

# Legislative Council.

Tuesday, 28th October, 1941.

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

## ASSENT TO BILL.

Message from the Lieut.-Governor received and read notifying assent to the Municipal Corporations Act Amendment Bill.

## AUDITOR GENERAL'S REPORT.

The PRESIDENT: I have received from the Auditor General a copy of his report on the Treasurer's statement of the Public Accounts for the financial year ended the 30th June, 1941. It will be laid on the Table of the House.

## QUESTION—GOVERNMENT BOARDS.

Hon. H. V. PIESSE (for Hon. C. F. Baxter) asked the Chief Secretary: In view of the reply by the Honorary Minister to my comments regarding boards, when debating the Workers' Compensation Act Amendment Bill, will he furnish a list showing all the boards now in existence which have been created by various Governments, together with the number of members on each board respectively, and their remuneration?

The CHIEF SECRETARY replied: Although the provision of a return of this nature takes up much valuable time, the Government has acceded to the hon. member's request on this occasion.

## BOARDS, ETC., CREATED BY GOVERNMENT, IN EXISTENCE 28th OCTOBER, 1941.

Department.	Board.	No. of Members.	Remuneration.
Premier's	Public Service Appeal Board	3	Chairman Nil, Members £3 per day, less daily rate of salary if employed by State. Maximum in any one year £450.
	Lotteries mission	4	Chairman £500 p.a., Members divide £500 p.a., i.e., £166 13s. 4d. each.
	Promotions Appeal Board	3	Nil.
	Pensions Board	3	Nil.
	McNess Housing Trust	2	Nil.
	Trustees—Public Library, Museum, and Art Gallery	14	Nil.
Treasury	Workers' Homes Board	3	Nil.
	Tender Board	11	Nil.
	Superannuation Board	3	Chairman £200 p.a., Government representative £150 p.a., Contributors' representative £100 p.a.
	Wheat Products Prices Committee	3	Chairman £100 p.a., Members £2 2s. per sitting.
P.W.D.	Irrigation Commission	8	Nil.
	Land Drainage Appeal Board	4	Nil.
	Town Planning Board	3	Chairman £750 p.a., Members £2 2s. per sitting.
	Transport Board	3	Chairman £700 p.a., Members £300 p.a.
Crown Law	Licensing Court	3	Chairman £850 p.a., Members £700 p.a.
Agriculture	Veterinary Board	5	£1 1s. per sitting to each member who is not an Officer of the Crown.
	Stallions Board	3	£2 2s. per sitting.
	Onion Marketing Board	5	Chairman £2 2s. per sitting, Members £1 1s. per sitting. One member, an Officer of the Crown, receives no payment.
	Dairy Products Marketing Board	7	Chairman £2 2s., Members £1 1s. per sitting.
	Dried Fruits Board	5	Chairman £2 5s., members £1 10s. per sitting.
	Metropolitan Market Trust	5	Chairman £4 4s. per sitting (maximum £300 p.a.), Members £2 2s. per sitting (maximum £150 p.a.).
	W.A. Fire Brigades Board	9	President £50, Members £25.
	Bunbury Harbour Board	5	Chairman £2 per sitting (£700 p.a.), Members £1 per sitting (£50 p.a.).
	Metropolitan Milk Board	5	Chairman £2 2s. per sitting, Members £1 11s. 6d. per sitting. Fees not to exceed £500 and £100 p.a. respectively.
Labour	Building Trades Apprenticeship Board	3	Nil.
Agricultural Bank	Commissioners of the Agricultural Bank of W.A.	3	Chairman £1,700 p.a., Commissioner £1,500, General Manager and Commissioner representing Treasury £1,250 p.a., plus £250 as Treasury representative.

**BOARDS, ETC., CREATED BY GOVERNMENT, IN  
EXISTENCE 28TH OCTOBER, 1941—continued.**

Department.	Board.	No. of Members.	Remuneration.
Lands	Land Board	3	<i>Nil.</i>
	Board appointed under section 180(b) of Land Act	3	<i>Nil.</i>
	Lands Purchase Board	Max. 9	£2 2s. per sitting if not an Officer of the quorum Crown.
	Land Surveyors' Licensing Board	6	£1 1s. per sitting.
	Pastoral Appraisal Board	3	£2 2s. per sitting to member representing pastoral industry only.
	Rural Relief Trustees	3	Chairman £500 p.a., second member £400 p.a. Director does not receive any payment as Trustee.
<b>Cemetery Boards.</b>			
Under Cemeteries Act, 1897. The number of cemeteries under the control of Boards of Trustees is 225. Of these 136 are under the Local Governing Authority. The remaining 89 are under trustees representing various denominations. The number of members ranges from 5 to 7.			
<b>Parks and Reserves Boards.</b>			
Under Parks and Reserves Act, 1895. A large number of reserves are controlled by Boards, and in the majority of cases the Local Governing Authority comprises the Board. The exact number could not be ascertained without making a search of all the reserves in the Registers totalling 22,200 reserves.			
	King's Park Board	8	<i>Nil.</i>
	Rottneet Board of Control	6	<i>Nil.</i>
	Normalup Reserves Board	4	<i>Nil.</i>
	Caves Reserves Board (Sussex District)	1	<i>Nil.</i>
	State Gardens Board	3	<i>Nil.</i>
	Acclimatisation Committee under Zoological Gardens Act	3	<i>Nil.</i>
	Railway Advisory Board	3	<i>Nil.</i>
Railways	W.A. Government Railways and Tramways Appeal Board	9	<i>Nil.</i>
	Railways Classification Board	3	Chairman £2 2s. per sitting, Members £1 1s. per sitting.
Industrial Development.	Iron and Steel	8	<i>Nil.</i>
	Hops	3	<i>Nil.</i>
	Vermiculite	4	<i>Nil.</i>
	Sulphur	8	<i>Nil.</i>
	Mica	3	<i>Nil.</i>
	Linseed	4	<i>Nil.</i>
	Fisheries	3	<i>Nil.</i>
	Phosphate	3	<i>Nil.</i>
	Asbestos	4	<i>Nil.</i>
	Jubilee Appeal Trustees	4	<i>Nil.</i>
	War Production (Private Industries) Committee	5	<i>Nil.</i>
	Producer Gas Co-ordinating Committee	5	<i>Nil.</i>
	Alumite Panel	7	<i>Nil.</i>
	Council for the Development of Industries	11	<i>Nil.</i>

**BOARDS, ETC., CREATED BY GOVERNMENT, IN  
EXISTENCE 28TH OCTOBER, 1941—continued.**

Department.	Board.	No. of Members.	Remuneration.
Metropolitan Water Supply	Plumbers' Examination Board	4	Other than Departmental Officers in connection with examination for licensed plumbers. Less than 21 candidates £6 6s. each, 21 to 27 £7 7s. each, 28 and over £8 8s. each. For examination for operative plumbers where no papers have to be marked, 4s. per hour.
Mines	Colliery Accident Relief Trust	3	2s. per Member per meeting.
	Colliery Coal Mines Accident Relief Committee	5	2s. per Member per meeting.
	Mine Workers' Relief Board	5	£2 2s. per sitting with maximum of £100 p.a.
	Board of Examiners for Engine-drivers	3	2 Members <i>Nil.</i> , 1 £225 p.a.
	Board of Examiners for Inspectors of Machinery	3	2 Members <i>Nil.</i> , 1 Member £2 2s. per sitting.
	Board of Examiners for Inspectors of Mines	3	<i>Nil.</i>
	Board of Examiners for Underground Supervisors	3	<i>Nil.</i>
	Mines Ventilation Board	4	<i>Nil.</i>
	Mine Surveyors' Board	3	<i>Nil.</i>
Education	Board of Classifiers	3	<i>Nil.</i>
	High Schools Advisory Board	3	<i>Nil.</i>
	Technical College and Technical Schools Advisory Board	3	<i>Nil.</i>
	Board of Selection for Entrants to Teachers' College	3	<i>Nil.</i>
	Monitors Selection Board	3	<i>Nil.</i>
	Board of Selection for Entrants to Narrogin School of Agriculture	3	<i>Nil.</i>
Chief Secretary's.	Fremantle Harbour Trust	5	Chairman £4 4s. per sitting (limit £300 p.a.), Commissioners £2 2s. per sitting (limit £150 p.a.).
	Board of Visitors—Claremont Mental Hospital, Greenplace, and Whitby Falls	5	2 Medical Practitioners 1 Legal Practitioner £75 p.a. each; 2 Other Members £60 p.a. each.
	Board of Visitors—Heathcote Reception Home	3	1 Medical Practitioner, £40 p.a., 2 Other Members £25 p.a. each.
	Board of Visitors Lemnos Mental Hospital	5	2 Medical Practitioners 1 Legal Practitioner, £2 2s. per visit each (limit £25 4s. p.a.); 2 Other Members, £1 1s. per visit each (limit £12 12s. p.a.).

**BOARDS, ETC., CREATED BY GOVERNMENT, IN  
EXISTENCE 28TH OCTOBER, 1941—continued.**

Depart- ment.	Board.	No of Members.	Remuneration.
C.S.D.	Lunacy Appeal Board	3	<i>Nil.</i>
	Prison Gate Com- mittee	13	<i>Nil.</i>
	Indeterminate Sentences Board	3	2 Members £1 each per sitting.
	Prison Staff Ap- peal Board	3	<i>Nil.</i>
	Board of Govern- ors—Hale School	9	<i>Nil.</i>
	War Funds Coun- cil	5	<i>Nil.</i>
	Astronomical Ad- visory Committee	4	<i>Nil.</i>
	Hospital Boards— 65 Boards: Av- erage Member- ship	8	<i>Nil.</i>
	Visiting Committee —Old Men's Home	3	2 Members £3 8s. per quarterly visit, 1 Member £2 12s. 6d. per quarterly visit.
	Visiting Committee —Women's Home	4	<i>Nil.</i>
	Nurses' Registra- tion Board	4	<i>Nil.</i>
	Midwives' Regis- tration Board	5	<i>Nil.</i>
	Food Standards Advisory Com- mittee	5	Members (other than Public Servants) may be paid a fee not ex- ceeding £1 1s. per sit- ting (limit £50 p.a.).
	Medical Board of W.A.	7	£1 1s. per Member per meeting (paid from Board's own rev- enue).
	Dental Board of W.A.	7	<i>Nil.</i>
	Pharmaceutical Council	7	<i>Nil.</i>
North-West	Boat Licensing Board	3	<i>Nil.</i>

**BILLS (2)—THIRD READING.**

1, Road Districts Act Amendment  
(No. 2).

2, Workers' Compensation Act Amend-  
ment.

Returned to the Assembly with amend-  
ments.

**BILL—WILLS (SOLDIERS, SAILORS  
AND AIRMEN).**

Report of Committee adopted.

**BILL—FIRE BRIGADES ACT AMEND-  
MENT.**

*In Committee.*

Resumed from the 23rd October. Hon. J.  
Cornell in the Chair; the Chief Secretary in  
charge of the Bill.

**Clause 2—Amendment of Section 41:**

The CHAIRMAN: Progress was reported  
on Clause 2 which had been recommitted for  
further consideration and to which Mr. Bol-  
ton had moved the following amendment:—

That the following proviso be added:—"Pro-  
vided, however, that the board shall not expend  
any funds on the installation of hydrants, no  
on any plant or equipment in connection with  
air raids precautions."

Hon. L. B. BOLTON: In view of the  
amendment of which Sir Hal Colebatch has  
given notice, I ask leave to withdraw my  
amendment.

Amendment, by leave, withdrawn.

Hon. Sir HAL COLEBATCH: I move a  
amendment—

That the following proviso be added:—"Pro-  
vided that for the purposes of this subsection  
the term "annual estimated expenditure"  
shall not include any moneys expended or pro-  
posed to be expended in relation to or arising  
from either directly or indirectly war or war  
like operations."

Expenditure of that sort may be on an  
enormous scale, and would undoubtedly be  
urgent. It is a loss that cannot be insured  
against. Reference was made on Thursday  
last to the Riverdale Commission. The  
commission was appointed because it was  
considered that the condition of fire brigade  
in the Old Country was entirely unfitted to  
cope with an emergency that might arise  
during war. Fire brigades as close to each  
other as 10 or 15 miles were so differently  
equipped that it was impossible to aid each  
other in time of emergency. I had several  
talks with Lord Riverdale and wrote to our  
Fire Brigades Board for information in  
which Lord Riverdale was greatly interested  
particularly the fact that here we operate  
on a State-wide scale. As a result of Lord  
Riverdale's report, the total cost of fire  
brigades' administration in the Old Country  
was taken over as a national responsibility,  
and the insurance companies were relieved  
of any necessity to continue payment; it  
became a matter between the Government  
and the local authorities.

