

Legislative Assembly.

Tuesday, 10th October, 1939.

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

BILL—TRANSFER OF LAND ACT AMENDMENT.

Introduced by the Minister for the North-West (for the Minister for Justice) and read a first time.

BILL—WHEAT PRODUCTS (PRICES FIXATION) ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LABOUR (Hon. A. R. G. Hawke—Northam) [4.34] in moving the second reading said: The Bill is very short and has been introduced for the purpose of providing additional powers to police certain operations carried out under the provisions of the principal Act. Sub-section 1 of Section 18 of that Act reads—

Any officer of the Public Service of the State authorised in writing by the Minister in that behalf may inspect any books, accounts, registers, records, documents or writings which are in the custody or control of any person carrying on the business of gristing, manufacturing or preparing any flour or any wheat product and which relate to such business, and may take notes, copies or extracts thereof or therefrom.

Members will see that the power of investigation is limited to those persons "carrying on the business of gristing, manufacturing or preparing any flour or any wheat product." That leaves uncontrolled a considerable number of other people who, although they do not manufacture, grist or prepare any flour or wheat product, nevertheless are actively engaged in the business of buying and, in many instances, of selling those particular products. Thus the provisions in the Act for policing its provisions are but partially complete, and cover only

a section of the people engaged in dealing in wheat products. The object of the Bill is to include in Section 18 the words "or of buying or of selling." If the Bill is agreed to and those words are included in Section 18, the power of investigation and policing the principal Act will be such as to cover all persons engaged in manufacturing and selling or buying wheat products of one description or another. The members of the committee set up under the Act consider this additional power to be essential because under existing conditions only half the persons who should be covered are brought within the scope of the provisions of the Act, and are able to carry on without any investigation of their affairs being made.

Hon. C. G. Latham: Can you tell us to whom you will apply this provision?

THE MINISTER FOR LABOUR: To any person buying or selling.

Hon. C. G. Latham: Or to storekeepers?

THE MINISTER FOR LABOUR: Yes. These powers will apply to anyone who buys or sells flour, bran, bread, pollard or any other wheat product. The amendment to the Act, as outlined in the Bill, is quite simple, and I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

BILL—WAR FUNDS REGULATION.

Second Reading.

THE MINISTER FOR MINES (Hon. A. H. Panton—Leederville) [4.38] in moving the second reading said: The Bill has been introduced to ensure proper supervision over patriotic funds that will be raised in connection with the present war. Most members have vivid recollections of the last war period, when a number of funds were raised for different purposes, and in some instances the methods adopted gave rise to some criticism. The opinion is held that now is the time to secure control over the methods by which such funds shall be dealt with during the present war. The Bill is short and the proposals embodied in it are straightforward. The administration of the Act will be in the hands of the Chief Secretary and any person desirous of conducting an appeal in aid of war funds will be required first to obtain the permission of the Minister. That proposal will not

apply to public meetings that may be held and at which collections will be taken up in support of various funds. There is the possibility of opportunity being taken at a public meeting for the raising of funds for the Red Cross Society, or some other organisation, but to obtain the permission of the Chief Secretary would be impossible. To obviate any trouble in that direction, appeals made to the public at such meetings are exempted from the provisions of the measure. Where a fund is established, it will be incumbent upon the trustees to furnish to the Minister within 30 days a written statement giving full particulars. These particulars will include details of the objects of the fund: the name, address and description of the trustees and administrative officers; the name of the trustees' bankers; and any other information that might be required. At any time it will be competent for the Minister to require further statements to be furnished setting out details of the amount of money and goods held and distributed, the persons to whom the distributions were made, obligations incurred by the trustees, and other matters.

Provision is made for the audit of accounts by the Auditor General or his officers, who will forward to the Chief Secretary a report of each examination carried out under the proposed legislation. If the Auditor General is satisfied with the report of a chartered accountant chosen by the organisation concerned, he may accept that audit and dispense with one by his own department.

Mr. Sampson: The man must be a chartered accountant?

The MINISTER FOR MINES: Yes. The Auditor General must be satisfied of that; otherwise, he must himself have an audit conducted. If the Minister so directs, a report may be published in any newspaper. The Governor will be able by proclamation to vest any war funds in the Chief Secretary if he is satisfied there has been maladministration or if a three-fourths majority of the trustees consents to the transfer. The Bill also provides for the transfer of funds no longer required for the purposes for which they were originally raised. Money so transferred shall be either (a) applied by the trustees to other purposes connected with the present war; (b) vested in some other war fund, or (c) transferred to the

Chief Secretary for allotment. Members will appreciate the need for that. They will recall that some considerable time after the last war a select committee was appointed to investigate the question of funds lying in various places. Subsequently an Act was passed vesting those funds in some trustees, of whom, I think the member for Collie (Mr. Wilson) is chairman. The measure provides that before the Governor issues any proclamation in this connection, approval of the transfer must be secured by way of a resolution passed by both Houses of Parliament. So on this occasion we are trusting Parliament. The public is to be protected by providing that before funds can be transferred, Parliament must by resolution agree to the transfer.

Those are the main provisions of the Bill. The other clauses are of a machinery character. Probably there will not be any great need for the measure for some time to come. At present, so far as I know, there are only three organisations actively engaged in raising funds, and they are all well known. Those organisations are the Red Cross Society, the Y.M.C.A. and the Salvation Army. Troops were sent overseas from Australia very early in the last war, and the Red Cross Society did not come into the picture except with regard to hospital activities, so that unless and until troops leave these shores, the Red Cross Society will not on this occasion do much work, or spend a great deal of money. I know that members of the organisation are extremely busy. As a matter of fact, I am vice-president of three sub-branches already. Knitting bees are being conducted two or three days a week. The Y.M.C.A. is differently situated. By special request of the Defence Department, that organisation is taking over social service work in all the camps in this State. It is not operating as in the previous war, inasmuch as there will be no buying and selling. The association does not propose even to dispense coffee and biscuits. Its work will be purely of a social character. Already activities are being undertaken in four camps, and the Y.M.C.A. will be represented in two additional camps within the next few weeks. I think 1,050 troops are expected to be in Northam within a month.

Hon. C. G. Latham: What do you mean by social service?

The MINISTER FOR MINES: Officers of the Y.M.C.A. will provide huts in which the men will be able to write letters, and they will arrange various entertainments for the troops. Pianos and wireless sets have been obtained, and other forms of amusement are being provided. The hon. member, having himself gone away as a young man, will appreciate the need for the establishment of these social service huts, in which the men may spend their leisure hours.

Mr. Seward: What is the object of prohibiting the dispensing of coffee and biscuits?

The MINISTER FOR MINES: That is not being prevented, but the Y.M.C.A. does not want to operate as a commercial enterprise.

Mrs. Cardell-Oliver: Will they sell milk?

The MINISTER FOR MINES: That will depend upon how old the youths are. It might be dispensed free, too, but it will be supplied by the Federal Government. The association is not conducting this work as a Y.M.C.A. activity. Two committees have been formed. One is termed the military committee and is responsible for obtaining materials for huts and also pianos, radios, etc. The other is known as the citizens' committee. It comprises representative citizens and will be responsible for the raising of funds. I am chairman of that committee. So the work of the Y.M.C.A. is to be done through two committees. The Salvation Army has also been asked by the Defence Department to take part in social service work. Those are the only three bodies I know to be engaged in these activities.

During the Great War a trench comforts fund was established for every unit that embarked for service overseas. In my opinion that led to much of the abuse of which complaint was made. Money was raised by all sorts of methods and much of it was spent in administration.

Hon. P. Collier: It was used for the benefit of those organising the trench comforts fund.

The MINISTER FOR MINES: That will not be permitted again. There will be no occasion for the raising of so much money for that purpose until troops begin to go overseas and, according to latest reports, that will not be until the end of the year. Perhaps not even then; we hope so,

at any rate. In the meantime, it will be necessary for the individual or organisation desiring to raise funds to obtain permission from the Chief Secretary.

Mr. Wilson: Why the Chief Secretary?

The MINISTER FOR MINES: Because the administration comes under his department. It will be within the discretion of the Chief Secretary to say whether funds are being properly raised or not. I move—

That the Bill be now read a second time.

On motion by Mr. Sampson, debate adjourned.

BILL—PROFITEERING PREVENTION.

Returned from the Council with amendments.

BILL—TRAFFIC ACT AMENDMENT.

In Committee.

Resumed from the 5th October. Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clause 9—Insertion of new Part IVA:

The CHAIRMAN: Progress was reported after new Section 56 had been dealt with.

Proposed New Sections 57 to 69—agreed to.

Proposed New Section 70—Insurer not to terminate policy of insurance without notice:

Mr. WATTS: Before moving an amendment standing in my name on the notice paper I should like the Minister to explain the position. Apparently this new Section makes provision for the termination of insurance policies, but there appears to be no provision that such a policy shall not be terminated in cases where the defendant in an action may have had judgment given against him and damages have had to be paid by his insurer. When a man has caused an insurance company to pay damages on his behalf, that company is at liberty to decline to do any further business with him. Upon his applying to another company he would have to admit the facts, and that company too may decline to write the business. The person in question may have had judgment delivered against him for negligence—not a very serious matter, perhaps—but because he could not get cover from an insurance com-

pany, he could obtain no license from the licensing authority and would be unable to drive his motor vehicle. Is there anything in the Bill to prevent an insurance company from terminating a policy unreasonably?

The MINISTER FOR WORKS: An insurance company cannot be compelled to take the risk suggested by the hon. member, for that would be the effect of his amendment. We can, however, say to a person, "If you cannot get an insurance policy you will not be permitted to drive a vehicle on the road." Acceptance of the proposed amendment would mean that the new Section would read, "An insurer shall not terminate a policy of insurance complying with this Part unless the insurer substitutes another policy of insurance which complies with this Part, and commences immediately upon the termination of the previous policy." It is not intended that a company shall be compelled to take a risk it does not desire to take. Furthermore, the suggested amendment would be out of keeping with the Bill, which does not seek to compel insurance companies to accept any insurance.

