subject to a fine if they do not at once have the contract attested.

Hon. J. T. Franklin: I think Clause 12 says the fine is £100.

Hon. J. M. MACFARLANE: If the agent omits this attestation, no contract is enforceable against the purchaser. The conditions are very drastic and difficult to carry out. I am sure the Government have no

desire to impose conditions of that sort in the case of legitimate sales. The clause relating to married women is not as bad as it looks. If the Honorary Minister will accept the amendments I have indicated, I am sure they will greatly improve the Bill. I support the second reading.

On motion by Hon. J. T. Franklin, debate adjourned.

BILL—LOAN, £3,946,000.

Second Reading.

Debate resumed from the previous day.

HON. A. THOMSON (South-East) [8.15]: I congratulate Mr. Seddon on his exposition of the financial situation in connection with the Loan Bill. I entirely concur in his statements. However, I have heard similar speeches, and made them myself, so frequently that I realise it is almost futile to address oneself to the subject. We are building up a heavy load for the Western Australian people to carry. Those of us who have protested against the continual borrowing have, in effect, been running our heads against the prison bars of public opinion. Many people believe that so long as one is able to borrow, things proceed satisfactorily. However, while it sounds good to declare that the purchasing power of the people needs to be increased, I feel that unless the additional money is being derived from income genuinely earned in the State, the day must eventually arrive when Western Australia will not be able to meet its current liabilities, failing a most decided improvement in general trade. I make that statement without wishing to appear pessimistic. The amount we are asked to authorise is £3,946,000. I find that £2,646,000 is required for works, and that we are called upon to borrow £1,300,000 to meet the deficits of the last two years. I was greatly struck with the Premier's published statement that the expenditure from Loan during the past three years did not cover the whole of the money borrowed. The hon. gentleman said—

In 1930-31 a sum of £600,000 was raised by the issue of mortgage bonds and debentures That amount did not figure in the Loan expenditure for that year, so that actually the Loan expenditure during that year was £600,000 greater than would appear from the figures. The money was raised under a separ-

ate borrowing power. In 1931-32 a further £100,000 was raised by similar means. Altogether, therefore, £700,000 was raised by those means apart from the amount raised under Loan Acts. The money was borrowed from the Commonwealth Bank, and was at call. We are paying interest on it now, and the money is still at call I hope the bank will not call it up. I do not know how we should manage if the bank did call it up. I mention these facts to indicate that the actual expenditure of Loan moneys in those few years was £700,000 more than it is generally believed to have been. This avenue of raising money is now closed to us, and so we must raise money for all requirements under the sole authority of a Loan Act.

That is to say, the Commonwealth Bank have refused to accept more Treasury bills, and therefore it is necessary to obtain funds as shown in the Loan Bill.

The estimated revenue deficit is £748,465, and the difference represents part of revenue deficits not authorised by any previous Loan Acts. Last year part of the floating debt was funded out of the Loan raised in November, 1932. Treasury bills to the amount of £474,000 were converted into Commonwealth stock.

The part of the Premier's speech which impressed me as showing Australia's appalling position reads as follows:—

The money market, both in London and Australia, was practically closed to us, and so all Australian Governments were financed during those two years by the issue of Treasury bills to the Commonwealth Bank. No other means of obtaining the money were open to us. In addition to the Loan moneys raised by the issue of Treasury bills, the deficits of all Australian Governments were financed by the issue of Treasury bills to the Commonwealth Bank. The effect of the issuing of those bills by all Governments, including the Commonwealth, has been to create a large unfunded debt which could be called up by the Commonwealth Bank at short notice.

That is a very serious description of the position which faces us.

Unfortunately industry is making little demand for financial assistance from the banks, and the banks invest funds in Treasury bills. Otherwise they would have frozen money on their hands. From the point of view of the banks, the financing of Treasury bills is a good investment. The security is safe; a large amount of money is not needed by the industries of the Commonwealth, and it suits the banks to make the money available.

Such is the tragic position confronting Western Australia and the other States. I fear that the method of financing adopted by the Government is not at all satisfactory. We have a floating debt of £5,578,000 in

Australia and of £3,098,000 in London, or a total indebtedness secured by Treasury bills of £8,973,000. In effect, as has been stated here previously, we thus have inflation of a most insidious character. Though one may raise his voice against this method of financing, one must reluctantly vote for the Loan Bill. I have often said that the present Premier is a most fortunate Premier. When he took office after the last election, things certainly brightened up a little. The gold industry sprang into renewed activity, slightly increasing the State's revenue and providing considerable work for the unemployed. Again, in respect of money borrowed in Crown Colony days a sinking fund of £1,151,000 has been accumulated to meet a debt of £998,000 falling due early in the year, in respect of which there is, therefore, a surplus of £160,000. It would be interesting to know what the Government propose to do with that amount of £160,000. The Premier further stated that if we over-borrowed, we would be forced to tax the people beyond their capacity to bear. He pointed out that last year the expenditure on unemployment relief amounted to £700,000. I raise my voice in protest against the system adopted; but I am not blaming the present Government in particular, since the system has existed for many years. A practice has grown up of taking into revenue departmental surpluses, and correspondingly increasing loan funds, handing the money back, and charging up a greater amount than that provided in Loan Acts. I have not gone extensively into this Bill, and certainly do not wish to detain the House. I realise that the Government have taken charge at a highly critical stage in the history of Western Australia. A heavy task devolves upon them to find work for the unemployed. Nevertheless, I must express my grave doubts as to whether the means adopted will yield satisfactory results. I realise the difficulty with which engineers in charge of various public works are faced. Under normal conditions those engineers would select the right type of men for particular classes of work. To-day, however, those engineers are under the necessity of accepting men who are totally unsuitable, not having been brought up to laborious work. Therefore we cannot expect the same results as under normal conditions. The public works in question will be largely loaded up with inefficient