I do not propose to interfere with the  
manner of contributing here, but it would  
be not only unjust but also unwise to leave  
these contributions as the only means by  
which additions, repairs, etc., rendered  
necessary by war could be carried into effect.  
The question then is: If the proviso is  
inserted, who is going to bear the cost? This  
question does not immediately arise. The

Bill, if passed with the amendment, will apply only in the year commencing on the 1st October, 1942. Consequently, anything that may happen before then will be dealt with under the existing Act. It will be the province of the Government to make provision by legislation or otherwise to meet extraordinary expenditure for the suppression of fires and the repair of damage that may be done to fire brigade premises, etc. I agree with the recommendation of the Riverdale Commission. A matter of this kind is a national responsibility and should not be cast on the shoulders of insurers, because that is really what happens when the cost is passed on to the insurance companies. However, I make no suggestion in that regard. I propose that this method of contribution shall apply to the ordinary expenditure of fire brigades, but that when the necessity arises for expending large or small sums to meet requirements occasioned by the war, this method of raising the money will not apply.

The HONORARY MINISTER: I raise the same objection as I advanced against Mr. Bolton's amendment. The section of the Act dealing with the powers of the board is Section 29, and that is the one which should be amended. I agree with Sir Hal that we might experience an emergency at any time.

Hon. Sir Hal Colebatch: Well make some provision for it.

The HONORARY MINISTER: No provision is made, and obviously the Commonwealth or State Government, or some authority would have to come to the rescue. The amendment could not take effect until October, 1942, and we may have an emergency at any moment. I do not agree with the principle that the Government should be called upon to shoulder all the expense. The present Bill is an improvement on the allocation in the Act because it is fairer to local authorities. For many years the local authorities have protested against the unfair allocation provided in the Act. Mr. Bolton's remarks indicated that apparently he had not read the Bill. He said that the Minister in another place, in introducing the Bill, misled members there by stating that the proposed proportional increase to be paid by the insurance companies to the Fire Brigades Board would be spread over 108 concerns doing fire business in this State, and he went on to quote what the Minister

was reported to have said about those 108 concerns. The Minister did say that 108 concerns were doing fire insurance business, and this is correct to the extent that they are contributors to the costs of the Fire Brigades Board, but Mr. Bolton, in elaborating on the composition of those concerns, quoted information that was not even referred to by the Minister.

Hon. L. B. Bolton: I endeavoured to correct it.

The HONORARY MINISTER: It appears that Mr. Bolton had sufficient time in which to read the remarks made by the Minister who dealt with the Bill in another place. He did not do so, but was satisfied to accept what had been put up for him by someone else.

The CHAIRMAN: Will you inform me whether relatively the same amount will be raised annually under the new proposal as is raised under the existing proposal?

The HONORARY MINISTER: Practically the same. Mr. Bolton said that the Minister's statement to the effect that 108 concerns would participate in the increased contributions of insurance companies was misleading. Why is it misleading? The facts are that 108 concerns are now contributing under the Act their proportion to the Fire Brigades Board and will continue to contribute the proportionate increase if the Bill is passed. It has been said that if the proposal is adopted, the effect will be to increase fire insurance premiums. That does not follow, and there is no justification whatever for any increase. At the present time, premium rates in this State are on a par with those charged in South Australia. In that State insurance companies are contributing another £4,000 over and above the amount companies in this State will be called upon to pay if the Bill is passed. This figure has been arrived at on Western Australia's expenditure last year of £70,407. Although the ratio of contributions under the Bill is the same as that in South Australia, there is this difference: The Government of South Australia limits its own contribution to £10,000 per annum, a proposal not embodied in this Bill. Therefore, insurance companies in Western Australia, from a fire insurance point of view, are relatively better off than are such companies in South Australia, where the additional cost of fire services thrown on to insurance companies has not made fire insur-

ance more costly than it is in Western Australia. Mr. Bolton's remarks were centred around the additional cost to insurance companies, but he failed to point out the benefits which will be derived by local authorities if the Bill is passed. For many years much dissatisfaction has existed amongst the various local authorities regarding the incidence of contributions for fire protection, and the matter has been the subject of many representations to various Ministers concerned. The Bill will afford some relief to local authorities at a time when their finances are being strained to the utmost. Members representing country districts are aware of the trouble that road boards are having to balance their budgets and get in money.

Hon. Sir Hal Colebatch: How much revenue will the Government save on your figures?

The HONORARY MINISTER: Not much.

Hon. Sir Hal Colebatch: As much as £2,000?

Hon. L. B. Bolton: That is right.

The HONORARY MINISTER: The amount is £1,900 odd. The Government is of the opinion that the proposed alteration is justifiable. The suggested allocations will certainly ease to some extent the added burdens which have been placed upon the various local authorities.

Hon. A. Thomson: What is the total saving?

The HONORARY MINISTER: It will amount to £10,757. The following figures showing the present basis, the proposed basis and the decrease, will be of interest to members:—

Local Authority.	Present basis. £	Proposed basis. £	Decrease. £
Perth City Council ....	11,013	7,052	4,861
Coolgardie Road Board ....	72	43	29
Geraldton Municipality ....	474	252	198
Kalgoorlie Municipality ....	1,377	817	560
Boulder Municipality ....	1,177	607	480
Kalgoorlie Road Board ....	316	187	129
Fremantle Municipality ....	1,043	1,150	703
Midland Junction Municipality	461	268	193
Perth Road Board ....	762	404	358

These decreases, in the aggregate, will be of substantial assistance to the local authorities. I therefore think the proposal should appeal to members, especially as we are not attempting anything revolutionary in regard to this legislation. We are copying the South Australian basis.

Hon. J. J. Holmes: But this amendment will not affect that distribution.

The HONORARY MINISTER: No. I think it would be unwise for the Committee to agree to the amendment, because on Sir Hal Colebatch's own statement the measure, if passed, cannot come into force until October, 1942, and consequently would be useless to meet an emergency. If the amendment is agreed to it will lead to confusion. Somebody will have to pay and the Fire Brigades Board will be put to some inconvenience.

The CHAIRMAN: I allowed the Minister the latitude which I granted to Mr. Bolton. Both were out of order, because on the Minister's own admission the aggregate amount of money involved is not in question. All the amendment would do would be to continue the present state of affairs; that is to say, this money will be used as it has been used hitherto for ordinary expenditure, not extraordinary expenditure. The debate will have to proceed on the point whether or not this money will be used for war expenditure, not on the question of who shall pay it.

Hon. Sir HAL COLEBATCH: I entirely agree with the Honorary Minister that an emergency may arise much sooner than we expect. I quite admit the Government has that in mind. It should, therefore, also have in mind a method of meeting an emergency. All my amendment says is that an emergency of that sort shall not be met in the way provided in the Bill. To carry the amendment will not make the matter any worse from the point of view of meeting an emergency. All it will do—perhaps unnecessarily, I hope—will be to make clear to the Government that the matter must be taken into consideration and that some method must be devised to meet expenditure of that kind.

Amendment put and passed; the clause, as amended, agreed to.

Bill again reported with an amendment.

## BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

### Second Reading.

The HONORARY MINISTER (Hon. E. H. Gray—West) [5.0] in moving the second reading said: The Bill seeks in the main to facilitate the approach to the Arbitration Court by unions and employers, to bring within the scope of the Act a section

of workers not at present provided for, and to give to the court what may be described as certain further powers of a machinery nature. The proposals are designed mainly—

- (a) To bring domestic workers within the definition of "worker" under the Act;
- (b) To alter the existing law regarding the period within which amendments may be made to an award which has been made by the court;
- (c) To give to all parties to any award made by the court the right to vary the terms of the award, provided all the parties so agree, and the court finally sanctions the agreement;
- (d) To extend the powers of the Arbitration Court to interpret the terms of an award even though the term has expired;
- (e) To make provision for a compulsory annual audit of the accounts of every registered union in the State;
- (f) To provide that the asking, demanding or receiving of a premium for the employment or engagement of a worker shall be an offence under the Act;
- (g) To allow the contents of copies of the "Western Australian Industrial Gazette" to be accepted as evidence in the court.

The amendment to include a domestic servant within the definition of "worker" is considered highly desirable. Over a number of years certain organisations have contended—and I think it must be generally recognised—that domestic workers have been underpaid and, in a number of instances, overworked, and that some alteration should be made in the conditions of their employment.

The demand that domestic servants should be brought under the Act has come from other than Labour organisations. Even the social editress of the "Daily News" has published an illuminating paragraph as to the advisability of the House passing this legislation. Generally speaking, women's organisations have been clamouring for this reform for some time, and I consider it would be to the advantage of the employers to have domestic servants brought under the provisions of the Act. It would have two results. First, it would raise the status of domestic servants generally, and, secondly, it would protect domestics who do not receive a fair deal at present. One can admit that there are thousands of employers who treat their domestics very well; but others do not. I think it is safe to say that if domestic ser-

vants had been protected years ago the present severe shortage would not have occurred.

It will be a definite advantage to all decent employers to have their domestic servants brought under the provisions of the Act. If better conditions are provided girls will be more inclined to train for domestic service, a better class of domestic will undertake the work, and, generally, there will be a greater degree of efficiency. Domestic service is an important part of our social economy and there is no doubt that a good well-trained domestic servant is more fitted than are girls in any other branch of industry to enter the married state. No matter in what circumstances of life a man may be, he is lucky if he marries a good domestic servant because he secures a good wife.

Hon. J. J. Holmes: They write their own ticket! They can walk in and walk out as they like!

The HONORARY MINISTER: It is considered that the time is long overdue for the required amendment to the Act to bring this class of work within the scope of the Arbitration Court, so that domestic servants may be allowed to enjoy the same privileges of arbitration as are extended to other workers in industry. It is provided in the Bill that the court may, when delivering an award or any amendment to an award, reserve liberty to any party to apply to amend it in regard to matters to be specifically stated in the order granting such leave, and that such order may state the period of time, which may be less than twelve months, within which an application may be made. Under the Act at present, no party to any award may, until a period of twelve months has elapsed, make application to alter any portion of it. The proposal is to give power to the court, when delivering an award, to reserve the right to any party to it to amend any stated provision before a period of twelve months has elapsed. All members who have had any experience of industrial matters in this connection should agree that the proposed amendment is desirable.

Instances have occurred where the court has included in an award what may be termed experimental provisions; that is, provisions dealing with conditions of employment that have not previously been tested elsewhere in Australia. When these particular provisions were tested

in actual practice it was found that they did not operate as the court and the parties to the award had anticipated. The proposed amendment is considered fair and equitable to all parties, particularly when it is borne in mind that the right to apply for any amendment of any particular provisions of the award will operate only when the court itself grants the right. Unless the court grants this right when delivering an award, the legal position will be just the same as under present legislation.

Provision has been made in the Bill to give any parties bound by an award the right to enter into an agreement at any time to vary all or any of the terms of the award. Any such agreement subject to the express sanction of the court may be registered and shall become binding on all parties to it. The aim of this proposal is to encourage employers and employees alike to meet in conference and consider their differences whenever it is deemed desirable and necessary, so that they may, if possible, come to a unanimous agreement on any alteration to an award which any of the parties may want from time to time.

Hon. L. B. Bolton: Any alteration would have to be referred to the Court.

The HONORARY MINISTER: Yes, it would have to be referred to the court for its sanction. That cannot be done under the present Act. Another proposal in the Bill seeks to give the court the right to interpret the provisions of an award even though its term has expired. At the present time most awards are made for a period of three years, the court being given the power of interpretation during their currency. Even though these awards continue to be binding beyond what may be termed their legal currency of three years, it has been ruled that the court's power of interpretation is restricted to the term of the award. The proposed amendment will give the court unrestricted power of interpretation so long as the award is in force. In effect, if an award is for three years, but continues in force for say, seven, eight or even ten years, the court will still have the power to interpret any of its provisions even after its three years' currency has expired. I think members will perceive that that will tend to increase peace in industry.

Hon. J. J. Holmes: Both parties will have to agree?

The HONORARY MINISTER: Yes. The Bill also provides for a compulsory annual audit by a qualified accountant of the accounts of all registered unions of employers and employees alike. There is no such provision under the Act and that it has not been inserted previously is strange.