The CHAIRMAN: No amendment is before the Chair.

Mr. WATTS: I admit what the Minister has stated regarding the undesirableness of my amendment; but is there no means by which the Minister can protect the public in the circumstances I have mentioned? Most insurers are fairly reasonable, but we have to deal with every kind of insurer who may be approved. If a policy is to be cancelled except in the case of persons who show themselves negligent on numerous occasions, hardship may be entailed. Should an insurer consider an insured person to be a dangerous driver, application can be made for cancellation of that person's driving license, thus taking him off the roads. I feel, however, that my amendment appearing on the notice paper hardly meets the case.

Proposed New Section put and passed.

Proposed New Sections 71 to 74—agreed to.

Proposed New Section 75—Notice of claim to be given within one month:

Mr. WATTS: I move an amendment—

That after the word "damages," in line 9, there be inserted "or some person on his behalf."

The proposed subsection provides that notice in writing must be given of an intended action for damages. It can readily be understood that the person injured may be unable himself to give the notice.

The MINISTER FOR WORKS: The amendment is acceptable to me.

Amendment put and passed; proposed new section, as amended, agreed to.

Proposed New Section 76—agreed to.

Proposed New Section 77—Medical examination of injured person:

Mr. WATTS: I move an amendment—

That in Subsection 2, paragraph (c), after the word "two" there be inserted "owners of motor vehicles."

My desire is to ensure that the persons representing motor vehicle owners shall be themselves motor vehicle owners.

The MINISTER FOR WORKS: There is no particular objection to the amendment, except on the score of redundancy. The representatives should be more than owners of vehicles; they ought to be representative owners. With the amendment, this will be a funny-looking clause.

Hon. C. G. Latham: It will not be the only funny-looking clause in the Bill.

The MINISTER FOR WORKS: I see no such unnecessary repetition anywhere else in the Bill. In my view, the two persons must be representatives of some organisation which in turn represents owners—the Automobile Club, for instance. That club approves of the measure. The persons appointed should be competent to negotiate on behalf of all owners.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That after the word "and" in line 2 of paragraph (c) of proposed new Subsection (2) the words "one of whom shall be resident outside the metropolitan area" be inserted.

There are two classes of motor owners, with distinct differentiation in regard to insurance charges for metropolitan and other than metropolitan risk. Non-metropolitan owners should have a representative on the committee. The appointment of the representative is entirely in the Minister's hands, and from that principle I do not seek to depart.

The MINISTER FOR WORKS: I have no objection to the amendment, but there should be a clear understanding that the

committee will be purely honorary. If a representative is appointed from Katanning, for instance, he will have to attend frequent meetings of the committee in Perth without any payment whatever.

Amendment put and passed.

Mr. DONEY: I move an amendment—

That in paragraph (d) of proposed Subsection 2 the words "approved insurers" be struck out with a view to inserting other words.

The words desired to be inserted are "insurance companies doing business in the State." As I pointed out on the second reading, there will be no approved insurers until the committee to be appointed under the measure will have named them. The present wording of the subsection will lead to conflict.

The MINISTER FOR WORKS: An amendment sprung on us in this manner is not quite fair. I am not sure of its effect. The Bill proposes to include the State Insurance Office as an approved insurer. The carrying of the amendment might affect a later clause, and I cannot allow that. The measure contains power to disqualify an insurance company. Therefore insurance companies have to be approved.

Mr. Doney: You cannot well regard them as being approved, though.

The MINISTER FOR WORKS: I do not think the amendment covers the State Insurance Office, and therefore it may do much damage. Companies doing this business will have to be approved, because some arrangement is needed in respect of insuring persons not insured and also hit-and-run motorists. That is to be a general liability on all insurers and it must be apportioned between them. Each company will be required to furnish a return of this class of insurance business transacted by it during the year and will be charged a percentage of that business in order to cover the unknown liability of uninsured car owners and of those who cannot be discovered; so approved insurers are necessary.

Mr. Doney: Quite so.

The MINISTER FOR WORKS: I certainly cannot favour the amendment.

Mr. DONEY: I admit I did not put the amendment on the notice paper, but I certainly had a good deal to say about this point on the second reading debate.

The Minister for Works: I thought you had dropped the idea.

Mr. DONEY: No. The matter is of no great consequence, because if the amendment is not passed here it will certainly be passed by another place, otherwise the Bill will be meaningless.

The MINISTER FOR WORKS: I do not think the Bill is meaningless at all. Immediately the measure becomes law, after it has been assented to—not proclaimed—it shall be lawful for the Governor, on the recommendation of the Minister, to appoint a committee constituted similarly to the committee provided for in proposed Section 77.

Mr. Doney: The Minister knows that does not answer my point.

The MINISTER FOR WORKS: It does, absolutely. Before the measure is proclaimed, authority is given to appoint the committee.

Amendment put and negatived.

Proposed new section put and passed.

Proposed New Section 78—Governor may suspend operation of this Part in certain circumstances:

Mr. WATTS: I move an amendment—

That after the word "that," in line 6 of Subsection (1), the words "all or any of the" be inserted.

The Bill at present provides that the premiums committee has power to recommend the suspension of the Act if in its opinion the premiums charged are unfair and unreasonable. A great variety of premiums will be charged, some on one class of vehicle, some on another. There will be eight or nine different classes of premiums if the South Australian system is to be followed. Some premiums may be considered reasonable by the premiums committee, others may not, and the argument might be used that unless the committee considers all the premiums to be reasonable it can suspend the legislation.

The MINISTER FOR WORKS: The premiums committee might agree upon a schedule; seven or eight premiums might be acceptable, but one might not. There will be, as was pointed out by the member for Katanning, a diversity of rates; and should the amendment be passed, if one of a dozen rates in the schedule was considered to be unfair and unreasonable the whole schedule might go by the board. That is what the amendment amounts to.

Mr. Watts: Not necessarily; the schedule is only a recommendation.

The MINISTER FOR WORKS: The Minister would have to take the responsibility for deciding against all the premiums or suspending the Act. It is a question of negotiation. The companies will present a schedule of premiums and if exception is taken to one premium, the Act would be suspended by proclamation. Is that what the hon. member is trying to ensure?

Mr. Watts: The premiums committee should be given full authority.

The MINISTER FOR WORKS: I cannot understand the reason for the amendment. I do not think too many objections should be raised. The measure will have to be tested in order to ascertain what are fair rates for our State. We have the experience of other States to go on, but the measure will have to be tried out under Western Australian conditions. The proposed new section should stand as printed.

Mr. McDONALD: The amendment would be an advantage to the Bill. The proposed new section now reads that if the premiums committee reports that premiums are unfair and unreasonable the Governor may, on the Minister's recommendation, suspend the Act. Before the power of suspension arises the committee must report that premiums are unfair and unreasonable. That would seem to indicate that the committee must find at least two premiums to be unreasonable; it may mean that the committee would have to find all the premiums unreasonable. If the amendment is carried, the Government, through the Minister, would have a very much stronger control over fair premiums; because it might be that only one premium would be unfair and unreasonable, yet that one premium might be the premium applying to the largest category of cars. The amendment will give the premiums committee and the Minister added powers and will clarify the measure.

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

Ayes	..	..	..	21
Noes	..	..	..	16
				—
Majority for	..	..	..	5
				—

AYES.	
Mr. Berry	Mr. Rodoreda
Mr. Boyle	Mr. Sampson
Mrs. Cardell-Oliver	Mr. Seward
Mr. W. Hegney	Mr. F. C. L. Smith
Mr. Hill	Mr. J. H. Smith
Mr. Keenan	Mr. Thorn
Mr. Latham	Mr. Tonkin
Mr. McDonald	Mr. Watts
Mr. McLarty	Mr. Willmott
Mr. North	Mr. Doney
Mr. Patrick	(Teller.)

NOES.	
Mr. Collier	Mr. Needham
Mr. Coverley	Mr. Pantou
Mr. Cross	Mr. Styanis
Mr. Fox	Mr. Triant
Mr. Hawke	Mr. Willcock
Mr. J. Hegney	Mr. Wise
Mr. Leahy	Mr. Withers
Mr. Millington	Mr. Wilson
(Teller.)	

AYES.	PAIRS.	NOES.
Mr. Abbott	|	Mr. Lambert
Mr. Warner		Mr. Holman
Mr. Stubbs		Mr. Nulsen

Amendment thus passed; the proposed new section, as amended, agreed to.

Proposed new Section 79—agreed to.

Clauses 9 to 11, Title—agreed to.

Bill reported with amendments.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

In Committee.

Resumed from the 3rd October. Mr. Marshall in the Chair; the Minister for Labour in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 2, "New Sections 10A and 10B," had been partly considered.

Mr. WATTS: I move an amendment—

That paragraph (b) of proposed Subsection (2) be struck out.

The paragraph requires the production of all pay-sheets, time and wages books, receipts, records, or other books or documents giving the names and addresses of the employees and the actual wages paid, and the inspector may take copies of or extracts from them. No objection could be raised to a policy of insurance or cover note, which could be issued only by an office approved by the Minister, and we could reasonably conclude that the policy had been issued in proper form. The names of the employees are never mentioned in such a policy, which comprises a general cover for the employer in respect of all men employed by him. I cannot see the need for requiring the employer to produce anything else to the inspector.

The MINISTER FOR LABOUR: The paragraph is necessary for one of the reasons given by the hon. member. Policies are issued to employers on the basis of the number of men employed.

Mr. Thorn: And on the wages paid.