labour. That will prove highly detrimental to the engineers. In normal times an engineer had to submit an estimate of the cost of a work, and as far as it was humanly possible he had to complete the work within the estimated amount, or suffer discredit in his department. He would also be called upon to give sound and tangible reasons why his estimate had been exceeded. I fear that what happens to-day is that some sort of rough estimate is submitted and that when the estimated amount has been expended the engineer says to the Government, "I have spent the £20,000 estimated, and I want another £20,000 to complete the work." I desire to refer to two items in the Loan Bill. If I dissected it more closely, no doubt I could find many others of the same kind. There is an item of £200,000 for tree planting, purchase of land, and forest regeneration. I realise that a large proportion of that amount is being provided in order to enable the Forests Department to absorb considerable numbers of our unfortunately unemployed citizens. Turning to the report of the Forests Department, however, I find on page 22 a statement that after meeting all their expenses for the past financial year they had an excess of £53,039 of revenue over expenditure. The amount of this excess was taken into Consolidated Revenue. That, of course, is unsound finance, but unfortunately it is the system followed by Governments in the past. It has had the effect of piling up the indebtedness in a way that is not quite fair. If a private individual were to conduct his business on similar lines, he would soon be checked by his bankers. Turning to the Fremantle harbour works—that subject is a kind of "King Charles' head" with me, and I have referred to it on many occasions—members will note that £138,000 is provided under the Bill. The Fremantle Harbour Trust commissioners in their report for 1932—I have not the report for 1933 at the moment—show that after meeting the full statutory obligations by paying interest totalling £113,869, sinking fund charges representing £10,085 and contributions to the renewals fund of £2,000, a cash balance was left of £103,360, which went into Consolidated Revenue. We are borrowing for the purposes of forest regeneration and the Fremantle harbour works, a total amount of £338,000 and yet under those two headings

money has been paid into Consolidated Revenue amounting to £158,399. In my opinion, that money should have been allocated to, and used by, the Forests Department and the Fremantle Harbour Trust respectively, and we should not have increased our loan expenditure in the direction I have indicated. If he were to reply to me straight away, the Chief Secretary would probably say, "What difference would that make? We would have still to borrow money to provide for the deficit." On the other hand, if we were to adopt the course that I suggest, people would not be able to take exception to the handling of the finances on the ground that we were not proceeding along sound lines. I hope the House will not agree to pass the Bill before we deal with the financial emergency legislation, which will be before us next week. We agreed to the Government imposing a tax under that legislation in the belief that they would endeavour to reduce expenditure and, if possible, decrease the deficit. In view of the fact that it was considered necessary to provide that additional money to enable the Government to carry on, we allowed the Government to increase the financial emergency tax to ninenpence in the pound, which was levied on those who were regarded as being in a position to pay it. It will be remembered that I endeavoured to secure the insertion in the Bill of a clause—no doubt it was rightly ruled out on the ground that it was not within the scope of the Title—the effect of which was that if the Government were in a position to restore the cuts in wages and salaries, the tax would automatically lapse. The Government now seek to grant certain relief to a section of the civil servants and others, and we are entitled to know just how much money will be involved in that respect. We should have that information before we pass the Loan Bill. I once had the temerity in another place to move that the Estimates should be referred back to the Government with a view to their being reduced. I was not successful in that move, and was held up to ridicule, the charge being levelled against me that I wanted to reduce salaries, and so forth. No doubt the Loan Bill will be passed, and the Chief Secretary is fully aware of the fact. Nevertheless, it seems to me that before we agree to its passage, we should certainly be told how much is involved in the relief that the Government seek to extend to civil servants and

others. In another place, the Minister in charge of the Bill was asked how the money was to be provided, and he replied that that was the business of the Government. I maintain it is also the business of this House to know just how the Government propose to meet the additional expenditure, and whether it is to be charged up against loan funds. I recognise the difficulty of the Government in coping with the task of finding employment for those who are out of work. It is a heavy undertaking and I am afraid that in many instances we are not getting good value for the money expended. I shall support the second reading of the Bill, and will not adopt the attitude of Mr. Seddon who said he would vote against it. I hardly know what the position of the Government would be if we were to reject the Bill, but I presume they would not be able to meet their obligations. I notice that the Bill was passed in another place after a speech by the Premier and another by a private member. The Financial Emergency Act Amendment Bill, which will be before us next week, was also passed after a speech by the Minister for Works, who introduced it, and another by the Leader of the Opposition. In view of the enormous amount of money involved, and the parlous position of the State, I think we are entitled to the information that I seek. I am not a pessimist, but I fail to believe that we have turned the corner and that there is not another corner farther on that has yet to be negotiated. We are deriving a certain amount of benefit from the enhanced price of wool, which must have an effect on the financial position, but we are as yet far from the era of prosperity which so many of us wish the State could reach.

On motion by the Honorary Minister, debate adjourned.

House adjourned at 8.40 p.m.