Hon. J. Cornell: It is strange when one looks back over the years. It is getting fashionable now.

The HONORARY MINISTER: Members are no doubt aware that there have been what may be described unfortunate and regrettable incidents in the affairs of some registered industrial organisations from time to time, and it is thought that the proposal in this Bill will go a long way towards tightening up the various systems of accounting which are being undertaken by the many registered organisations.

Hon. J. Cornell: The proposal will not stop defalcations.

The HONORARY MINISTER: It will help to do so. This amendment is considered to be in the interests of all concerned and no financial difficulties should be experienced in providing for the services of a qualified accountant.

Hon. G. W. Miles: Did I understand you to say a little while ago that it would be an offence to pay premiums to obtain employment? What about the 25s. a year that one union demands?

Hon. G. Fraser: I thought there was something behind the question!

The HONORARY MINISTER: I do not know anything about that. I do not think the hon. member is quite correct.

Hon. T. Moore: It is a very old sore that is being resurrected.

Hon. W. J. Mann: A very old sore that has not yet been cured.

The HONORARY MINISTER: A very old sore with no foundation in fact. The proposal in the Bill provides that no employer or worker or person acting on behalf of an employer or worker, shall ask, demand, receive, pay or offer to pay any premium or reward for the employment or engagement of any worker in industry, which is the subject of an award or industrial agreement. It is set out, too, that it will be illegal for newspapers to advertise any offers regarding the acceptance or receipt of premiums in connection with the employment of a worker. It is felt that the

undesirable system of offering premiums in return for employment should cease as early as possible.

Hon. G. W. Miles: That is what one union is doing now!

The HONORARY MINISTER: I do not think the hon. member should treat the Bill with levity.

Hon. G. W. Miles: There is no levity in my remark.

The HONORARY MINISTER: I take it the hon. member refers to the union fees charged by the A.W.U.

Hon. G. Fraser: That is the cheapest insurance the worker can get!

Hon. G. W. Miles: But he has to pay before he gets a job.

The HONORARY MINISTER: The average worker is quite willing to pay. A proviso has been inserted in the Bill setting out that the relevant clause dealing with premiums shall not apply to employment or an engagement through the agency of an employment broker acting in the ordinary course of business under the Employment Brokers Act 1909-1918. That affects employment brokers who are operating at present.

Another proposal in the Bill seeks to insert a new section in the Act to provide that any officer of an industrial union of employees, authorised in writing by the president and secretary of the union, shall have the right to enter on an employer's premises to interview union members and other persons engaged there, provided that such officer shall interview or converse with those persons during the lunch hour or some non-working period. It does not mean that a union representative could go into a place of employment and upset the routine of the factory.

Hon. J. J. Holmes: But it means that an officer of the union could go into my house at lunch time and interview my maid.

The HONORARY MINISTER: No.

Hon. J. J. Holmes: Yes, it does.

Hon. Sir Hal Colebatch: No, that is exempt under the Bill.

The HONORARY MINISTER: Provision has also been made that an authorised officer may make inspections by day or night on any premises in which it is believed work is being done in contravention of the Act or any award or agreement. The relevant clause on this point does not confer the right of entry to any private home.

The Bill also contains a proposal dealing with notices and matters for publication in the "Industrial Gazette." Publication in the "Gazette" on any matter referred to in the schedule will be *prima facie* evidence of such matter if the "Gazette" is produced in court. At present the "Industrial Gazette" is not accepted as having any standing in the Arbitration Court, and the proposal in the Bill, which will have the effect of raising the status of the publication in that it will be accepted by the court, will be a matter of great convenience and help to all industrial organisations. Rather similar provisions have been inserted in the Bill with respect to the "Statistical Register" compiled by the Government Statistician.

Several other amendments have been included in the Bill most of which are of a machinery nature sought by the court or officials associated with it. Members who have had any experience in industrial matters will appreciate the necessity and desire for most of the proposals embodied in the Bill, the principal of which have been put forward in order to maintain that spirit of reasonableness and conciliation that exists between employer and employee in this State. When compared with the position in other States, Western Australia can well boast of its record of industrial peace over the last 10 or 20 years. When considering amendments to our industrial legislation, that fact should be remembered by the House. Certain disputes have arisen from time to time but usually reason has prevailed and the troubles have been settled by conferences between the parties concerned or by means of arbitration. Employers' organisations and the industrial unions have adopted a policy of endeavouring to settle their differences amicably out of court. That is not possible of achievement on all occasions and at times recourse has to be had to the court.

I trust members will accept the proposals outlined in the Bill. As I mentioned at the outset, they are designed to facilitate an approach to the court by industrial unions and by employers, as well as to extend the principle of arbitration to a section of workers now sadly neglected in that respect. If members closely examine the Bill and compare it with the parent Act, they will recognise that the amendments sought are reasonable, that experience suggests them to be necessary, and that the objective is to



foster a still better industrial spirit within the State. I move—

That the Bill be now read a second time.

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

## BILL—MONEY LENDERS ACT AMENDMENT.

### *Second Reading.*

**HON. E. M. HEENAN** (North-East) [5.23] in moving the second reading said: The Bill proposes to amend the Money Lenders Act, 1912-1937, by limiting the rate of interest to 20 per cent. and by disallowing the proviso in Section 10 of the Act which enables a money lender to charge interest on interest. As the law stands now, any person or firm, with certain exemptions, whose business is that of money lending, or who lends money at a rate of interest exceeding 12½ per cent., must be registered as a money lender and is, of course, subject to the provisions of the Act. However, a remarkable feature of that legislation is that it provides no limitation to the rate of interest that may be charged and this is, in my opinion, a grave weakness.

Instances are frequent of rates of interest at 60 or 70 and even higher percentages being charged. True it is that the court can reopen any transaction and if it considers it to be harsh or unconscionable, give whatever relief it considers reasonable. The weakness there lies in the fact that the court has no jurisdiction except in cases where the money lender institutes legal proceedings. Many people are reluctant to face the publicity involved in court proceedings, while others, of course, are ignorant and succumb to the money lenders' threats of legal proceedings. It may be argued that the rate of 20 per cent. is too little for small loans over short periods. It may also be said that if the Bill be passed the money lenders will refuse to make small loans available because the business will be unprofitable, and that in consequence a hardship will be inflicted on persons who desire to borrow small amounts.

**Hon. G. W. Miles:** The object is to block the borrowing of small amounts.

**Hon. E. M. HEENAN:** My answer to the suggestions I have indicated is that 20 per cent. is quite high enough in any circumstances and if perchance the small borrower

is prevented from securing loans, it will prove a blessing in disguise.

**Hon. J. Cornell:** Particularly on race days—if you can stop it.

**Hon. E. M. HEENAN:** There are certain other minor features of the Bill but I propose to reserve my remarks concerning them for the Committee stage.

**Hon. J. J. Holmes:** Are you certain that the Bill will reach the Committee stage?

**Hon. E. M. HEENAN:** One can never be certain of anything in this life. I submit that legislation such as that I have outlined is long overdue and I think that members generally will agree that no time could be more opportune than the present for its introduction. I move—

That the Bill be now read a second time.

Question put and a division taken with the following result:—

Ayes .. .. .	15
Noes . . . . .	9
<hr/>	
Majority for .. .	6
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### AYES.

Hon. Sir Hal Colebatch	Hon. E. M. Heenan
Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. A. Dimmitt	Hon. W. J. Mann
Hon. J. M. Drew	Hon. A. Thomson
Hon. G. Fraser	Hon. H. Tuckey
Hon. E. H. Gray	Hon. F. R. Welsh
Hon. E. H. H. Hall	Hon. T. Moore
Hon. W. R. Hall	(Teller.)

### NOES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. L. B. Bolton	Hon. H. V. Piesse
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. L. Craig
Hon. J. M. Macfarlane	(Teller.)

### PAIR.

<b>AYE.</b>	<b>NO.</b>
Hon. C. B. Williams	Hon. H. S. W. Parker

Question thus passed.

Bill read a second time.

### *In Committee.*

**Hon. J. Cornell** in the Chair; **Hon. E. M. Heenan** in charge of the Bill.

Clause 1—Short Title:

**Hon. J. J. HOLMES:** I called for a division, and am certainly disappointed with the result. My reason for dividing the House was that there is no need whatever for the Bill. A couple of years ago Mr. Henry Moseley was appointed a Royal Commissioner to inquire into legislation relating to money lenders. He put up a report, and on that report the existing Act is based. Now someone else comes along

and wants to amend that Act detrimentally to all parties. At the Royal Commissioner's suggestion it is provided in the existing Act that the original contract shall contain the names of both the borrower and the lender, the amount of interest chargeable, terms of payment, and the date of making the contract; the Act also provides that the borrower must be supplied with a copy of any document he signs.

The CHAIRMAN: I would point out to the hon. member that the question before the Chair is Clause 1.

Hon. J. J. HOLMES: I understand that on Clause 1 of the Bill in Committee some latitude is allowed—especially in such circumstances as these. (

The CHAIRMAN: Second reading speeches cannot be allowed. The hon. member had his opportunity at the second reading stage.

Hon. J. J. HOLMES: Do you rule me out of order, Sir?

The CHAIRMAN: No. I only point out that such remarks would be more applicable to Clause 2.

Hon. J. J. HOLMES: Another wise provision of the existing Act is that on no account shall compounding of interest be allowed. Again, the statute provides that if a man finds he can repay before the date agreed upon, he may do so and must receive a rebate of interest in accordance with the Schedule to the Act. Why should we tinker with something that has been decided by a Royal Commissioner appointed for the purpose?

Clause put and passed.

Clauses 2, 3—agreed to.

Clause 4—New sections:

Hon. J. M. MACFARLANE: Clause 4 is the Bill. I agree with what Mr. Holmes said as to amending an Act which resulted from the recommendations of a full-time Royal Commissioner. The Bill seeks to fix the rate of interest at a definite figure. Victoria and England do fix rates of interest which give the money lender a chance to make a living. I consider that the maximum rate of interest under the Bill should be increased from £20 per centum per annum to £48. I move an amendment—

That in the last line of the proviso to proposed Section 11A the word "twenty" be struck out.

Hon. E. M. HEENAN: That amendment is a shot in the dark, without rhyme or reason, and I oppose it strongly. Members will, I think, agree that 20 per cent. should be deemed an adequate rate in any circumstances. Normally, even 20 per cent. would be out of all reason; but I appreciate that money lenders are in a different category from financial institutions. If, however, they have been careless and lost money, they must be careful in the future.

Hon. G. W. Miles: The rate is for an unsecured debt.

Hon. E. M. HEENAN: Money lenders should be skilled in their business.

The CHAIRMAN: I draw Mr. Heenan's attention to the proviso—

Provided that, from the date of commencement of the Money Lenders Act Amendment Act, 1941, during the continuance of the war with Italy and Germany, in which at such date His Majesty is engaged, and thereafter, until a different maximum rate of interest is prescribed, the prescribed maximum rate of interest shall be and is hereby declared to be twenty pounds per centum per annum.

Is this supposed to be a temporary measure?

Hon. E. M. HEENAN: Proposed Section 11C makes that clear.

The CHAIRMAN: Why mention Germany? Why mention the war at all?

Hon. E. M. HEENAN: It is not to be a temporary measure at all, but a permanent one, though portion of the Bill is limited to the duration of the war.

The CHAIRMAN: If the provision is intended to be temporary, it should be placed at the end of the Bill. Is this measure to be restricted to the war period?

Hon. E. M. HEENAN: Only one portion of the Bill, the maximum rate of interest.

The CHAIRMAN: That is to be temporary until it is altered?

Hon. E. M. HEENAN: Yes.

The CHAIRMAN: Then why mention Germany and Italy at all?

Hon. E. M. HEENAN: I must say I see nothing wrong with the drafting.

Hon. C. F. Baxter: You are the only member who does not.

Hon. E. M. HEENAN: Then let Mr. Baxter state what is wrong.

Hon. J. J. HOLMES: The proviso is what is commonly termed "soft soap." As showing that there is no need for an amending Bill, since the passing of the Act I believe not one borrower, and certainly not one lender, has had his transaction reviewed by

any court of justice in Western Australia as the result of that enactment. Now we are to alter the whole position by amendments of this description.