The MINISTER FOR LABOUR: Yes. Paragraph (a) empowers an inspector to enter premises at any reasonable time and require the production of the policy of insurance or cover note. The employer could produce a cover note and say that a certain number of men were employed on the basis of so much wages, but the inspector might have a well-grounded suspicion that the amount of insurance did not cover all the men employed or all the wages paid. Paragraph (b) is necessary to enable an inspector to examine pay sheets and other records in order to ensure that complete cover has been provided. Employers who failed to insure would probably adopt all sorts of methods to cover up their failure or partial failure, and if they are to be brought into line with the majority of employers who do the right thing, the fullest powers of investigation should be given to the inspector.

Mr. THORN: Such a policy is usually taken out on the basis of the wages paid. If the employer does not take out a policy on that basis, he is defrauding the insurance company. That, however, would be the concern of the company and not of the Minister. An inspector should not be empowered to search an employer's books and matters pertaining to his business. Access to the wages book should be sufficient.

The Minister for Labour: An honest employer like the hon. member need have no worry.

Mr. THORN: Paragraph (b) proposes to give an inspector too much power.

Mr. Withers: Who is going to advise the insurance company if an employer is not fully covered?

Mr. THORN: That is the company's business. If an employer pays on £1,000, and his wages bill is £2,000, he is defrauding the company. I support the amendment.

Mr. WATTS: The member for Toodyay has raised an aspect that forms a partial answer to the Minister's objection. When

an employer applies for a workers' compensation policy for the ensuing year, he says, "I have ten men receiving £300 a year, and I want cover for £3,000." The company issues a policy accordingly. If, three months later, the employer engages 20 men, the company does not ask more of the employer until the end of the year. During the whole of the period the workers are covered, so long as the proposal has been properly made and the premium on the estimated wages has been paid. The production of a policy of insurance or cover note is ample evidence that every employee is insured. The remainder of the clause is entirely redundant and will make unnecessary work, and in some cases create unpleasantness between the parties concerned.

The MINISTER FOR LABOUR: We cannot give too much power to anyone called upon to discharge duties under this proposed legislation. If the investigation to be carried out under this particular paragraph has the effect mentioned by the member for Toodyay, then beneficial effects will prevail. There will be the indirect effect of a reduction in the insurance premiums being made possible. If employers are today getting cover for 100 men and are paying for only 75, it is evident that the companies are providing cover for 100 men and are receiving premiums for 75. If what the hon. member said is being done, it means that the employer who is meeting his full commitments, is helping to pay for the employer who is adopting the other method. The arguments advanced instead of being in favour of the amendment are, in fact, solid arguments in favour of retaining the paragraph.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	26
—					
Majority against	..	..	..	..	10
—					

AYES.

Mr. Berry	Mr. Seward
Mr. Boyle	Mr. J. H. Smith
Mrs. Cardell-Oliver	Mr. Stubbs
Mr. Hill	Mr. Thora
Mr. Latham	Mr. Warner
Mr. McLarty	Mr. Watts
Mr. North	Mr. Willmott
Mr. Patrick	Mr. Doneg

(Teller.)

NOES.

Mr. Collier	Mr. Pantou
Mr. Coverley	Mr. Rodoreda
Mr. Fox	Mr. Sampson
Mr. Hawke	Mr. Shearn
Mr. J. Hegney	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Styanis
Mr. Holman	Mr. Tonkin
Mr. Hughes	Mr. Triat
Mr. Keenan	Mr. Willcock
Mr. Leaby	Mr. Wilson
Mr. McDonald	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Cross

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Abbott	Mr. Lambert
Mr. Mann	Mr. Nulsen

Mr. WATTS: I move an amendment—

That paragraph (c) of proposed Subsection (2) be struck out.

The extension of this enquiry system is unnecessary for the reasons I have already given. I am strongly opposed to the employer being called upon to produce his insurance policy.

The MINISTER FOR LABOUR: I oppose the deletion of the clause for the reasons that I gave against the striking out of the previous paragraph. Paragraphs (a) and (b) deal with the power of the inspector to enter employers' premises for the purpose of carrying out inquiries and to police certain documents. Paragraph (c) provides that an inspector may call for the production of and inspect any policies or contracts of insurance, and any books, accounts, registers, records documents or writings which are kept by or are in the custody or control of any incorporated insurance office, and which relate to the insurance of employees by employers under the provisions of Section 10 of this measure. Thus paragraph (c) gives an inspector power to check up with the insurance company which is transacting the insurance for the employer in question, whatever investigation and inquiry he has made from the employer. Paragraph (c) therefore is complementary to the other paragraphs already agreed to, and it is necessary to enable an inspector to carry out check-ups for the purpose of ascertaining whether everything he has found out from the employer coincides with the operations of the insurance company.

Amendment put and negatived.

Mr. WATTS: I move an amendment—

That in line 5 of Subsection (3) of proposed new Section 10A the words "if required" be struck out.

I have no doubt the Minister will agree to this amendment. My idea is that an inspector should be required to produce written authority from the Minister without being asked to do so, and in that way prove his bona fides.

The MINISTER FOR LABOUR: I have no objection to the amendment.

Amendment put and passed.

Mr. WATTS: With regard to new Section (1) of proposed new Section 10B of the proposed new section, I understand there is not so much objection to the provision of a list of employers as there is to the list of employees. I understand further that the member for West Perth also intends to move an amendment to this proposed new subsection, and if he does there will be a conflict between his amendment and mine. You, Mr. Chairman, will have to decide how we are to go about it. I am of the opinion that no insurance company should be compelled to provide the information required as this particular subsection suggests. The companies are being asked to furnish too many details, some of which they may not have, and they will quite unnecessarily be put to considerable trouble and expense. The Minister has already obtained the power he sought for an inspector to investigate everything as between the employer and the insurance company, and from my point of view, that is quite sufficient without putting people to so much extra trouble and expense. Some of the information might be very hard to obtain. An employer who takes out a worker's compensation policy at the beginning of a financial year may not know where his employees may be later on in the year. So it appears to me that there may be great difficulty in securing the returns. I move an amendment—

That new Subsection (1) of proposed new Section 10B be struck out.

Mr. HUGHES: It does not seem fair that one should have to give a competitor in business so much information. Even if all this mass of information were obtained it would only be building up useless records which might only be pigeon-holed. As the proposal will only result in unnecessary work for the insurance companies, I propose to support the deletion of the subclause.

The MINISTER FOR LABOUR: To some extent I agree with the contentions of the member for Katanning, and I am willing to delete the reference to the necessity for

insurance companies providing in their statement the names, addresses and occupations of every employee. I hope the amendment will be defeated. If that is the result, I will be prepared to move in accordance with my suggestion.

The CHAIRMAN: The amendment would have to be withdrawn before the Minister could move in that direction.

The MINISTER FOR LABOUR: I would be prepared to strike out the words to which I have referred and insert in lieu the words "the number of employees." No difficulty would be experienced by employers in sending to the insurance company, when taking out cover, a statement setting out the total number of men employed at that particular time. The proposed new Section 10B is necessary. If there were six or ten employers only in Western Australia, its retention would not be essential. There are thousands of employers throughout the State and Western Australia is huge in its extent. In those circumstances it would be utterly impossible for the position of every employer to be investigated by an inspector, and inspections would be carried out to a limited degree only. The intention to require insurance companies to send in the return provided for in the proposed new section, is to assist in checking up on employers who have not insured employees under the Workers' Compensation Act. That information would be valuable and would greatly assist the Government in its endeavour to tighten up the position regarding employers who have failed to provide the necessary insurance cover. I hope the amendment will be defeated. If the proposed new section is deleted, the authorities will be deprived of one of the best possible methods of checking the position under Section 10 of the Workers' Compensation Act.

Mr. McDONALD: I have been prepared to support the Minister in his proposals which provide inspectors with fairly drastic powers of inquiry into the affairs of employers with regard to their employees and the extent to which insurance cover has been taken out. I am prepared to agree to the proposed new Section 10B insofar as annual lists are to be required regarding the names of employers that have insured with the companies. The proposal to include names, address and occupations of each and every employee would be impracticable, quite apart from the enormous amount of

work that would be entailed. I would like to see that part of the new section deleted. Further, I cannot support the Minister's suggestion to substitute the number of employees in the statement. Insurance companies will find it difficult to obtain that information. They will have to get in touch with the various employers and secure from each a statement regarding the number of employees. Many of these people are not business-like, and we know what will happen regarding the replies to such a request. The proposal would impose upon insurance companies an added burden in policing the Act. The new section can contribute quite considerably to the effective administration of the Act. I did propose to move an amendment on that indicated by the member for Katanning with the object of eliminating the reference to the necessity for a list of "the names, addresses and occupations of each and every employee." If in order, I will do so.

The CHAIRMAN: The member for Katanning has moved to strike out the whole of proposed new Section 10B. Therefore any amendment to that proposition to leave out certain parts of the section would be a direct negative. I suggest that the member for Katanning ask leave to withdraw his amendment, and the Committee can then deal with the several proposals in their order.

Mr. McDONALD: I would like to ask your ruling, Mr. Chairman. The member for Katanning has moved an amendment to delete the whole of Subsection 1 of proposed new Section 10B, and I suggest an amendment to his amendment by adding to it the words, "Except down to and including the word 'Act' in line 12 of Subsection 1." Would that be in order?

The CHAIRMAN: I could not accept such an amendment on the amendment because the member for Katanning has already moved to strike out the whole of the subsection. The suggested amendment on the amendment is a direct negative. The Committee cannot deal with the position unless the member for Katanning withdraws his amendment.

Mr. WATTS: If I withdraw my amendment and the member for West Perth succeeds in deleting certain words, shall I be in order if I move to delete what remains?

The CHAIRMAN: The hon. member would be in order only if he moved to

strike out words subsequent to the last word affected by the member for West Perth's amendment.

Mr. WATTS: That is what I thought. If the member for West Perth is successful in his amendment, I will not be able to do what I desire.

The CHAIRMAN: No, but the hon. member can vote against the proposed new section as amended.

Mr. WATTS: In those circumstances, I ask leave to withdraw my amendment.