Hon. C. F. BAXTER: Clause 4 is the substance of the Bill; but why, if the maximum of 20 per cent. is good, should it apply to a war period rather than any other period? Why undo something that we did on the advice of a Royal Commissioner only two or three years ago? Mr. Moseley, who is known to be extremely thorough in his methods, made a complete investigation; yet he did not recommend a maximum rate of interest. Unfortunate people may be forced, through illness, to borrow. In the case of a pawnbroker the borrower deposits something of the value of, say, £20 as security for the loan of £5. Pawnbrokers have definite security. Who is going to advance money at a rate of 20 per cent. to people who have no security whatever to offer?

The CHAIRMAN: I want Mr. Heenan to clear this matter up.

Hon. C. F. BAXTER: The way to clear the matter up is to strike out the proviso.

The CHAIRMAN: The proviso means that, if this Bill becomes law, not more than 20 per cent. interest can be charged up to the conclusion of the war, but that after the war the Governor in Council may by regulation make the rate of interest higher or lower.

Hon. W. R. Hall: Why should that not be so?

The CHAIRMAN: This is a temporary Bill, which provides that during the war the maximum rate of interest shall be 20 per cent. After the war the rate may be increased. I suggest to Mr. Heenan that he might report progress, and ultimately confine the Bill to one that will constitute a war measure. Parliament can review the position after the war. I rule that the Bill is a temporary one.

Hon. E. M. HEENAN: I must accept your ruling, Mr. Chairman. It is, however, strange that you should now ask me to satisfy you that this is not a temporary Bill.

The CHAIRMAN: You did not satisfy me; I had to satisfy myself.

Hon. E. M. HEENAN: Your ruling, Mr. Chairman, leaves me with no alternative. I move—

That progress be reported.

Hon. G. W. Miles: Would it not be well that Mr. Macfarlane should withdraw his amendment?

The CHAIRMAN: The amendment will appear on the notice paper.

Hon. H. TUCKEY: I do not know how we have arrived at the present position. The proviso states that the measure will last for the duration of the war and thereafter, and that the rate of interest shall be 20 per cent. until otherwise determined. This is not a temporary measure.

The CHAIRMAN: I ask the hon. member to read proposed Section 11C. I am dealing with the Bill as a whole. It is definitely a war-time measure as it is worded. At the conclusion of hostilities a different rate of interest may be determined, but during the war it will remain, according to the Bill, at a maximum of 20 per cent.

The CHIEF SECRETARY: Have our Standing Orders been complied with? Would it make any difference if the proviso were put at the end of the Bill?

The CHAIRMAN: The Committee must arrange it one way or the other. The Bill must either be a permanent one or a temporary one. The Committee must lay down that the rate of interest shall be 20 per cent. for all time or only during the war time, and then be subject to review.

Hon. E. M. HEENAN: I ask leave to withdraw my motion that progress be reported.

The CHAIRMAN: I point out that the discussion has been out of order, though I have allowed members a good deal of latitude.

Motion, by leave, withdrawn.

Hon. E. M. HEENAN: I should now like to move an amendment.

Hon. G. W. Miles: Before Mr. Heenan moves an amendment, should not Mr. Macfarlane withdraw his amendment?

Hon. J. M. MACFARLANE: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. E. M. HEENAN: I move an amendment—

That in lines 3 to 6 of the proviso to proposed new Section 11A the words "during the continuance of the war with Italy and Germany, in which at such date His Majesty is engaged, and thereafter, until a different maximum rate of interest is prescribed, the prescribed" be struck out.

If this amendment is carried there will be no reference in the Bill to the war, and the

maximum rate of interest will stand at 20 per cent.

Amendment put and passed.

The CHAIRMAN: The word "the" will be inserted by the clerk after the figures "1941."

Hon. J. M. MACFARLANE: I move an amendment—

That in line 21 of the proviso the word "twenty" be struck out with a view to inserting the words "forty-eight."

As amended the Bill may now be regarded as a permanent measure, and we can deal with the rates of interest fixed in other parts of the world. Victoria has adopted our Act almost entirely, and by regulation has fixed the maximum rate of interest at 48 per cent. per annum.

Hon. Sir HAL COLEBATCH: I support the clause as it now stands, although it may result in hardship in certain cases. Some people will be unable to derive any advantage from borrowing money from money lenders if they can only pay 20 per cent. interest. We must, however, weigh in the balance the gain and the loss, and protect people against themselves. What is even more important, we have to protect women and children against improvident husbands and fathers.

Hon. W. R. Hall: And protect them against the money lenders!

Hon. Sir HAL COLEBATCH: Quite so. It has been said that no case has yet come before the courts. I know of many instances where people have paid exorbitant rates of interest for a long period to their ultimate utter impoverishment. They have done that rather than expose their position to their friends. There is an enormous amount of wasteful and excessive expenditure because it is so easy for people to borrow money. People are reckless as to the interest they pay. They even borrow money in order to back racehorses. We are told that 20 per cent. will not compensate the money lender because of a risk that has to be taken with poor people. It is an extraordinary argument that poor people should be called upon to pay an exorbitant rate of interest for no other reason than that their fellow poor, who are also borrowing money, may default, and that therefore the others should pay the higher rate of interest.

Hardship may arise because of the limitation of excessive interest, but the balance of profit will be on the other side. The

check this legislation will give to improvident borrowing will be of great public advantage, particularly in this time of war. We know that every shilling wasted is a gift to the enemy. We also know there is excessive spending, particularly in the cities, and that a great deal of that spending is not merely the spending of money that has been saved, but the spending of borrowed money, money that has to be earned in the near future. If the rate of interest is cut down to 20 per cent. as a maximum it will establish some check upon that practice, and will do a great deal more good to the general community than harm to a few individuals who may be prevented from raising money to tide them over their difficulties because of the limitation in question. I hope the Bill will be allowed to stand as it is.

Hon. L. CRAIG: It is difficult to oppose the views expressed by Sir Hal Colebatch. On the face of it the Bill appears to be sound, but I think we must be careful to see what it does to an industry for which there is apparently some need. Money lending is, after all, an industry.

Hon. Sir Hal Colebatch: A productive industry.

Hon. C. B. Williams: It is costing this State money to legislate against it.

Hon. L. CRAIG: Three or four years ago Parliament wanted to amend this legislation, but felt it had not sufficient knowledge of it. This industry is accepted in other parts of the world.

Hon. C. B. Williams: Who created it?

Hon. L. CRAIG: It is one of the oldest in the world.

Hon. T. Moore: And one of the rottenest.

Hon. L. CRAIG: Perhaps so, but there is a need for it. England has accepted it, and has provided a very high rate of interest. Victoria recently amended its legislation fixing a higher rate of interest. Mr. Moseley, after making the fullest inquiries and receiving information of which we know nothing, was unable to fix a rate.

Hon. C. B. Williams: We may have more brains than Mr. Moseley.

Hon. L. CRAIG: We have not the information placed at his disposal.

Hon. C. B. Williams: Yes, we have!

Hon. L. CRAIG: On the face of it 20 per cent. looks a high rate, but it will exclude those people wanting small sums for a short period.

Hon. Sir Hal Colebatch: They will probably be better off without it.

Hon. L. CRAIG: We may think so, but they may have very good reasons for borrowing. Are we in a position to cut out this industry?

Hon. W. R. Hall: What industry?

Hon. C. B. Williams: We do not agree that it is an industry.

Hon. L. CRAIG: It is accepted as such. However, after the Royal Commissioner's report the Government did not feel disposed to introduce legislation fixing a rate of 20 per cent., nor has it been willing this time, but has passed it on to a private member.

Hon. W. R. Hall: It should be a Government Bill.

Hon. L. CRAIG: If the Government is behind it, it should introduce it, and not, because an election is approaching, allow a private member to introduce such a measure.

Hon. G. Fraser: Its origin does not matter.

Hon. L. CRAIG: We should be careful when hastily passing legislation of a type accepted almost throughout the world, including other States of Australia which have given it careful consideration.

Hon. C. B. Williams: Have you read what the Premier of New South Wales said the other day?

Hon. A. Thomson: The Government introduced the legislation in New South Wales.

Hon. L. CRAIG: We have not sufficient knowledge hastily to wipe out an industry which, I believe, is necessary. It would not otherwise exist. I support the amendment.

The CHIEF SECRETARY: The hon. member does himself an injustice by his remarks. Every member of this House, or of another place, has the right to introduce legislation. Irrespective of whether the Government agrees or not, each Chamber has the opportunity to indicate whether it approves or disapproves of legislation. Consequently the remarks of Mr. Craig are quite uncalled for. There is no question of this legislation having been introduced on account of an election; there is no question of the Government having allowed a private member to introduce because an election will take place next year. Mr. Craig would be well advised to confine himself to the merits of the Bill and not get down to politics on a measure of this kind.

Hon. G. FRASER: It has been stated that these £5 loans without any security are risky undertakings.

Hon. W. R. Hall: It is an industry.

Hon. G. FRASER: An industry generally produces something, but I know of nothing produced by this industry except excessive interest.

Hon. W. R. Hall: And suicides!

Hon. G. FRASER: There is a case in my town which gives the lie direct to the statement dealing with the £5 loan without security. The loan may be made without definite security, but the money lender generally satisfies himself that there is a little furniture, or something else from which he can be recouped if the occasion arises as in the case I am about to quote. People very often need £5 to tide them over difficulties, but unfortunately the getting of the £5 only starts their difficulties and does not end them. It happened in this case and in dozens of others. This was the case of an old-age pensioner.

Hon. C. B. Williams: Are you talking from hearsay?

Hon. G. FRASER: I have a letter here, and it is typical of many instances. This person was unable to pay the 5s. a week required to repay the loan and was notified that unless the money was paid the assets would be seized. To overcome the difficulty the money lender suggested a further loan, and the total amount went to a height of £30 from the original £5. That occurred because of the excessive rate of interest charged.

Hon. A. Thomson: What was the actual interest owing?

Hon. G. FRASER: I could not say. It was to be repaid in six months and eventually extended beyond three years. It would have been better if that person had not been able in the first place to borrow £5. We do not need a Royal Commissioner's report to tell us whether 20 per cent. is reasonable or otherwise. I consider even 20 per cent. excessive but will waive my objections in view of what has generally been charged in the past.

Hon. H. TUCKEY: There is the question as to whether 20 per cent. is not too much. A great deal has been said about the interest on £5, but the position relating to the larger amounts of £20, £30, £50, or £100 has not been mentioned. Twenty per cent. can be

charged on £100 or more. As it is 20 per cent. in the Bill I will support it, but it is too high.

Hon. T. MOORE: Interest at the rate of 20 per cent. is charged not only on loans without security but in cases where security is available. One man I know of had property worth £45 against which he borrowed £20. He paid 60 per cent.

Hon. L. Craig: He was a fool.

Hon. T. MOORE: He could have approached his friends who would have readily assisted him. He repaid £1 a month, but because it went just over two months the person carrying on this so-called industry wanted £3. We need to establish a principle. I might be asked why I voted to allow 20 per cent., and I do not know how I will face up to that. It is too much to ask one to vote for 20 per cent., but if the House suggests that and it is an improvement, I will vote for it.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. J. J. HOLMES: I shall not be a party to voting for a rate of 20 per cent. which may have a boomerang effect. The amendment to stipulate 48 per cent. is even worse. Ten per cent. is the limit to which I am prepared to go. To prescribe 20 per cent. will mean a lingering death for money lenders, but 10 per cent. will probably be sudden death. Looking at the matter from one angle, perhaps sudden death would not be too bad. People who want £5 to go to the races or pay to an S.P. bookmaker can get £5 for 5s. under existing arrangements, but if we fix the rate at 10 per cent., they will have to pay 10s. If we are to fix a rate of interest which the Royal Commissioner said he, with all the information before him, could not do, let us fix a maximum of 10 per cent. and kill the money lending business entirely. If the word "twenty" is struck out, I shall move to insert "ten."

Hon. G. W. MILES: I propose to vote for the deletion of "twenty" with a view to inserting "ten."

Hon. W. J. MANN: I think that to insert "twenty" will defeat the object of the sponsor of the Bill. If any vote of mine would prevent people from going to money lenders, I would willingly cast it in that direction. I am not concerned about the amount of money that lenders will lose; in the aggregate it will not matter much. The majority

of people responsible for making these small loans should be saved from themselves. Conditions in the last few years have altered considerably, and if those people are not better off than they were 15 or 20 years ago, it is their own fault. Wages have been increased; workers have been exempted from taxation to an extraordinary degree, and they have child endowment which, in many instances, represents a fair sum. All those things should improve their lot. I have a circular signed by a number of money lenders in which the following statement appears—

Should the Bill be accepted it will mean that no person will be able to obtain small loans as it definitely will not pay the financiers to make loans available at 20 per cent. Their losses are too great to reduce the interest to this extent. If money lenders discontinue their businesses, it will inflict hardship on a big section of the public.