Amendment by leave withdrawn.

Mr. McDONALD: I move an amendment—

That after the word "Act" in line 12 of Subsection 1 of proposed new Section 10B the words "and of the names, addresses, and occupations of each and every employee of each such employer whom such policies or contracts of insurance purport to cover" be struck out.

If agreed to, the effect of the Act will be to eliminate the necessity for the names, addresses and occupations of employees to be included, and will retain the requirement regarding a list of employers.

Mr. HUGHES: The proposed new section will not achieve what the Minister suggests. The list provided for would indicate the people insured at the end of the financial year, but that would be no guarantee that those people were insured the next day. An instance came under my notice quite recently in which an employer was insured, but he did not renew his policy and an accident happened. If the Minister wants to get up-to-date information he should go into reverse gear. He should seek to find out who are actually insured, but the proposal in the Bill will only give him information up to a certain date. Although a man has been insured for the 12 months covered in the statement, he may not have renewed his policy. The proposal will put the companies to a lot of trouble and will not achieve what the Minister desires.

The MINISTER FOR LABOUR: There are many employers in Western Australia, and if we secure records from the insurance companies, we shall be able to check the position. If that check is made carefully, we shall be able to ascertain whether certain employers did or did not take out insurance cover during the previous year.

The MINISTER FOR LABOUR: The main objection to the proposed new Section 10B is that it calls upon insurance companies to provide particulars of the names, addresses and occupations of all employees. I have already indicated that that is perhaps asking them to provide much more information than is necessary and that I am prepared to meet the position by agreeing to the deletion of those particulars and the substitution of just the number of workers employed by each employer when he applies for his insurance cover. It would be extremely easy for any employer, when applying for an insurance cover, to indicate to the company concerned that he has in his employ at that date, say, 100 men.

Amendment put and negatived.

The MINISTER FOR LABOUR: I move an amendment—

That all the words after "of," in line 12 of Subsection (1) of proposed new Subsection 10B, be struck out.

The CHAIRMAN: I am afraid I cannot accept the amendment. The Committee has already agreed that the words proposed to be struck out shall stand.

The MINISTER FOR LABOUR: Very well, Mr. Chairman. I shall have the Bill recommitted at a later stage.

Clause, as amended, put and passed.

Clause 3—agreed to.

Title—agreed to.

Bill reported with amendments.

ANNUAL ESTIMATES, 1939-1940.

In Committee of Supply.

Debate resumed from the 5th October on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Withers in the Chair.

Vote—Legislative Council, £1,848:

MR. McDONALD (West Perth) [7.36]: I do not propose to occupy the time of the Committee at any great length on this item tonight. For one thing, it is difficult at present to know what the trend of finance or of any other matter of Government may be in the immediate future. If the war continues for a long time, it will inevitably produce far-reaching changes and whatever opinions are expressed now, and whatever

Sitting suspended from 6.15 to 7.30 p.m.

objectives we think should be pursued by the State, may turn out to be impracticable in the light of developments. But although that is so, the obligation to scrutinise our finances and the trend of our economy is no less urgent. In fact it may possibly be said to be still more urgent at a time like this, when finance is of the first importance in the prosecution of the war as well as in maintaining the development of the State. In the earlier conceptions of the State's future it was thought that our development would be along the lines of primary production. After the impetus given to the State by the mining industry, the production of gold fell and there was a movement of population from the goldfields to the rural areas. It seemed that the gold mining industry could not be looked upon as being as stable or enduring as the other primary industries; and therefore it was natural and proper that as the gold industry ceased to employ men, opportunity should be found for their absorption in the other primary industries. With the decline of gold production we saw a great increase in the development of these industries. The State appeared destined to fulfil the rôle of a supplier of foodstuffs not only for our own continent but for other countries, and also a supplier of raw materials for the production of clothing.

That vision of the future has been largely affected by the trend of events over the last few years. We have discovered that opportunities to sell our staple products overseas have largely diminished; and if the present policies of many countries continue, those opportunities will be still further reduced. In the meantime we have developed a large organisation for the supply of many primary commodities. We are like a factory that was built to cater for, say, 100,000 customers and suddenly finds that its customers are limited to half that number. We have the organisation and the stocks and the wheat and the means to produce commodities to supply a large part of the world, but we find our avenues of sale seriously restricted. If by some change of world policy we could recover those avenues of export that we previously had, our difficulties would be largely solved; but if that is not to be the case—and at present the outlook is not encouraging—we shall have to adapt ourselves to the changed position. If we are to do that, we might of course abandon a large part of the organisation we have built

up over decades for the supply of our primary products. But that would be a policy of despair, and the means of losing the benefit of the vast amount of wealth, energy and enterprise that has been put into this State for the development of our great primary industries. If we are to maintain our present facilities for the production of primary products, we shall have to adopt other means by which the State's economy will be maintained on an even keel. In the absence of the restoration of markets for our primary products, those other means will appear to be primarily two in number. One is an increase of population in the Commonwealth, and particularly in Western Australia, that will help to consume the great volume of our primary products; and the other is an increase in our secondary industries in order to achieve a better balance between primary and secondary production. The two may be said almost to merge into one, because unless we increase our secondary industries, and thereby create means of employing our people we cannot hope to have in this State an increased population that can be maintained on an economic basis.

Looking at conditions to-day and trying to find some guide for the future policy of Western Australia, as it seems to me that we need to regard two things as essential, namely an increase in our secondary industries and an increase in our population. The Government and, in fact, all parties have recognised to a considerable extent the development of secondary industries as being one of the changes in our economy that are essential if we are to remain in a reasonably solvent condition. I venture to think, however, that we shall need to go very much farther than we have done in both respects and give the State a more energetic impetus and a more conscious direction towards the attainment of those two objectives; We are saved at the present time by our gold mining industry. That has again come to our aid at a time when, without it, we would have been reduced to an extremely difficult situation. We hope the goldmining industry will continue to play a large part in the economy of the State. Although we hope for that—not without some ground—nobody who has read anything about the gold situation, or the comments that have been made in America as to the purchases of gold by that country, can fail to realise that we should as an elementary precaution

endeavour to take into consideration the possibility of a reduction in the price of gold, and a corresponding reduction in the value to us of that particular industry. I read only last week a recently published American journal dealing with the price of gold. The writer was very satirical about the action of the American authorities in continuing to buy gold, and to buy it at the price at which it stands to-day. While the difficulties of reversing that policy in America are very great, and are realised by those who have the direction of that policy, we cannot be unaware of the considerable body of opinion in America which is advocating that the purchase of gold by that country should be limited in the same way as when the United States stepped in and limited its purchase of silver. We should endeavour to direct the economy of the State so as to buttress ourselves as far as we can against any serious diminution of what now is our main support, namely the goldmining industry.

When I come to consider the finances of the State, I am prepared to confess that I always approach the Budget with the feeling that I am in difficulties about making a really worth-while contribution to the debate.

Mr. Raphael: We have to make worth-while contributions at times to the Treasury.

Mr. McDONALD: We do that without having to worry much about the work involved, for that is done for us by the Taxation Department. The affairs of a State like ours are so complex that to get some idea of the trend of the finances, and appreciate the lessons to be derived from the past history of our finances, is a very extensive task, and one that the ordinary private member finds great difficulty in undertaking, if he is not completely unable to do so. I feel that this task should be undertaken to a greater extent than it is today. The Treasurer and the members of the Government generally have the advice of their expert officers, and in the Under Treasurer they have an exceptionally able man whose services are of great value to the State. They see the matter from one point of view, that of the Government; but it is desirable that another view should be taken, and as many views as possible taken, so that we may arrive at conclusions as to whether we are making the best of our resources and are proceeding on the right lines for the future. When I was speaking on the Address-in-reply I remarked upon

what had been done in Tasmania. In that State for some years a survey has been made of the finances and economy of the State. This has been done by Professor Maulden. I have not read his survey, but I have read criticisms in the journals of the recent reports made by the Professor. The survey appears to have fulfilled a very valuable function in Tasmania, in assisting in matters of finance, indicating the trends of the future and making suggestions as to what can be done to ensure that the State moves forward on the soundest of lines. I hope, perhaps not optimistically, that something of the kind may be done in this State.

I should like to see some officer of the Treasury if one was available, or if not some competent person from outside, brought in to work in conjunction with Treasury officials and other officers of the State, make a survey of our position, and estimate the trend of our future finance and economy. I do not suggest taking matters out of the hands of the Government in any way, but the organisation would be extremely valuable in framing estimates of the kind I have indicated. After all, the State has been compared with a business. Whilst that comparison is not altogether just, the State does bear many similarities to a business. Those who have had anything to do with businesses, even small ones, know how the position is subjected to the most careful periodical examination, the trend of finances in all departments is estimated, and the future is planned as to trading, finance, and all other avenues, years in advance. In many businesses in this State, especially the large ones, the keenest investigation is made from time to time, sometimes by an auditor, and sometimes by other competent persons, into the situation of the business, its solvency and its prospects, and in what direction it should move to ensure its successful continuance. That principle might well be applied much more to this State, or to any State, than has been the case in the past. Some estimate of that kind has been given in the reports of the Grants Commission. Although we may differ from that commission in some respects, I think its work has had a most valuable effect and its reports are extremely informative and useful. We should recognise the work that has been done. I do not think anyone can read

the reports of the Commission without realising that the investigations made and the conclusions drawn are extremely helpful to those who are conducting the affairs of the State.

The Premier: We gave the Commission valuable evidence.

Mr. McDONALD: I appreciate that. The reports are based on very valuable evidence given by the States. They have had an excellent effect on the public finance in Australia. The suggestions as to clearer public accounts have been very useful and have been adopted. The Commission has done a great deal to put the finances in the claimant States on a sounder basis. I am glad to know that Western Australia has fallen in with the suggestions, and taken advantage of what the Commission had to say on the question. The Commission has taken, not improperly, a rather limited view of its functions. Perhaps I am wrong in saying that, and should say it has taken the proper view of its functions. It is limited in its scope and in its functions. Western Australia will remain part of this continent. In a great continent there are always some parts that will suffer more than will others. Whether it be Russia, America or any other country which is under a unified Government, or a Federal form of government, there are some areas that will not be as prosperous as are the others. It should be the national view that as far as possible the prosperity of the country should be equal in all its parts. If we could by a systematic survey arrive at a more concrete basis as to how this could be done, more so than we have up to the present we might persuade the Commonwealth Government to allow the Grants Commission to extend its operations to the economy of the claimant States and see that they enjoy a fair proportion of the benefits that are obtainable as between the different States. Were we unable with our own activities and our own powers to increase our population, and unable to make a material advance with our secondary industries, and were we met by a reduction in the importance of our gold-mining industry, this State would experience a rather difficult time. Could we persuade the Federal Government and the other States to adopt a national view, through the Grants Commission and through the reports of the

experts I have mentioned, we might be able to get the Federal Government and the other States, as a matter of national policy, to ensure that the economy of this State is built up to something nearer the economy of the central States, thus enabling Western Australia to stand up better against the various circumstances that have affected its position from time to time.

The Premier: It was said to be a question of our financial position.

Mr. McDONALD: I venture to say our financial position is not altogether a good guide. As with other members, I should like to see the best possible standards applied in this State. I am sometimes compelled to ask myself whether we are not living beyond our means. We have borrowed extensively from year to year, and it is exceedingly difficult to taper off. We have become used to a certain standard, and it is hard to ask our people to take less—perhaps we should not do so. We have adopted a standard higher than is found in most of the other States, and have done so to a large extent with borrowed money. It is time we asked ourselves whether we are able to afford a higher standard than is possessed by some of the other States, the older States of the Commonwealth. I do not wish to go into details. Western Australia was able to spend, for example, £3,500,000 on alcoholic liquor last year. No one wishes to deprive our people of their legitimate indulgence in alcohol, but bearing in mind that the total direct taxation in this State is £2,000,000, any State that can spend £3,500,000 on alcoholic liquor in one year is certainly assigning to itself a degree of opulence that very few countries of the world would venture to challenge.

The Premier: A big proportion of that money goes to Federal revenue.

Mr. McDONALD: Yes. The point is that the public finds the money all the time. I suppose in Western Australia we are spending anything from £300,000 to £500,000 on betting.

Mr. Patrick: And the rest.

Mr. McDONALD: I take these figures from those given in the second last report of the South Australian Royal Commission. If we compare the population of South Australia and the money spent on betting in that State with our population—I do not think we are behind the record in South Australia in this particular recreation—I

think we shall find that at a modest computation we are spending £300,000 a year in betting, and probably nearer £500,000. Again that is a degree of luxury which few States in the world would feel themselves justified in maintaining. To my mind there are many anomalies in our expenditure which we would do well to overhaul. Some may be difficult to explain. The Treasurer alluded to one in his Budget Speech, when he referred to the amount of money being spent on roads and proposed to make some deviation of that money into other channels. It seems strange that we are now spending three-quarters of a million pounds a year on good roads, while I do not suppose we spend one-tenth of that amount on good babies. The amount spent on infant health, I suppose, would not be one-tenth of the amount expended on roads. The time has come, in my opinion, when we should take part of the amount we have been spending on our roads and seek to divert that money to other directions where it is much more needed.

Mr. J. H. Smith: That is all right for the metropolitan area, but it will not do for country districts.

Mr. McDONALD: Even in the country districts the advancement made in roads is very great indeed; and as we have such an enormous State and only a limited amount of money, it is a question of the best directions in which we can expend that money. I have heard the Treasurer say—and I agree with every word of it—that when he has demands made upon him from all over the State on behalf of deserving institutions and deserving causes, his duty is to determine where the money is required most. All I want to say on this point is that when we come to spend our money to the best advantage, we shall do well to ask ourselves whether we should not review the directions in which we spend our money. The Treasurer has to a large extent inescapable obligations—at the present time inescapable, in the absence of some new method of finance. He has the interest on the public debt. We cannot avoid that. He has the amount to be paid to all the employees of the Crown, whether they be in the Public Service as we ordinarily understand that phrase, or in the Railway Department, or in any other avenue in which the Crown has activities. That has become an inescapable burden. There again is a

matter which Parliament and the Government will have to look at in future. That is to say, of all our revenue the greatest part is now taken up in expenditure over which the House and the Government have no control at all. The Treasurer very properly pointed out that there is a very large sum—I think he said half a million pounds—which is spent by boards over whose budgets of expenditure the House and the Government have no control whatever.

Hon. C. G. Latham: Two millions are spent by boards.

Mr. McDONALD: The Treasurer very properly has said that to his mind that appears to be a subject upon which there should be a review, with the help of members, so that Parliament might take more control. Taking our interest bill, which perhaps we cannot affect at all for the time being, and the expenditure for the whole of the employees of the Crown, which is determined by independent tribunals over which Government and Parliament have no control, and taking also expenditure by various boards, we find that in these Estimates Parliament has a real say as to only a very small amount. While I appreciate the difficulties, while I am a strong advocate of a well paid Public Service with a high standard of efficiency and the most exacting regard for the discharge of its duties, at the same time it is one of the questions which has to be asked in future whether Parliament should not, and will not be compelled to, resume more control over the expenditure of the Crown, especially when we give a cursory look at the expenditure of the last few years. Between 1933 and 1939, in the six years since 1933, the direct taxation of this State has doubled. The revenue of the State has grown by £3,000,000, and we may ask ourselves what has become of all this extra money. I know that there have been increases in salaries and wages made by the Arbitration Court and by the Public Service tribunal. There has been an increase in the amount of our interest bill due to our additional borrowings. There have been increases here and there. There have been deficits, which we have taken up to some extent compared with the deficit of 1932 or thereabouts. But still it seems to me that we could well investigate, still more closely, precisely where our doubled direct taxation has gone, precisely

where our £3,000,000 additional revenue has gone, and whether we are getting the best advantage from the expenditure of that money. It appears to me that with this great increase in the revenue of the State we should have shown a more healthy tone in our State Budgets.

The Premier: About the beginning of the period you mention, there were deficits of about £1,500,000.

Mr. McDONALD: I agree with that. I have mentioned something to that effect. I said the increased revenue had been absorbed partly in reduction of deficits and partly in payment of increased wages and salaries, and so on. But when it comes to taking up £3,000,000 a year extra, deficit reduction and higher wages alone do not, so far as I see, account for so great an increase. At all events, has not the time come when we should know exactly where that money is going? As a private member I admit frankly that for a private member it is difficult to know exactly where the money goes, however carefully one may study the Public Accounts.

The Premier: If we get £500,000 more revenue from the Railway Department, it costs almost that much to perform the service.

Mr. McDONALD: That is another matter. Take the railways. It has been said that deficits of Australia are deficits of its railways. That is partly true, and partly not true; but undoubtedly the earnings of the railways have a tremendously important effect upon the finances of all the Australian States. I do not want to disparage our railways. I think that in some senses the railways have not done badly in the amount of interest they have returned during the long period they have been operating, especially when compared with some of the private railroads in America and in England.

The Premier: And in most of the other States.

Mr. McDONALD: However, I still am not satisfied that we are using our railways to the best advantage.

Hon. C. G. Latham: There is considerably less capital expenditure here than in any other country in the world.

The Premier: Besides that, we have far more mileage of railways relatively to population.

Mr. McDONALD: I believe, again, that our railways are a department which could be greatly improved by careful investigation of the finances. I may be speaking incorrectly from memory, but I think some little time ago an answer was given in this House about the dismissal from the service, or the transfer within the service, of a station master on one of our spur lines. The justification was stated to be that the total earnings of that siding of which he was in charge were just about equal to, if they were not less than, the amount of his salary.

The Premier: Less.

Mr. McDONALD: Less. Well, it struck me at the time that if this station master was kept at that siding at a salary of, say, £350 a year, and the business of that siding had come to such a stage that its total earnings were, say, £200 or £250 per year, that is a situation which should never have arisen.

The Premier: Many railway stations have been shut down.

Mr. McDONALD: I am glad to know that. When I heard that answer given in this Chamber, it seemed to me that any ordinary business run with so little foresight would be in bankruptcy very quickly. However, I am not suggesting that that particular incident is a fair reflex of the control of our railways.

The Premier: That station master might be station master also for six or seven other sidings additional to the one under review.

Mr. McDONALD: Once again, that is that sort of thing which, as I said before, I cannot express an opinion upon, without knowing the facts. No member here knows the facts. That station master might have been done a great injustice in being transferred from the siding simply because the earnings were much less than his salary.

The Premier: He might be there for the purpose of crossing trains simply.

Mr. McDONALD: Of course he might; but the fact remains that according to the answer given in this Chamber he was no longer required at that point. That was the answer given here.

The Premier: The question merely asked what the earnings were at the siding.

Mr. McDONALD: The question was asked because the station master had been

transferred, because his position there had been terminated. It all comes back to this, that in such matters there is room for an overhaul as much as any small business would give at a time when its finances required most careful supervision. The Treasurer is bringing down new taxation. I do not propose to go into that aspect at this stage. I will have something to say about it when the time comes. I am not greatly concerned about the taxation one way or the other. The reduction may not be very great where taxation is to be reduced, and the increase may not be staggering where taxation is to be increased. We come again to the same position. In my opinion, we would do well to take this opportunity to make a survey of our financial position in order to ascertain how we are getting on, especially in view of the fact that notwithstanding the vast increase in revenue during the last few years, we are still finding considerable difficulty in making our way. The Grants Commission has been very keen on the idea that we should measure up to the severity of taxation of the other States. I am totally opposed to that idea.

Hon. C. G. Latham: We have nearly exceeded it.