I refuse to accept that. I think it is largely improvident people who avail themselves of these small loans, and who, if they managed their affairs a little better, would not need to patronise money lenders at all.

Had it not been for the assistance received from the financiers, many of these people would not have been able to carry on their small businesses, improve their homes, give their children a little extra education, meet their doctor's bills, rates, taxation, etc.

We have been told of many unsavoury transactions for which the money lender is responsible, but there have been unsavoury tactics on the part of other people also. If lenders were allowed to charge 20 per cent. on small loans, it would be only an additional inducement for many people to endeavour to borrow more money. The more we do to prevent people from patronising money lenders, the greater the benefit we shall be conferring on them. I felt disposed to support the clause, but I think we would be doing greater good if we reduced the rate to 10 per cent.

Hon. J. M. MACFARLANE: I am in agreement with the general sentiments of the Committee. Other countries have legislated for a maximum interest rate because this course was recognised as necessary. We have to think of the lenders and make the business reasonably profitable for them. I desired to bring the rate into line with the rate fixed in England and

Victoria for short-term unsecured loans, and my amendment was designed to test the feeling of the Committee as to what the rate should be.

Hon. A. THOMSON: I support the amendment with the object of voting for a rate of 10 per cent. Money lenders seem to prosper in the metropolitan area and in large industrial centres, but are not much in evidence in the country. I cannot imagine any lender handing out money without feeling satisfied that the borrower was in a fairly good position or had some security. Ten per cent. would be quite a reasonable rate. We are told that people are being ruined through having to pay the ordinary bank rate, and I certainly could not approve of the rate being fixed at 20 per cent. in this measure. If there is a loss on small loans, what is lost on the merry-go-round will be picked up on the swing boats.

Hon. Sir HAL COLEBATCH: I am quite in agreement with the members who suggest that the rate should be fixed at 20 per cent.; but I would point out that if the rate is fixed at 10 per cent., it will be the end of the Bill.

Hon. A. Thomson: Why?

Hon. Sir HAL COLEBATCH: It will be seen whether I am right or wrong. At present money is being borrowed at rates of interest from 33 per cent. to 40 per cent., and not uncommonly at 60 per cent. Therefore, if we make the maximum 20 per cent., we shall have achieved a great deal by a single step. The Bill purports to be a war measure. From that point alone it is more than abundantly justified. I might repeat what I have already stated, that, in this time of war, there is a tremendous amount of excess spending all over Australia, a great deal of it being contributed to by the borrowing of money, very largely at 33 per cent. and even higher rates. People are urged to spend not their savings, but the money they are going to earn during the next month and the next year. That is a pernicious system, even in times of peace. As far back as 1923, I heard a learned professor of economics in one of the western American universities discourse on what is termed the purchaser-credit system, the system that enables people to buy goods with the money they are going to earn subsequently.

After describing it in great detail, the professor said something to the following effect: "I can tell you two things about it. One is that we have gone so far that we cannot stop; the other is that as certainly as night follows day, the system will bring our country to ruin." That system, it is generally admitted now, was an important factor in bringing about the terrible collapse that occurred in America in 1929, and spread throughout the world. If the rate is reduced to 10 per cent. the Bill will certainly be lost.

Hon. V. Hamersley: Why?

Hon. Sir HAL COLEBATCH: I do not know, but that will happen. I hope members will be satisfied with the rate of 20 per cent.

Hon. G. FRASER: I hope the Committee will accept Sir Hal Colebatch's advice and not tinker with the Bill by reducing the rate of interest. It is remarkable that in this debate the members who did most to throw out similar legislation are those who now turn round and want the interest rate reduced to 10 per cent.

Hon. L. B. Bolton: With the same object.

Hon. G. FRASER: It makes one rather suspicious that the idea is to kill the Bill. If I thought that the rate of 10 per cent. would not interfere with the functioning of the Bill, I would certainly vote in favour of that rate.

Hon. A. Thomson: Why should it interfere?

Hon. G. FRASER: We must be fair. Under present legislation, 10 per cent. is permitted to be charged in respect of hire-purchase agreements, regarding which definite security is held. The money lender has no such security. I am prepared to vote for the retention of the rate of 20 per cent. I wish to correct a false impression held by some members. It has been said that money lenders advance money entirely without security. That is not correct.

Hon. A. Thomson: Of course it is not.

Hon. G. FRASER: Money lenders usually find out whether a proposed borrower has assets on which they can claim if the borrower falls in arrear with his payments.

Hon. A. Thomson: Or they ascertain whether he has a decent job.

Hon. G. FRASER: The borrower does not get £5 if he applies for it; he gets only £4 5s. The money lender first of all charges

a fee of 5s. for inspecting the security; another 5s. is charged for stamp duty; and 5s. is deducted for the payment of the first week's instalment.

Hon. E. M. HEENAN: Is 5s. the correct stamp duty?

Hon. G. FRASER: That is what the money lenders charge. Whether it is correct or not I do not know. The danger I see is that if the rate is altered from 20 per cent. the Bill will be defeated.

Hon. L. CRAIG: The arguments adduced by members supporting a rate of 10 per cent. are sound.

The CHAIRMAN: Order! First of all, 48 per cent. was suggested. Now we have an amendment before the Chair to strike out the provision for 20 per cent.

Hon. L. CRAIG: The tenor of the speeches so far suggests that the rate of 48 per cent. will not be agreed to. If the rate be left at 20 per cent. the effect will be to eliminate borrowers who have no security. The man who wants a small loan and has no assets will have no chance of getting it.

Hon. A. Thomson: Judging by the case mentioned by Mr. Fraser, the borrowers must have some security.

Hon. L. CRAIG: If they have security surely the rate of 10 per cent. is sufficient.

Hon. A. Thomson: That is my view.

Hon. L. CRAIG: It is desirable to bring the rate of interest down to 10 per cent., which, in my opinion, is sufficient if security is given. I am in agreement with the members who support that rate.

Hon. E. M. HEENAN: I wish to correct one or two misapprehensions. Apparently some members have spoken to the measure without having first read the Money Lenders Act, which contains a definition of "money lender," which covers a person or corporation or firm carrying on the business of money lending and charging interest at a rate over 12½ per cent. At present any person can charge 12½ per cent. interest with impunity. It is done every day in the week at Kalgoorlie, where a person desiring to borrow £400 or £500 upon the security of a house in that town must pay 10 per cent. or 12½ per cent. interest.

Hon. L. Craig: What a dreadful place Kalgoorlie is!

Hon. J. M. Macfarlane: It is a shame to charge that rate when security is given.

Hon. E. M. HEENAN: I agree, but that is the position. Members will recall that last session a Bill was brought forward which sought to amend the definition of "money lender" to include people charging over 10 per cent. interest. If the amendment is carried, the result will be the defeat of the Bill, and it will be utterly impossible for money lenders to continue their business. If 10 per cent. is substituted for 20 per cent., numerous consequential amendments will be necessary. I appeal to members to deal with the Bill on its merits.

The arguments submitted by Sir Hal Colebatch should appeal to every member of the Committee. Interest at a time like this should be at least fair. Money lenders are in a different category from banks and land agents who can get from 8 to 12½ per cent. on good security. I say advisedly that 20 per cent. is a fair charge for money lenders who make advances in the special circumstances under which they lend money. In the past they have been able to charge as high as 100 per cent. I presume that on occasion they have taken unwise risks, but if a man is to receive from 80 to 100 per cent., he does not mind taking a risk since, if he receives that interest two, three or four times, it does not matter if he loses occasionally. Money lenders lend small amounts of from £20 to £30 for short periods and 20 per cent. is a fair charge for the accommodation. It is a good deal higher than the prevailing rate on a good security but money lenders have to pay registration fees and have expenses that other institutions do not have to face. Mr. Moseley's remarks have been referred to. This is what he said in one paragraph of his report—

Allowing a margin of eight per cent. for profit it would appear reasonable to suggest 25 per cent. as the standard rate of interest. The fairness of this rate to the lender becomes very apparent when it is remembered that the periodical repayments to him of his capital give him repeated opportunities of again placing his money in circulation. It may also be pointed out that a large proportion of the loans are for small amounts and of short duration, and might reasonably carry rates of interest exceeding 25 per cent.

Hon. L. Craig: This Bill will wipe out that sort of lending.

Hon. E. M. HEENAN: It will not. It will fix interest at 20 per cent.

Hon. L. Craig: Mr. Moseley referred to interest exceeding 25 per cent.



Hon. E. M. HEENAN: He refers in one part of his report to 25 per cent. as a standard rate, but points out that under certain circumstances it would be fair to charge a higher rate. Possibly I could agree with him, but as Sir Hal Colebatch has pointed out, we need to discourage people from borrowing these small sums. We want to educate the community not to go to money lenders to borrow £5.

Hon. C. B. Williams: The State does it; everybody does it. This will not educate them. That is the only way people can obtain finance.

Hon. E. M. HEENAN: We must legislate to stop them. It is utterly wrong for people to borrow in this way. There are odd cases in which it would be of great advantage for a person to be able to borrow £5 or £10 but, generally speaking, it is wrong and we should play our part in discouraging it as much as possible. The suggestion that 48 per cent. should be substituted has some merit because it would fit into the Bill, but if 10 per cent. were substituted the Bill would be made ridiculous. Money lenders would be placed in the position of being able to charge only 10 per cent., whereas banks, land agents and vendors of property can charge as high as 12½ per cent.

The CHAIRMAN: I point out to the Committee that any discussion to put 10 per cent. in the Bill is futile because, as was pointed out by Mr. Heenan, the money lender does not come into the picture until he lends money at more than 12½ per cent. The Bill in no way alters the definition of "money lender," so that an amendment to substitute 10 per cent. would not be in order.

Hon. J. J. HOLMES: I resent the suggestion that I proposed 10 per cent. with the object of wrecking the Bill. I did nothing of the kind. I said that I refused to vote for more than 10 per cent. When we find that the member for Canning (Mr. Cross) is behind this measure and that it has been supported by Sir Hal Colebatch, surely we must feel that we have reached the stage when the wolf and the lamb are lying down together! I can hardly believe this is the same Sir Hal who wrecked the measure last year on the score of the exorbitant rate of interest!

Hon. Sir Hal Colebatch: I opposed the measure because it provided for 60 per cent.

Hon. J. J. HOLMES: Let us be logical. If 60 per cent. is bad, 20 per cent. is equally bad. We could get over the difficulty by making the figure 13 per cent. Hundreds of thousands of pounds can be borrowed in Perth on good security at five per cent.

Hon. L. Craig: Hundreds of thousands?

Hon. J. J. HOLMES: Yes. I can see chickens coming home to roost. I visualise what will be the effect of inserting 10 per cent. It will affect the S.P. bookmakers. The extravagant men to whom Sir Hal referred will not be able to go to the money lender on Friday and borrow £5 to give to the starting-price bookmakers, and be faced afterwards with the problem of finding ways and means of repayment. I think that to insert 10 per cent. would be to bring sudden death to the bookmakers, not to the Bill or the money lenders. The sponsor of the Bill has said that we need to educate the people. I think that they need to be educated in other directions. There are two systems in operation in Perth that are a disgrace to the community. I refer to the lay-by system which encourages people to buy things without having the money to pay for them, and the cash order system.

Hon. Sir Hal Colebatch: What is the rate of interest on a cash order?

Hon. J. J. HOLMES: I do not know. I have only one creditor—a big one—and that is the bank, but I know that these systems are a scandal.

Hon. Sir Hal Colebatch: One cash order company advertised the rate as 33½ per cent.

Hon. J. J. HOLMES: If the hon. member desires to stop reckless spending he should give a lead and see what he can do in that direction.

The CHAIRMAN: Cash orders have nothing to do with the matter under discussion.

Hon. J. J. HOLMES: You allowed the sponsor of the Bill to suggest that the public ought to be educated. Surely I can improve upon his suggestion!

The CHAIRMAN: Educated in the ways and wiles of the money lenders and not in the matter of cash orders!

Hon. C. B. Williams: It is the same thing.

Hon. J. J. HOLMES: I have no intention of wrecking the Bill, but I am not going to agree to anything like 20 per cent. I still wonder whether this is the same Sir Hal Colebatch who wrecked last year's Bill!

The CHAIRMAN: I think the debate is developing into one of recrimination. Surely there has been enough discussion as to whether 20 per cent. should be retained in the Bill or be struck out.

Hon. C. B. WILLIAMS: I do not propose to cast a silent vote. It cannot be said that the Bill is going to be wrecked by those who wish to insert ten per cent. in place of twenty. I would have five per cent. inserted if I had my way.

The CHAIRMAN: That amendment would not be accepted.

Hon. C. B. WILLIAMS: I would support any measure keeping interest down as low as possible. The sponsor has referred to Kalgoorlie. I do not want to argue, but I know that I would sooner get my loan from the bank at five per cent.

Hon. E. M. Heenan: What about a poor person with a house of a value of £400 or £500?

Hon. C. B. WILLIAMS: The value of the average house in Kalgoorlie is about £300. A person with a house valued at £500 is not, in my opinion, a poor person. If I owned a house of that value I would go to a bank and get a £100 loan at five per cent. I would not pay 12½ per cent.

Hon. E. M. Heenan: Have you ever tried to borrow money on a house?

Hon. C. B. WILLIAMS: I bought a house at Boulder, the first I owned, and I never paid 12½ per cent. I know men who have had lump sum compensation payments made to them and have put £600 into property worth £1,100 or £1,200. They have paid five per cent. on borrowed money and draw cheques every week on the bank. They have no need to go to a man lending money at from 20 to 50 per cent. There is nobody more extravagant than I in this Chamber, but I would not go to a 20 per cent. money lender. As a member of the Labour Party I object to paying 20 per cent. and I am quite surprised that any Labour supporter should back up a measure providing for a rate of interest exceeding 2½ per cent. It would be better if the money were made available to our country at 2½ per cent. Let people put their money into the war loan.

Hon. Sir Hal Colebatch: Make it compulsory.

Hon. C. B. WILLIAMS: I would not be prepared to do that, but I would give it to the country, which needs it.

The CHAIRMAN: Order! Now we are bordering on recrimination again.

Hon. C. B. WILLIAMS: But I am not electioneering! Any Labour man who can support an interest rate of 20 per cent. in view of the financial policy of the Labour Party has not the interests of his fellow man at heart. I shall support any amendment to reduce the rate from 20 per cent. and will move to substitute 13 per cent. as the rate if necessary.

Hon. L. B. BOLTON: I have no desire to cast a silent vote.

The CHAIRMAN: That is what every member is saying.

Hon. L. B. BOLTON: I feel it my duty to make that statement. I do not propose to have it on record in "Hansard" that I favoured 48 per cent. as the interest rate; I am opposed to any such rate. If I thought that by supporting an amendment to fix interest at 13 per cent., I would wreck the Bill, I would support the amendment. In view of the report submitted by Mr. Moseley after he had conducted a thorough inquiry into the money lending business and while I appreciate the right of private members to introduce legislation, I consider it was the duty of the Government to introduce the Bill, which should not have been left to a private member to undertake. For that reason I am totally opposed to the Bill and will vote against it.

Hon. G. FRASER: I do not wish to prolong the debate.

Hon. C. F. Baxter: Then sit down!

Hon. G. FRASER: Mr. Bolton mentioned Mr. Moseley's report on the money lending business in which the Royal Commissioner mentioned 25 per cent.

Hon. L. Craig: Yes, 25 per cent. and more.

Hon. G. FRASER: Actually Mr. Moseley referred to 25 per cent. After Mr. Bolton had referred to the Moseley report he went on to say that he would vote for an interest rate of 13 per cent. with the idea of wrecking the Bill.

Hon. J. J. Holmes: Mr. Moseley did not fix upon any particular rate.

Hon. G. FRASER: If Mr. Holmes has read Mr. Moseley's report, he will have noticed that he mentioned 25 per cent. and said that in some cases a higher rate could be charged. Notwithstanding his assurance that he had no intention of wrecking the Bill, Mr. Holmes earlier in the night voted

with the idea of defeating the Bill, which would then have enabled money lenders to charge 60 per cent. Yet he asks us to believe his statement! We should not pay attention to his words but judge by his actions where Mr. Holmes stands in this matter.

Hon. J. M. MACFARLANE: I am satisfied that the Committee will agree to the amendment. When I suggested an interest rate of 48 per cent. I may, perhaps, have alarmed members. What I had in mind was that any Government that has decided to fix a rate of interest has chosen 48 per cent. and I took it that those Governments had more knowledge of the position than I or other members possess. My amendment is to strike out the word "twenty." I shall not move to insert anything in lieu but will leave that matter in the hands of members.

Amendment (to strike out word) put and a division called for.

The CHAIRMAN: Before the tellers are appointed I give my vote with the noes. My vote will not matter much, but I consider  $7\frac{1}{2}$  per cent. would represent a fair margin between the maximum and minimum.

Division resulted as follows:—

Ayes .. .. .	13
Noes .. .. .	11
Majority for .. .. .	2

#### AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. G. W. Miles
Hon. L. Craig	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. A. Thomson
Hon. V. Hamersley	Hon. C. B. Williams
Hon. J. J. Holmes	Hon. H. V. Plesse
Hon. J. M. Macfarlane	(Teller.)

#### NOES.

Hon. Sir Hal Colebatch	Hon. E. M. Heenan
Hon. J. Cornhill	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. H. Tucker
Hon. G. Fraser	Hon. F. R. Welsh
Hon. E. H. Gray	Hon. J. A. Dimmitt
Hon. W. R. Hall	(Teller.)

#### PAIR.

Hon. H. S. W. Parker	Hon. T. Moore
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Amendment thus passed.

Hon. A. THOMSON: I move an amendment—

That the word "fifteen" be inserted in lieu of the word struck out.

Amendment put and passed.

Hon. E. M. HEENAN: I move an amendment—

That proposed new Section 11C be struck out.

The amendment is consequential on the decision of the Committee reached at an earlier stage.

Amendment put and passed; the clause, as amended, agreed to.

Title—agreed to.

Bill reported with amendments.

## PAPERS—LIQUID FRUIT COMPANY.

Debate resumed from the 15th October on the following motion by Hon. C. F. Baxter (East):—

That all papers in connection with the financial assistance given by the Government to the Liquid Fruit Company be laid on the Table of the House.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [8.27]: The motion is for the tabling of certain papers. In view of the remarks by Mr. Baxter in moving the motion, I feel it is desirable that I should give the facts to the House. I say straight away that the Government has no objection at any time to the widest publicity being given to transactions of this description—but, of course, other people are concerned. When it is a matter of a financial transaction of this type, business firms and individuals more often than not do not desire that there shall be any great publicity given to it. Very frequently there are quite good reasons for such an attitude and for requests made along those lines.

In every instance where financial assistance has been rendered to a firm or an individual, and where the security offered has taken the form of a mortgage or bill of sale, the usual trade procedure is adopted. I am surprised that Mr. Baxter in placing the motion before the House, did not indicate that he had any knowledge of the fact that the procedure usually obtains in matters of this kind. If Mr. Baxter cares to turn up the "Trade Gazette" of the appropriate date, he will find published the usual type of notice. He will find there the actual amount of the advance, and he will also learn the nature of the security which has been obtained by the Government on account of the amount of money advanced. In addition, the hon. member must be aware that every year when the Public Accounts are made avail-

able these items appear in the report. Therefore there can be no allegation of the Government's desiring to hide the fact that an advance has been made, or the amount involved, or the nature of the security.

The present position is that the Government has advanced £1,700. The security which the Government has is the value of the buildings and plant, approximately £3,000. It may be of interest to the House to know that the shareholders are mainly fruit and vegetable growers. Many of them, I understand, are located in the province represented by Mr. Baxter, who moved the motion. The business of the company is mainly the production of juices from apples, grapes and vegetables. Notwithstanding the hon. member's assertion, no such juices are produced by Plaimars, Fauldings or McKins, three firms he mentioned as being engaged in the production of the same range of commodities as this particular company. The hon. member did mention one other small company, the Fresh Fruit Drink Company. It is a fact that that company has manufactured a limited quantity of apple juice. It is also a fact that the company endeavoured to get the Government to assist it. Unfortunately, however, the company was not in a position to provide the necessary security. It was because of that fact the department dealing with matters of this kind had perforce to refuse the company's application for assistance.

I can quite imagine that if this Government were in the habit of making advances to companies, firms or individuals not in a position to provide what might be considered satisfactory securities we would be constantly having motions of this kind moved, condemning the Government on that ground. It is interesting to note that the company which is the subject of the motion was really brought into being as the result of a meeting of growers of fruit and vegetables at which a representative of the Fresh Fruit Drink Company was present. To me it was interesting to learn from the file that a gentleman by the name of Maher is also interested in the Liquid Fruit Company. I believe he had quite a lot to do with tendering advice to the growers who now constitute that company. Its object was to provide a market for the

surplus fruit and vegetables of primary producers.

First of all, in December of 1940 an approach was made to the Government for assistance, and we guaranteed a loan of £750; but not until after exhaustive investigation both by the department and the Treasury, and with security of £1,450. At a later date the company desired to purchase the premises in which it was operating, and it entered into an arrangement with the owners whereby it would purchase them on an instalment basis at a given price. It appears, however, that at a certain stage there was some argument between the company and the owners of the building arising out of the fact that certain plant and equipment placed in the building, which the owners of the building considered fixed assets, should, in their opinion, be included in the security. It was as a result of the disagreement between the two parties that the department was further approached with a view to increasing the guarantee, and thus making it possible for the company to purchase the premises and carry on its business in them.

Hon. J. J. Holmes: Do you say all these figures appear in the Public Accounts?

The CHIEF SECRETARY: Yes. I say that every year these figures appear in the Public Accounts.

Hon. J. J. Holmes: I can see no reference to them in the Auditor General's report, no reference to the Government's transactions with the company.

The CHIEF SECRETARY: The hon. member is probably aware, though he does not say so, that the completion of this transaction occurred after the publication of the Auditor General's report—too late for inclusion in that report. In July, 1941, the Government increased the guarantee from £750 to £1,700. Thus the company was enabled to complete the purchase of the building, which at the same time became part and parcel of the Government's security. There is nothing whatever to hide in regard to the transaction.

Earlier in the session we heard quite a lot about business acumen. We were told that if the Government would only pursue the same methods as the ordinary business man adopts, we would be a great deal more successful than we have been. Nevertheless, when it comes to a question of advancing money, no business man known to me could

be more careful or more particular in investigating before granting approval of an advance for purposes of this kind. Mr. Baxter seemed to me to get away a little from the subject of the motion, and in his endeavour to find some justification for moving it he appeared to play the game rather low down in view of the fact that he said he could see no reason for the department's action except that the company's manager was a friend of the Minister. That does seem to me playing the game low down—a man displaying personal spleen or political bias in that manner simply because he is not satisfied with the reply that was given to him when he asked a question. There is no justification whatever for the hon. member's assumption. The manager of the company, I am advised, is not a close friend of the Minister concerned or of any of his officers; nor is he a friend of any other Minister in the Government. Speaking for myself, let me tell the hon. member that I do not know the gentleman.

In my opinion, when a member moves a motion of this nature the least he can do is to refrain from casting reflections on those who are responsible for the administration of such a department as this, and on those who are doing their utmost to advance the cause of secondary industries in Western Australia. If we cannot have the hon. member's whole-hearted co-operation in the efforts being made to foster secondary industries in this State, he should at all events refrain from casting a reflection of that kind. I may say, too, that remarks of that sort are frequently detrimental to the best interests of the people concerned. I am advised that the hon. member's observations have had a highly detrimental effect already. What the situation will be when the actual facts are known, it is, of course, impossible for me to say.

Again, the hon. member did not refrain from wholesale criticism of the department concerned. He said that he knew of nothing that had been accomplished by the department other than visits to one or two well-established concerns in the metropolitan area. He spoke of the "heavy cost" of the department, and in general he made it appear that the department was costing the country many thousands of pounds annually and that the country was deriving no benefits from the department's efforts. I propose on this occasion to give the House a little

information as to what has been done. First let me say that the department's estimated expenditure for this year is less than £7,000. That is information which the hon. member could easily have obtained, either by asking a question in the House or by going to the department to ascertain. Better still, he could have turned up the records published every year, which would have supplied him with those particulars.