Mr. McDONALD: We have.

Mr. F. C. L. Smith: The Commission rewarded us for it.

Mr. McDONALD: The reward we got is not nearly equal to the prejudice we shall suffer for it. Nothing would be more fatal to this State than for it to have a reputation for severity of taxation. Nothing would be more fatal to our development in secondary industries, in population, or in any other way than to lead the rise in severity of taxation. If we are to make any progress at all we must do so by offering moderate taxation. While I appreciate the difficulties of the Treasurer in trying to conform to the standards laid down by the Grants Commission—which I think the commission laid down with the best possible intentions—at the same time I feel the commission is not taking the right view of the future of this State. It should recognise that this State is only going to emerge from the dependent class, from the position of being a claimant State on the other States, if we can advance in our population and in our industries; and we

shall have no chance of advancing if we get the reputation of severity of taxation.

The Minister for Mines: Is it severe taxation to ask people to pay for services rendered?

Mr. McDONALD: When we pay taxation for services rendered to us, it is like going into a shop and paying for what we get. I may go into a shop and be able to pay eight guineas for a suit of clothes; another man can go in and pay 12 guineas. I am compelled to pay eight guineas, for if I pay 12 guineas I will soon be in trouble. To tax our people severely in order to give them highly advantageous services may be very nice for a while, but I question whether it will be to our benefit in the end.

The Premier: Nobody ever agreed with a Treasurer who says no.

Mr. McDONALD: The Treasurer who says no is possibly the finest Treasurer a State could possibly have. It is an exceedingly dangerous thing politically—

The Premier: To say no.

Mr. McDONALD: No; but to question existing affairs. It is dangerous politically to suggest that perhaps we are living at a high standard. It may even be dangerous to raise the matter of £3,500,000 spent annually in alcoholic drink; but we would not be any the worse off, as a State, if we took stock of these things. I do not want to see any social service reduced. I do not want to see anybody's standard of living reduced, but we are ascending the scale in severity of taxation and being patted on the back by the Grants Commission for doing so. Perhaps before very long we will be the good boys of the Commonwealth.

The Premier: The Grants Commission recommends the reduction of our grant correspondingly if we do not tax our people to the same extent as people are taxed in the other States.

Mr. McDONALD: That is so.

Mr. Marshall: Who is supposed to rule this State—the Government or the Grants Commission?

Mr. McDONALD: I appreciate the Treasurer's dilemma, but can this State pay the amount of taxation that is raised by the other States? I do not think we can. We have not the resources to meet the severity of taxation. Therefore, while I appreciate the difficulty the Government finds itself in, because it is pressed by the Grants Commission to achieve a certain standard, at

the same time the Government will have my sympathy and support if it resists that idea as much as it can. All I would say finally—

Mr. Hughes: Everywhere we are paying excessive interest.

Mr. McDONALD: We are. We are paying a vast amount of interest and are adding to it all the time. We are getting to the stage when our interest commitments are a severe burden on the people. That is a mere platitude. But I still think that the State has resources of great value. It has had and still has an energetic people. I feel we would do no harm in making an effective survey of our position, trying to make sure that the money we spend is laid out in the most advantageous directions—not on roads for ever when other projects have a greater demand—and by the aid of that survey to make some surer estimate to guide us along the path we should take in the future.

MR. BERRY (Irwin-Moore) [8.23]: Speaking from the point of view of the farmer and having made a study of the Estimates, I do not feel enthusiastic about them. The farmer is having a poor spin, as members are aware, and the proposed increases which it has been suggested shall be made in railway freights will come at a time when it will be difficult for him to pay them, especially in view of the general rise in farming necessities that will without question occur. I am speaking of wheat farming. For a very long time—in fact, many years—the farmer has been battling along under the gravest disabilities and now, when it would seem that perhaps he might receive a stabilised price for his wheat because of the purchase by the Old Country, there is to be a rise in the prices of commodities generally, particularly cornsacks. The prices of other necessities will also be raised—no profiteering legislation will be able to control such prices—and this will have an important effect upon the cost of production. Therefore I feel that the increases in railway freights, while necessary, are unfortunate at this particular stage.

The Premier: An increase in cost is never a fortunate circumstance.

Mr. BERRY: No, it is most unfortunate now. The fact remains, however, that whatever can be done for the farmer should be done. Some little time ago the Prime Minister visited West-

ern Australia and several farmers, including myself, had an opportunity to interview him. We were given the impression that by the end of August we, as farmers, would know our fate financially so far as the price of wheat was concerned. By the end of August, war clouds had gathered over Europe and early in September war was declared; so that the promise or suggestion made by the Prime Minister became perhaps a little more complex. I hope, however, that the result of the deliberations of the meeting of Premiers will be such that in a few days we may hear that a grant has been made by the Commonwealth Government to supplement any price that may be obtained as a result of purchases by England. I understand that perhaps England will not be buying as much wheat from us as we would like. That points to over-production in the industry. In considering this question of over-production, one cannot help realising that for some reason or other countries not suited for wheat production are forced into it. On examining the position a little more closely, it would seem that perhaps the reason is to be found in the questions of international finance and international control of credit. In my opinion, all our problems, not only in respect of primary industry but also secondary industry, taxation and so on, are wrapped up in this very vital question of who shall and who shall not control the issue of credit. International exchange is manipulated in such a way that it pays countries like Germany and Italy to produce wheat at a cost higher than the price at which they can buy it from countries like Australia. While I am not an expert in international exchange, it appears to me that the exchange is so rigged against those particular countries that it pays them to produce wheat—as is the case in Germany—at a cost of 11s. a bushel. If that be the case, it is time we took a serious view of the power in the hands of certain private people who manipulate finance in such a way as to bring about such a result. Speaking of international control of finance, I venture to suggest that had that control not been in the hands of private manipulators we would not be at war to-day.

In looking through the Estimates I am surprised to find that of a total expenditure of £11,000,000 odd we are to pay by way of

interest no less a sum than £3,555,631, roughly 33 1/3 per cent. To my way of thinking that is an appalling state of affairs, because in order to pay this exorbitant amount we shall be compelled to tax and keep on taxing. If the war continues—and it looks as if it will continue for some years—what will be the figure at the end? Already the income tax in England is 7s. 6d. in the pound. I maintain that if war continues and we finance it in the same way as we did the last, we shall certainly find that the tax at the conclusion will be very much greater than it is now. The income tax itself will probably be greater than the earning capacity of the people. There is no reason why it should not. Debt is galloping ahead and is getting thoroughly out of hand. In my opinion, it is time we took this matter in hand and controlled it. If we do not, bank ledgers of the future will be 10-acre paddocks and the ledger-keepers will be mounted on horses and have sticks for pens in order to write down the enormous figures of our debts, which no paper book in the world could contain. Without a shadow of doubt that is what we are heading for. As I remarked earlier, all our problems are wrapped up in this question of money. Should we want schools for the country and ask for them, we are told there is no money, and that applies the whole way through. Yet the people are being taxed in every way to pay a burden of interest amounting to £3,555,631 for the State of Western Australia alone, and similar conditions must be prevailing the world over. I understand on good authority that we are actually paying interest on money that was raised to fight the Napoleonic wars in 1812, and it seems to me that our policy is one of raising money ostensibly to pay off a debt in order that the debt may go on. For education an amount of £760,000 is provided on the Estimates. When we compare that amount with the horrible interest bill to which I take such violent exception, we find it represents only 22 per cent of the sum we are paying to the money lenders as interest. I suggest that more important than interest and more important than money itself is the need to ensure that the coming generations of Australians are properly educated. I assure members that the scope for education improvement offering in the country districts of

Western Australia is colossal. Because of that, I make this protest against the interest bill. The whole question of finance is wrapped up with inflation. When we asked for the money for stabilisation of wheat prices, we were staved off with the awful bogey of inflation; if we did not stop, the financial chaos would be ungovernable. But the moment there was a war—I might say even in a split second—£100,000,000 could be raised in this country and £2,000,000,000 could be raised in Great Britain for the purposes of destruction and not in furtherance of the most wonderful heritage of mankind, namely, peace.

Today we are being asked to send our sons to fight in a war such as many of us fought in during 1914-18, and we are not altogether certain that the war is not designed to uphold this horrible system of interest and debt. Probably most members know that Abraham Lincoln raised greenback money in America to finance the Civil War. If I read an extract from an article that reached my hands today, members will see the reaction in the city of London against Lincoln's raising of that money—

If that mischievous financial policy (the issue of greenbacks in the United States of America) should become indurated to a fixture, then that Government will furnish its own money without cost. It will pay off its debt and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilised government of the world. That Government must be destroyed.

There was no fear in the mind of the writer that the country would be ruined; his fear was that it would become too prosperous.

That is the problem we have to face. Whatever else we do, it is our duty to ensure that this pernicious system of interest, and interest on interest, ceases. It has led to all sorts of tragedies in the wheat belt. Somebody will probably say, "Those men need not have borrowed the money." The fact remains that they did borrow it, and the borrowing of the money was made particularly easy. The present system of financing our commodities is so rotten that when we actually need money, it is not available. As one man wittily expressed it in a London Stock Exchange paper, "A banker is a man that lends an umbrella and asks for it back the moment rain begins to fall." That is how our financial system is operating today.

Members might question how much I know about this technical matter of altering conditions. We can find economic experts to lead us. As a general suggestion, I believe that if we used the Commonwealth Bank for the purpose Mr. King O'Malley and his colleagues founded it, namely, as a people's bank to operate for the people and nobody else, and for their welfare, this interest bill racket and the present pernicious system would be undermined and perhaps brought to such a level that all the people of Australia would get a fair crack of the whip and be enabled to enjoy comfort and the advantages that science and machinery have made possible. Of what earthly use is it to invent aeroplanes if we are such blithering idiots as to debar ourselves from using them because we cannot afford to do so? The natural resources of Australia are there; the produce and the services are there; and without question ours is a nation of virile people. Our duty and the duty of everybody in Australia is to wake up to the position because, by the time the war is over, the interest bill will be so colossal as to be thoroughly ridiculous, if it is not already ridiculous.

I have touched on the question of schools in the country and the amount of money budgeted for, and have compared it with the horrible interest bill. I should like to say that the schools in the bush, for the most part, are not up to the standard that a country of this sort deserves. They are hot in summer; they are ice-boxes in winter; they are uncomfortable and poor. And they will remain poor until such time as we are in a position to tackle the problem with which I have been dealing. What I have stressed is the stranglehold of the interest bill on the people. I trust that we shall do all in our power to ensure that the stranglehold is released and that the advantages of science come to us in the form of comfort and happiness and not in the form of guns and ghastly trenches.

MR. NEEDHAM (Perth) [8.38]: When speaking on the Address-in-reply a few weeks ago, I instanced the fact that the Commonwealth Government was expending a vast amount of money in order to prepare for the defence of Australia. I said that whilst millions of pounds were being spent to defend Australia against any invader, we were still clamouring for money

to provide food and shelter for many of our citizens. At that time war had not been declared. Since then, unfortunately, war has been declared. The goddess of reason has been dethroned and the demon of brute force has been installed in her stead. To-day the world, though still bleeding from the wounds of the Great War of 1914-18, is again faced with another catastrophe, and we are compelled to spend millions of pounds in order to safeguard our country from aggression.

The Premier, when introducing the Estimates, referred to the Premiers' Conference that he had recently attended. He said the Prime Minister, Mr. Menzies, had emphasised that the burden was laid on the Commonwealth for the provision of adequate defence expenditure, and had suggested that some re-allocation of loan moneys between the Commonwealth and the States would have to be made to enable the Commonwealth to carry out the defence programme. The Premier told us that while there might be a re-allocation, he was hopeful that no serious curtailment of our loan funds would result; if there was a curtailment, he hoped it would be effected in the States that would receive a tremendous benefit from the increased expenditure on defence. The Premier went further and said he was not sure how much would be spent in those States in preparations for the defence of Australia, but he thought the amount might be 10 millions in Victoria and a similar sum in New South Wales. The Prime Minister has said that the best contribution the States can make to the financial stability of the Commonwealth will be to endeavour in every way possible to curtail expenditure and secure budget equilibrium. A laudable object, but I am wondering how it can be attained. With that picture before me, I am addressing the Committee to-night.

Since the declaration of war, we have been reminded of the slogan "Business as Usual." We hear it announced from the public platform, we see it printed in the columns of the Press, but I am wondering whether business is proceeding as usual. I do not think it is, either in the Commonwealth or in the State arena. If it was, I do not think there would be the increased number of unemployed that we have to-day. I understand from the Treasurer's speech that there are 7,000 men on Government relief work in this State and that money

has been provided by the Loan Council to carry on work to keep that number of men on part-time employment. I find, however, that on the 2nd October last, only a week ago, there were 8,000 men on Government relief. To me that does not suggest that business is as usual. I also understand that just about that time the Government had more men at work than at any period in the last eight years, 1931 to 1939. What is puzzling me is this: if the Government has more men on relief work, and I believe that is so, how is it that there were more men on sustenance a week ago than in 1931? If my memory serves me rightly, the number of men on sustenance, since 1934, has been averaging something like 500 or 600 all told. By "sustenance" I mean those men standing down and receiving relief.

The Premier: There were 5,000 in 1934.

Mr. NEEDHAM: I said from 1934 until now we never had more than an average of 500 standing down. But during the last few weeks we find the number has gone up to 1,000, despite the fact that there are more men at work. Again, that does not suggest to me that business is as usual. It suggests to me that private employers are dismissing their employees, because of the war. If an employer cannot keep his hands engaged, he naturally will dispense with their services. We must remember, too, that most of the people being dismissed from their employment are those actually on the bread-line, or if not on the bread-line, men who cannot stand more than a week or two of unemployment. That being so, and there is no disputing the figures, I contend that the Federal Government should help the States to try to relieve such a condition of affairs. Over £30,000,000 is to be spent this financial year for the purpose of defence. Surely we can manage to get money in some way to provide for those who are losing their employment as a result of that expenditure. In that regard I consider that a special meeting of the Loan Council should be called, and the responsibility placed upon the Federal Government of assisting the States by providing money for necessary public works. Under the system that has obtained for some years, the duty is cast upon State Governments to provide work for those out of employment, and I find that obligation has been faithfully carried out. Now, however,

we are in a state of national emergency, and because of that our unemployed numbers are increasing. If, as the Premier has stated, he has budgeted for 7,000 men being on the Government list, then with the money allotted to him, he cannot cater for 8,000. There is the danger that the number will be increased. I remind the Committee, if there is any necessity to remind it, that the Federal Government is pledging the nation's credit and rightly too, to the extent of millions of pounds to defend Australia against attack. The State Governments will work in co-operation with the Commonwealth Government to do everything possible to defend Australia and to assist the Motherland in this time of stress; but at the same time, we must not forget that there is still an army of unemployed in our midst. I throw out the suggestion that the State Government should lose no time in asking the Federal Government to convene a special meeting of the Loan Council for the purpose of endeavouring to cope with the situation. The people to whom I refer are inarticulate; it is through the medium of this House that their voices can be heard. They are the people who have sent us here to represent them, and here only can a plea be made for them. I consider it is imperative for the Governments of the States and the Commonwealth to see that whilst we provide means to assist in carrying on the conflict overseas, we must not forget the victims of that conflict residing in our midst. We must try to prevent their suffering and to see that they do not want for food. I go further and suggest that if the Loan Council does not meet, if the Federal Government does not convene it for the purpose I have indicated, then instead of the Treasurer budgeting for a surplus, he should budget for a deficit to meet the unemployment situation. At least one of the States has done that, Queensland I think. I understand that the Imperial Government desires the assistance of the Commonwealth in the way of providing munitions and food. In his Budget speech, the Treasurer drew attention to a vast amount of money being spent in Victoria and New South Wales to provide munitions for war purposes. Very little, if any, of that money will be spent in Western Australia, although representations have been made to the Federal Government in that regard. But a letter has been received from

the Prime Minister pointing out the difficulty of using the plant at our Midland Junction workshops. Thus if we cannot get our fair share of the expenditure of money in our State for war purposes, we should be recouped in some other way. The member for Irwin-Moore (Mr. Berry) has pointed out effectively that there is no difficulty in securing money for defence purposes but there is difficulty in getting money for domestic purposes. No difficulty at all exists in regard to the provision of arms and equipment for the men who go to war, but when Governments are asked to equip men in times of peace, the inevitable question is asked, "Where is the money to come from?" No money seems to be obtainable for constructive purposes, but there is always plenty for destructive purposes. There is no need to stress that point any further, but I contend that as the credit of the nation is being strained for the purpose of war, it can be strained a little further for the purpose of peace. It appears to me that in the present circumstances the Commonwealth Government is swallowing a financial camel as far as war expenditure is concerned, and straining at a financial gnat as far as peacetime avocations are concerned. I have not the exact figures, but I understand that at the present time there are about 200,000 unemployed in the Commonwealth. We have been told that when the Sixth Division is formed—it will take about 20,000 men away from Australia for overseas duty—unemployment will be relieved. If there are 200,000 men unemployed in the Commonwealth, the removal of a mere 20,000 will be like a drop in the ocean. I impress upon the Government the necessity for trying to get together a meeting of the Loan Council to deal with this important subject of using the nation's credit so as to provide employment for our workless. In yesterday's newspaper I read a statement made by Mr. Stevens, the ex-Premier of New South Wales on this subject. Mr. Stevens was reported to have said that a substantial expenditure of credit was the cure for the financial ills of wartime and the elimination of unemployment. He added—

The costs of a war could not be deferred but had to be met as we fought.

The newspaper report went on to say—

Expanding his statement in Sydney on Thursday that an immediate expansion of

credit was necessary to finance the war, Mr. Stevens said it was an illusion to think that we could make posterity pay for our wars. Borrowing now and repaying later, the actual cost was the using of resources that must be done mainly in our time. The fear of inflation was only an illusion, as financial expansion was justifiable up to the point where every able-bodied man was fully employed and kept in employment. It was inflation beyond that point.

That is the statement of a man who by no stretch of imagination can be considered a Labourite.

Hon. C. G. Latham: Do you endorse that policy?

Mr. NEEDHAM: Which policy?

Hon. C. G. Latham: Steven's policy.

Mr. NEEDHAM: I am not going to be led into that line of thought by the Leader of the Opposition. I do not know to which line of policy he refers.

Hon. C. G. Latham: The policy enunciated.

Mr. NEEDHAM: I have quoted the statement of the ex-Premier of New South Wales.

Hon. C. G. Latham: And then left us in the air as to whether you agree with him.

Mr. NEEDHAM: Perhaps we can agree with the Prime Minister of the Commonwealth, of whom my friend the Leader of the Opposition is a follower—

Hon. C. G. Latham: Is he?

Mr. NEEDHAM: —that our credit should be used not only for war purposes, but for the provision of employment for men thrown out of work through the war. If that is the policy the Leader of the Opposition referred to when he asked me if I endorsed it, I reply in the affirmative.

Hon. C. G. Latham: I cannot understand why Stevens did not do that while he was Premier of New South Wales. Apparently he is like a lot more when they leave office.

Mr. NEEDHAM: Perhaps Mr. Stevens, like the Leader of the Opposition may develop, has become wiser as he has grown older. When my young friend, the Leader of the Opposition is older, he will probably discover that what he said about inflation was a bogey to be knocked down.

Hon. C. G. Latham: Then you do not think there is any inflation.

Mr. Hughes: Do you know what inflation is? Can you define it?