On many occasions the hon. member has challenged the Government to give one instance of a new industry or a new industrial concern established in Western Australia as the result of the department's activities. I propose now to instance quite a few. First of all, there is the establishment of a meat works at Broome. Then there is the re-establishment of the crayfish canning industry at Geraldton. Then come the establishment in the metropolitan area of a factory for the canning of Perth herrings; the establishment of a factory at Geraldton for processing tomatoes; the local manufacture of fire extinguishers; the establishment of a new clothing factory at Bunbury and the expansion of existing clothing factories at Albany and in the metropolitan area; the expansion of the blue asbestos industry in the Hamersley Ranges; the establishment of a plant for the fine grinding of felspar for export to other States; the establishment of a concern for the processing of vermiculite; close and constant association with the effort being made to establish in Western Australia an undertaking for the production of potash from alunite—a company is now being formed to raise the capital required to establish the industry—the carrying-out of detailed investigations throughout Australia and in other countries with the object of trying to establish an iron and steel industry in Western Australia; the expansion locally of the production of electric motors; technical and financial assistance to the producer gas industry with provision for the establishment of a plant to produce charcoal from sawdust in briquetted form; and technical and financial assistance to a number of engineering firms engaged in the production of munitions and other war materials.

Those are only some of the activities of the department, but they are activities in which definite progress has been made. There is one other industry to which I should refer—the linseed industry. This concerns

the growing of linseed by farmers in the Avon Valley district for the purpose of having such linseed processed into linseed oil and linseed meal. I am advised that arrangements are now being made for the erection of a factory which will cost approximately £15,000, and I am informed that it will have a very big effect on the province represented by the sponsor of the motion.

One could talk for quite a while in this strain. It is futile to deny that this department has, for several years past, been particularly interested in the development of secondary industries in this State. I cannot help but think that Mr. Baxter must be aware of much very good work done, particularly by the officers of the department. It does not seem to me to be right that a member of this Chamber should take the opportunity, when discussing a matter of this kind, to cast reflections on a number of very fine officers who are giving of their best, and who have been successful in rendering great services to more than one secondary industry in this State. I have already said that it is nothing unusual for business men and firms to desire their transactions to be kept as confidential as possible. It has to be recognised, of course, that when one is dealing with a Government, there must be some record and some publicity. The present Government has invariably adopted similar methods to those that ordinary business men pursue in matters of this kind, in that the usual notices appear in the "Trade Gazette," and annually the transactions appear in the Public Accounts. More than that the Government should not be called upon to do.

It seems to me that probably Mr. Baxter had more information than he cared to admit when moving this motion. I can hardly imagine he would have presented it without first having fortified himself with the actual facts of the case in the ordinary way. Whether the motion is carried or not is really immaterial. I have given the actual facts of the case. I have shown conclusively, as far as the department is concerned, that this transaction is one that can be justified from every point of view. I have been told that this firm has been doing good business, and that there is every prospect of success being achieved. It does not help towards the success of the firm to be subjected to discussions of this kind, and certainly it does

not help it to be subjected to some of the innuendoes indulged in by the hon. member when moving this motion.

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

## BILL—CRIMINAL CODE AMENDMENT.

### *Second Reading.*

Debate resumed from the 16th October.

**HON. W. J. MANN** (South-West) [8.50]: I propose to support this Bill if for no other reason than to help draw the attention of the Government to a position which should not be permitted. It has been suggested that Mr. Cornell is seeking to amend the wrong Bill, and that instead of amending the Criminal Code he should endeavour to amend the Justices Act. I am not concerned, for the moment, with that phase. What I am concerned with is this: For a very long time throughout the State much notice has been taken of the manner in which penalties are inflicted for breaches of the betting laws in different parts of the State. Mr. Cornell is endeavouring to bring about some uniformity by insisting that these charges shall be heard by a police or resident magistrate rather than by any two justices. In order that I may not be misunderstood I want to say that I claim, as a layman, to have had more than the usual amount of experience of police courts during my lifetime. I have had well over 30 years' experience.

Hon. J. J. Holmes: As a reporter, or a culprit?

Hon. W. J. MANN: I have had 30 to 40 years' experience both in my calling, and as a justice of the peace, listening to evidence and adjudicating upon cases. My experience is that the majority of men who receive their commissions as justices of the peace in this State are men of high repute. They are, as a body, to be commended for the impartial manner in which they undertake their duties. Many of them are men of education and irreproachable character, and, better still, possess a knowledge of human nature and its manifold weaknesses. They administer the laws promulgated by Parliament in a commonsense and legal way. Unfortunately on odd occasions men not so highly principled appear to lend themselves to prac-

tices with which most of their colleagues would not agree. It seems to me there is a feeling abroad that in certain cases some justices are not acting properly in connection with betting cases.

I am not here to say whether high penalties or low penalties are correct. I think, and I am certain the majority of thinking people in this State do too, that the time is ripe when the present state of affairs concerning betting laws, and what we know more familiarly as starting price betting, should be—

Hon. E. H. H. Hall: Wiped out.

Hon. W. J. MANN: —controlled, and the Government should take the lead in that direction. I asked a question on this matter early in the session and the Chief Secretary in replying treated us to a very carefully prepared dissertation on the futility of expecting the Government to interfere with the course of justice. He kept well away from the point, and did not tell us anything beyond what we already knew. We see daily how the laws are flouted in this country. It seems incomprehensible to me that the Government, which has a perfect knowledge of the position, should refuse to take action. It is nothing more nor less than a scandal and a disgrace to the Government, which should see that the laws are upheld. We have, not dozens, but scores of betting shops openly carrying on business in this city and in various towns in the State. To whom can we appeal to assist us to see that the law is observed if not to the Government? The present Government, or any other Government that may be in office, which allows the laws of the country, week in and week out, to be flouted, and refuses to take action, invites wholesale condemnation.

It is commonplace to see the results of this law-breaking. Only yesterday four defendants were fined £75 each by the stipendiary magistrate, in Perth, another £85 and still another £25 for offences connected with betting. In Fremantle, almost at the same hour, two justices imposed fines of £5 for a similar offence. At Midland Junction a special magistrate inflicted a fine of £10. There is an injustice somewhere. Either the unfortunates who are being apprehended in Perth are getting their due—

Hon. J. Cornell: They are getting what the chicken got.

Hon. W. J. MANN: —and the offenders at Fremantle and Midland Junction are getting off cheaply, or the position is one that cannot be permitted to continue. I charge the Government with wilfully aiding and abetting these people who break the law, and in making that statement I do not think I am saying anything that is unduly harsh. If a dozen people proceeded to open wine shops in Perth tomorrow morning, they would not be allowed to keep their doors open for 24 hours. The Government would be down on them and they would have to close up.

Hon. J. J. Holmes: And is it not the first duty of any Government to enforce the law?

Hon. W. J. MANN: That is my contention. I want to be fair so that I shall not place myself in an invidious position. I am not one to frown heavily on a person who wishes to have a small bet occasionally.

The Chief Secretary: And he fined £85 for having a bet?

Hon. W. J. MANN: I am not here to say which penalty is the right one—the £85 or the £5. I say the Government knows that wrong is being done and is sitting by without taking action.

Hon. J. J. Holmes: If they are helping the revenue of Perth, they are defrauding the revenue of Fremantle.

Hon. W. J. MANN: That is a side-light on the question. If the position in Perth is fair and equitable, then the public revenue is being seriously defrauded by the penalties imposed in other places. However, I did not set out to make that point. What I stress is that we look to the Government for a lead in this direction and, repeating what I said on a previous occasion, I am surprised that a Cabinet composed of men for whom we have a good deal of respect should permit itself to remain in this invidious position. All the explanations in the world will not alter the fact that the Government can, if it will, control this evil.

The Chief Secretary: What do you suggest should be done?

Hon. W. J. MANN: I suggest that the Government adopt the course taken in South Australia. I am not going to contend that any legislation will stop betting any more than I would contend that any legislation would prevent men from having a drink

after hours or doing other things that need not be mentioned here. The statute-book is full of laws of one sort and another, and I suppose one could safely say that 95 per cent. of the laws are being broken in a greater or less degree. But they are not being broken in a manner inimical to the public welfare.

Recently I received particulars from South Australia of the position disclosed by the report of the Betting Control Board to the 30th June last. It was tabled in the South Australian Parliament a few days ago. In giving a brief summary of the figures, I say that as a result of the betting laws in South Australia, the betting business has been curtailed to a considerable extent. The board reports that the turnover for all South Australian meetings was £4,202,655 and on inter-State meetings £2,436,437. The winnings paid to bettors on all meetings was £6,129,120, and the total gross profit to bookmakers was £509,972, or 7.68 of the turnover. The average amount of each bet was approximately 4s. 11d. The total turnover tax paid by bookmakers was £105,276, and the total winning tax £59,450, making a total of £164,727. The actual position is that the bets made in South Australia for the year ended the 30th June, 1941, totalled 27,186,042. That seems a staggering figure, but it represents a decrease of more than 9,000,000 compared with the year ended the 30th June, 1938. There is clear evidence that with control, betting in South Australia has decreased considerably. Strangely the amount of turnover does not seem to have altered a great deal, but the volume has decreased in that period by 9,000,000 odd bets. One of the factors making for the decrease is that the Betting Control Board has attempted to stop betting on mid-week meetings. I understand that when that move was suggested, it was ridiculed and smart people said that the Government would not be able to police its own regulations. However, it has done so and the people have accepted it. While possibly some people in South Australia send their few pounds or few shillings to the Eastern States to be invested in mid-week meetings, excepting on the rare occasions of special meetings such as the Melbourne Cup, in the great majority of cases the betting has been confined to Saturday and holiday meetings.

That is a lead for the Government, and the people of the State should call upon

the Government to take action. A statement has been made at various times as to how insidious S.P. betting has become in many cases. It operates in the factories; the milkman has a turn at it, though perhaps he calls too early for most people; the storekeepers, I understand, have acted as S.P. men or touted for them, inducing householders to invest their money on race-horses—and almost invariably lose it. Mr. Cornell is to be commended for having introduced the Bill and I trust the Government will take heed of the feeling of the people throughout the State. If a Gallup poll were taken on the question of the Government's controlling S.P. betting, there would be a strong condemnation of its sitting idly by and doing nothing. I support the Bill.

**HON. E. H. H. HALL** (Central) [9.12]: In a very few words I wish to commend Mr. Cornell for having introduced the Bill. I do not know why most members, myself included, have waited so long for action to be taken. The fact that the Government has stood idly by and allowed the law to be openly broken is a matter that passes comprehension. We are continually wondering at and objecting to the criticism levelled at Parliament—especially Ministers on whom the responsibility mainly rests—and rightly so. Parliament is elected by the people, and the people have a right to expect members to do their duty. The Government has lamentably failed to carry out its bounden duty, a duty that Ministers have sworn to do. When a mild-mannered member like Mr. Mann—he is known for his mildness and his fairness—can make a statement such as he has uttered, that the Government has wilfully failed to carry out the law of the country, well, there is not the slightest doubt that he had 100 per cent. justification for his statement.

I read the Chief Secretary's reply to Mr. Cornell's speech in moving the second reading. Here is a Bill submitted by a private member asking this House to amend the Criminal Code by providing that a police or resident magistrate, instead of two justices of the peace, shall hear betting charges. So far as I am concerned, the Bill will be passed. I understand there are several members who enjoy the honour of holding what is known as a commission of the peace. Speaking for myself I would much prefer, if I had to answer a charge in the court,



to appear before a qualified magistrate than before justices of the peace. Let me relate a little story told me by the late Archbishop Riley. He said that when he had to appear before a photographer he dared not ask for justice; all he asked was mercy. When one appears before a court of law, one should expect not mercy, but justice. The manner in which the Fremantle bench has been—I was going to say packed, but I will not say that—constituted—I hope “Hansard” will get what I say; it consists of a magistrate and two justices—is not what happens in other centres. In my electorate the resident magistrate—I am speaking from memory—invariably deals with these cases and he inflicts heavier fines than does the court at Fremantle. I am not concerned so much with the punishment of the crime. I am concerned about the men who are specially appointed to carry out these duties. They are trained men, amateurs, and they do not want amateurs to assist them in the administration of justice. I support the second reading.

**HON. J. CORNELL** (South—in reply) [9.16]: I reiterate that my main objective in introducing the Bill is to take out of the hands of justices the trial of persons for betting offences under the section of the Criminal Code which the Bill seeks to amend. The position to me is ludicrous. In Perth yesterday for a crime of this magnitude a first offender was fined £75, while a second offender was fined £85. In Fremantle a fine of £5 was inflicted upon three first offenders. Those fines cannot be reconciled. If a bench at Fremantle consisting of two justices and a magistrate inflicts small fines such as I have quoted, why should not two justices, sitting with a magistrate in Perth, Kalgoorlie or other centres, follow the line of reasoning of the bench at Fremantle and impose similar fines? The magistrate could be overruled by the two justices. The Chief Secretary pointed out that the Justices Act might be amended in order to meet the position. That Act provides that where two justices sit one of whom is a magistrate, and there is a difference between them, the magistrate's decision shall prevail.

The Chief Secretary: That would apply to all cases.

**HON. J. CORNELL**: But that would not overcome the difficulty where two justices sat alone.

**HON. J. J. HOLMES**: What is there to prevent another justice from sitting on the bench, making the number three?

**HON. J. CORNELL**: That would not prevent what is happening today. Offences against the law dealing with gold-stealing and the illicit sale of liquor must be tried by a magistrate. The obvious reason for that provision is to prevent what is now going on at Fremantle, where justices of the peace override the magistrate. After all, gold-stealing and the illicit sale of liquor have as great a local flavour as betting has. Before this provision became law we know the police said it was practically useless to take action in some of those cases. The Chief Secretary countered my suggestion to provide in the Increase of Rent (War Restrictions) Bill that only a magistrate should hear cases under that legislation. He said that was not part of the Bill as introduced by the Government. It was, however, so much a part of that Bill as to be hardly worth talking about. The amendment was moved by a private member and accepted without a division by the Minister in charge of the Bill. If these matters are left in the hands of a magistrate, we can expect uniformity. We may also expect that no insinuation will be made that justices pack the bench and override the magistrate. I cited a concrete illustration, which I quoted from a newspaper. A case was tried before justices at Wongan Hills. These justices said, “In view of what is going on elsewhere, we will record a conviction only.” If the Chief Secretary's suggestion to amend the Justices Act were adopted, that is what would happen in many places. As for the matter of expense, Mr. Parker cleared that up. So far as I can learn, there are but few places in the State where inconvenience would be caused.

The Chief Secretary: Wongan Hills would be one of them.

**HON. J. CORNELL**: After what happened there a magistrate should adjudicate.

**HON. E. M. HEENAN**: What about Westonia?

**HON. J. CORNELL**: The case would be tried at Southern Cross or Merredin.

The Chief Secretary: What about Widgiemooltha?

**HON. J. CORNELL**: A person who made up a book at Widgiemooltha was tried either at Norseman or Coolgardie, I am not sure which, but the distance is 50 miles either way. I told the Commissioner of Police what I thought about that prosecution.

tion; I said I thought the police had little need to go to Widgiemooltha at all. The only person to suffer inconvenience would be the defendant, who would have to bear the costs and expenses incurred in connection with his trial.

This Bill does not in any way seek to deal with or prevent street or shop betting. It is an honest endeavour to provide that one fountain shall administer justice. During the past five years the sum of £131,000 has been collected in betting fines. It is safe to say that when one takes into consideration rent, wages and the hundred and one other things connected with shop betting, another £120,000 is involved. So that we have a sum of £250,000 representing fines and expenses in five years. I have said that some years ago I used to bet, but I woke up when I found there was only one beneficiary, who was not myself. Can the community carry this enormous load? It is getting bigger each day.

Hon. J. J. Holmes: What would be the bookmaker's profit?

Hon. J. CORNELL: I cannot say. We know what the expenses are in fines, costs and incidentals. In five years the amount cannot be less than £250,000, or £50,000 per annum. In my opinion, this cannot go on, but how it can be arrested is not for me to say. I want to be fair and will not divulge the source of my information, but I will say this: There is a feeling abroad in parts of the State where low fines are inflicted that there is another party, a more culpable party than is the S.P. bookmaker himself. That is the man who provides the premises. Up to date he has been practically immune. One never hears of action taken against the occupier or owner of betting premises, but daily one hears of prosecution against the man who is put on for the day.

So long as the Criminal Code remains unamended, the Minister claims it will be practically impossible to get over the hurdle of "knowingly and wilfully." I agree with him. The police have little chance of securing a conviction at present. If the Bill reaches the Committee stage, I propose to move an amendment to strike those words out of the Code. I shall also ask the Committee to strengthen the definition of "owner and occupier." The definition that I have placed on the notice

paper was drawn some years ago by Mr. Boylson, at a time when I was introducing similar legislation. He went to great pains to make inquiries about the failure to secure convictions against the owner and occupier so as to draft a definition that would fit the case. If these prosecutions are to be heard by magistrates, the police will be given a reasonable opportunity to prosecute the owner or the occupier. I think that the House will then have gone a long way in this matter. I venture to say that if the owner and the occupier are made equally liable, the result will be the closing up of many of the S.P. betting shops in this State. It is said that it will probably force betting underground. Over three years ago I had an informative discussion with Mr. Duncan, the Commissioner of Police—and a live wire—in Victoria. He told me that there were not any betting shops in Melbourne known to the police.

Hon. G. Fraser: They are there, though!

Hon. J. CORNELL: He admitted that. He declared: "Immediately there is any semblance of it we are down on them. I do not say that there is no betting here, but it is not an open go."

Hon. G. Fraser: That is where they go round from door to door!

Hon. W. J. Mann: It is like prohibition was in America.

Hon. J. J. Holmes: The shoe is pinching!

Hon. J. CORNELL: He said to me, "We have the situation in hand. There is no congregation and no open invitation." Here, I went into a shop in Murray-street and there were over 100 people betting in the middle of the day in business hours, and some of them were business men.

Hon. L. B. Bolton: You were lucky you did not get caught!

Hon. J. CORNELL: Mr. Mann was with me, so it was all right.

Hon. L. B. Bolton: There will be more than that today week.

Hon. J. CORNELL: I do not say that betting will ever be entirely prevented. There will always be flats and sharps. It is said a flat is born every minute and a wise guy is born every hour to catch the flat. But the easier we make betting the greater the evil and the more difficult it is to con-

trol. I hope the Bill will be agreed to, that it will be considered in Committee and that my amendments will be accepted.

Question put and passed.

Bill read a second time.

*In Committee.*

Hon. G. Fraser in the Chair; Hon. J. Cornell in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 211:

Hon. J. CORNELL: I move an amendment—

That the following paragraph, to stand as paragraph (b), be inserted after paragraph (a):—“(b) by striking out the words ‘knowingly and wilfully’ in line 2 of Subsection 2.”

I have already explained the effect of the amendment.

Amendment put and passed.

Hon. J. CORNELL: I move an amendment—

That the following paragraph, to stand as paragraph (c), be inserted after paragraph (b):—

“(c) by inserting after the word ‘pounds’ in line seven of Subsection 2 the words ‘For the purposes of this subsection—

‘Occupier’ includes any person by whom or on whose behalf any house, room, office, or place is actually occupied or who is the lessee or sublessee (not being the owner, as hereinafter in this section defined), and any attorney, agent, or manager of such person who has the control, supervision, or management of the premises on his behalf; and

‘Owner’ of any house, room, office, or place includes every person, company, or corporation who is, whether at law or in equity, entitled to the same or on the land in which the same is situate for any estate of freehold in possession or is in actual receipt of or entitled to receive or if the house, room, office, or place were let to a tenant would be entitled to receive the rents and profits of the same, either on his own account or as mortgagee in possession, or if the house, room, office, or place is subleased, who is the lessee or sublessee from whom a sublessee holds, and also includes the attorney, agent, or manager having control or supervision of the premises for such person or who on his behalf receives the rent or is authorised to issue receipts for the rent.’”

Hon. W. J. MANN: I am afraid this does not square with my idea of dealing with the

betting question, because I am of the opinion that we should license the betting shops in the same way as we license public houses.

Hon. J. CORNELL: This is not the measure through which to obtain that end.

Hon. W. J. MANN: If I commit myself to the amendment I will be placed in the position of being considered not quite consistent. I quite realise what Mr. Cornell proposes to do and as the law stands I agree with him, but I think the proper way to control this evil is by licensing. If I had my way I would insist that the person engaged in betting should be a person of high repute and should have business premises in which one could bet openly. There should be opening and closing hours and betting premises should be in the same ratio to other premises as are public houses. That would be the reasonable and honest way to go about the business. I am sure this practice will not be stamped out altogether by legislation nor will it be wholly controlled, but I think it infinitely better to be open, honest and above board, and to treat the matter in a logical way rather than endeavour to drive betting underground.

Hon. J. CORNELL: Mr. Mann has done a trapeze act and a double somersault. This is the position.

Hon. W. J. MANN: I understand the position.

Hon. J. CORNELL: We have already decided that cases shall be heard by magistrates and that an owner or occupier cannot be prosecuted unless he knowingly and wilfully transgresses. To tighten the law further, the amendment defines the owner and the occupier. There is nothing to prevent any member from introducing a Bill to legalise betting. If such a Bill were passed this measure would go by the board. Until that time comes we should endeavour to tighten the existing legislation. I have already indicated that these definitions were carefully drafted after much consideration by Mr. Boylson, who pointed out that there might be an owner who was domiciled outside the State, and who had left his affairs in the hands of an agent. As the owner could not be prosecuted, the agent should be made responsible. That is only fair and reasonable.

The CHIEF SECRETARY: Now that the words “knowingly and wilfully” have been struck out of the Act there is not the difficulty which has previously been experienced. This.

is a very comprehensive amendment. I think it would be hard to find anything that could be inserted in it to cover any conceivable case of an absentee owner or a person owning property who is not himself responsible for collecting the rents and so on. It is immaterial whether this is carried or not, and I do not raise any objection. If this amendment is agreed to, any person or firm, trustee company or otherwise, who acts as agent for an owner and allows premises to be used for betting will have no defence whatever.

Amendment put and passed; the clause, as amended, agreed to.

Title—agreed to.

Bill reported with amendments.

### PAPERS—FARMERS' DEBTS ADJUSTMENT ACT.

#### *Misappropriation of Funds.*

Debate resumed from the 21st October on the following motion by Hon. E. H. H. Hall (Central):—

That all papers in connection with the misappropriation of £290 5s. 5d. by W. C. Burns whilst acting as receiver under the Farmers' Debts Adjustment Act for R. H. McClintock be laid on the Table of the House.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [9.46]: There is no objection to laying the papers on the Table of the House, but before doing so I desire to state the facts of the case. Mr. E. H. H. Hall set out the facts fairly correctly in regard to the amount of money involved. The total was £532 5s. 1d., which was stolen by Burns while employed at Geraldton. Burns was acting as a receiver under the Farmers' Debts Adjustment Act, and as receiver was a servant of the director under the Farmers' Debts Adjustment Act during the time the settlers carried on their farming operations under the Act. That is important. The settlers concerned in the defalcations were—

			£	s.	d.
J. N. Prendergast	..	..	89	7	6
R. H. McClintock	..	..	290	5	5
A. J. Ruddaway	..	..	97	12	2
A. E. Maley	..	..	55	0	0

Although there was no legal obligation to do so, the Treasurer agreed to make good the loss to the settlers which occurred during such time as Burns was acting officially as

the receiver of the settlers' estates. The defalcation by Burns in McClintock's accounts was £290 5s. 5d. Of that amount, however, the defalcation of £96 17s. 1d. took place after McClintock had been discharged from the operation of the Farmers' Debts Adjustment Act and had arranged privately with Burns still to carry on his accounts. It is this shortage of £96 that is in dispute, and the reasons why that shortage cannot be acknowledged by the Government are—

1. McClintock had been discharged from the operation of the Farmers' Debts Adjustment Act.

2. McClintock was not under Government control.

3. McClintock made a private arrangement with Burns to act as his trustee.

Hon. J. J. Holmes: Was Burns still in the department?

The CHIEF SECRETARY: No. To continue the reasons—

4. The Government has paid £193 as an act of grace to McClintock, being all the moneys not brought to account by Burns whilst he was officially acting under the Farmers' Debts Adjustment Act.

5. The £96 now claimed by McClintock was the shortage in Burns's account whilst privately acting for McClintock.

That is the statement furnished by the Treasury on the basis of advice received from the Crown Law Department. Naturally that is the position that the Government has had to take up. As I said at the outset, there is no objection to placing the papers on the Table of the House, and indeed I shall have pleasure in doing so.

Question put and passed.

*House adjourned at 9.49 p.m.*