Mr. NEEDHAM: We have recollections of the position in 1914 when the then Gov-

ernor of the Commonwealth Bank said he could finance the Commonwealth in war time and in peace. Evidently Mr. Stevens lived to learn, as I hope the Leader of the Opposition will also live to learn.

Hon. C. G. Latham: I have not forgotten what Stevens did to Lang?

Mr. NEEDHAM: I agree with the reference of the member for Irwin-Moore (Mr. Berry) to the burden of interest. Undoubtedly that is a heavy burden to carry, whether by private or by public concerns. I am reminded of a story of two men who were walking through a cemetery and looking at the names on the various headstones over the graves of the departed.

Mr. Warner: None of your chestnuts!

Mr. Needham: One of the men noticed at the bottom of one tablet the letters "R.I.P.," and asked his companion what they meant. His friend replied that that was what the man had died of and it was a disease. "What kind of disease?" asked the other man. His companion replied, "Rent, interest, profit." Members will agree that interest at least is a factor that hangs like a mill-stone around the neck of not only Governments but of individuals.

One other matter to which I shall refer concerns the attempt by the Federal Government to impose a tax on the increased price of gold and on the production of that metal. That question was debated in this House, and, as we know, the proposal of the Federal Government was defeated in the Senate. Despite that rejection, the Federal Government has now adopted another method and has imposed an excise duty of 50 per cent. on the increased price resulting from the war. That impost will re-act unfavourably in Western Australia and may be the cause—I daresay it will definitely be the cause—of adding to our employment problem. Members may remember that 25 years ago when in the throes of what was then known as the Great War—goodness knows what the present war will be called later on—we suffered considerably regarding the gold position. The Federal Government confiscated £3,000,000 worth at that time, and Western Australia bore 75 per cent. of that loss, or a sum of nearly £2,000,000. Now the Commonwealth Government will again injure us because of the excise duty of 50 per cent. I trust that when the Federal Parliament re-assembles, that particular duty will be

repealed. I have nothing further to add except to express the hope that everything will be done by the Commonwealth and State Governments not only to prosecute the present awful struggle to a successful conclusion, but at the same time to see that the Federal authorities take their fair share of responsibility involved in the increased burden of the war and provide for the requirements of the State.

Progress reported.

BILL—PROFITEERING PREVENTION.

Council's Amendments.

Schedule of 29 amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for Labour in charge of the Bill.

No. 1, Clause 5—In the definition of "commodity" paragraph (h) on page 3:—Delete all words after the word "merchandise" in lines 2 to 6 inclusive.

The MINISTER FOR LABOUR: I do not propose to offer any objection to the amendment. The Commonwealth Government has already issued regulations to cover "services rendered" to the public and the definition of "commodities" included in the Bill will, it is thought, cover every commodity that will not be included under the Commonwealth price-fixing regulation. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 2, Clause 5—In the definition of "Member of a commercial trust."—Delete the words "Any of the constituent persons of or any agents of" in lines 22 and 23 and substitute the words "Includes the person or persons managing and controlling."

The MINISTER FOR LABOUR: The amendment is for the purpose of clarifying the definition of "Member of a commercial trust." I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 3, Clause 5—In the definition of "Member of a commercial trust."—Delete the word "such" in line 24.

The MINISTER FOR LABOUR: This amendment is consequential, and I move—
That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 4, Clause 5—In the definition of "Member of a commercial trust."—Delete the words "member or agent" in line 26 and substitute the words "director, manager, or partner."

The MINISTER FOR LABOUR: The object of the Council's amendment is really to expand the definition of "member of a commercial trust." I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 5, Clause 5:—In the definition of "Owner."—Delete the words "or claiming" in line 33 and substitute the words "and who has entered into possession under."

The MINISTER FOR LABOUR: The amendment deals with the definition of "Owner," which includes not only the person owning the commodity in question, but also "every person having or claiming any mortgage or encumbrance, right, lien, charge or other interest over or in such commodity." The Council propose to delete the reference to claiming a mortgage and so on, with a view to providing that the owner shall include every person who has entered into possession of a commodity under any mortgage and so forth. I have no objection to that. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 6, Clause 5—Add at the end of definition of "Owner" the following words:—"The term also includes the Crown."

The MINISTER FOR LABOUR: An amendment along the same lines was moved when the Bill was dealt with in this Chamber, but it was defeated. Evidently the Council thinks that the Crown should be included. The Government guaranteed that no State enterprise or undertaking would indulge in profiteering, but apparently members in another place felt that the position should be completely protected, and so they provided for the adoption of the amendment. The Government is pre-

pared to support its oral guarantee to the extent of including the Crown under the Bill. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 7, Clause 6, Sub-clause (1)—Delete all words after the word "declare" in line 32, and substitute the words "the commodities to which this Act shall apply."

The MINISTER FOR LABOUR: The Committee has already agreed to an amendment for the deletion of the reference to "services," and the present relates to that already accepted. The Council's amendment will provide that the Governor, instead of declaring as provided for in Sub-clause (1), shall declare "the commodities to which this Act shall apply." As the amendment will enable the Act to operate effectively, I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 8, Clause 11—Add at the end of paragraph (vi) on page 6, the following words:—"and as to what from time to time shall be 'reasonable quantities' of any commodity within the meaning of paragraph (b) of section fourteen of this Act."

The MINISTER FOR LABOUR: Clause 11 sets out the duties of the commissioner. The Legislative Council proposes that he shall have an additional duty. Other amendments are proposed consequential to this one and I propose to agree to them all. Members will recall that an amendment somewhat on these lines was moved when the Bill was before this House. The amendment does not impose on the commissioner the power to fix reasonable quantities. It allows traders a discretionary right to sell in reasonable quantities or imposes upon them an obligation not to refuse to sell reasonable quantities. It also gives to the commissioner the power to fix reasonable quantities if he feels that such action on his part is necessary. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 9, Clause 13, sub-clause (1)—Add after the word "declare" in line 16 the words "for any commodity."

The MINISTER FOR LABOUR: I move That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 10. Clause 13, sub-clause (1)—Delete the words "at which any commodity may be sold" in lines 17 and 18.

The MINISTER FOR LABOUR: The words it is proposed to delete are considered unnecessary. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 11. Clause 13, sub-clause (1) (i)—Insert a new sub-paragraph after sub-paragraph (h) to stand as sub-paragraph (i):—
(i) What shall be "reasonable quantities" of any commodity within the meaning of paragraph (b) of Section 14 of this Act.

The MINISTER FOR LABOUR: This amendment is consequential. We have agreed to an amendment that gives the Commissioner under certain conditions the right to declare reasonable quantities or to recommend regarding them. We now propose to give the Governor power by proclamation to fix and declare reasonable quantities for sale. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 12. Clause 14, paragraph (b)—Insert after the word "sell" in the first line the words "in reasonable quantities."

The MINISTER FOR LABOUR: This amendment is consequential on two others on the same principle to which we have already agreed. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 13. Clause 14, paragraph (b)—Delete all words after the word "commodity" in line 22 and substitute the words "under his control."

The MINISTER FOR LABOUR: This amendment will reduce the number of words in paragraph (b) without in any way detracting from their effectiveness. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 14. Clause 14—Add a proviso as follows:—"Provided that the Commissioner

may from time to time authorise and permit any trader to withhold from sale any commodity or any quantity thereof.

The MINISTER FOR LABOUR: Clause 14 provides for the punishment of any trader refusing to sell any reasonable quantities at a declared price. Evidently the Legislative Council felt that the Commissioner should have the power to authorise any trader to withhold from sale any commodity or quantity of a commodity from time to time. Conceivably circumstances may arise to justify the Commissioner in giving such authorisation, though I imagine the occasions on which the Commissioner would so act would be few. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 15. Clause 14—Add a new paragraph to stand as paragraph (c) as follows:—

(c) In any prosecution under this section it shall be a sufficient defence to show that on the occasion in question—

- (i) the defendant supplied a reasonable quantity of the commodity, or had not a sufficient quantity of the commodity in his custody or under his control to supply the quantity demanded, in addition to the quantity required to satisfy all other contracts then subsisting, under which he was obliged to supply quantities of the commodity and the ordinary requirements of his business; or
- (ii) the defendant was a wholesale trader in the commodity and the person who demanded to be supplied was not a retail trader therein.

For the purposes of this section, in determining what is a reasonable quantity, regard shall be had to all the circumstances of the case, including the question whether the person who demanded to be supplied was or was not at the time of the demand carrying on business as a retail trader in the commodity demanded, either alone or with other goods.

The MINISTER FOR LABOUR: The proposed new paragraph allows to any defendant charged with having refused to supply any reasonable quantities, certain lines of defence which, if raised in any prosecution, shall be regarded as sufficient defence. It is understandable that certain people dealing in certain commodities may have regular customers to supply with goods. It is also understandable that they may have to deal with individuals who, in an endeavour to build up stocks above what

is reasonable, will also seek supplies from other people. The lines of defence established in the amendment are suggested with a view to protecting wholesalers from having to supply to everyone who comes along irrespective of whether that person has already been trading with other wholesalers and irrespective of whether he has traded with that particular wholesaler at any time in the past. I do not think the lines of defence can be quarrelled with. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 16, Clause 15, sub-clause (1)—Delete the words "may be prescribed" in line 30, and substitute the words "he shall deem fit."

The MINISTER FOR LABOUR: I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 17, Clause 15, Sub-clause (1)—In paragraph (a) delete the words "greater than is prescribed in such notification" in line 35.

The MINISTER FOR LABOUR: The amendment will assist in the objective the Commissioner will have in view when he sends out orders calling upon traders to furnish returns covering any commodities, inasmuch as the deletion of the words suggested will give him power to call upon traders to submit the returns whether they have or have not quantities of a commodity greater than is prescribed. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 18, Clause 15—Delete paragraph (b).

The MINISTER FOR LABOUR: As a result of an amendment already made to this clause, paragraph (b) is considered unnecessary. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 19, Clause 15—Delete Subclause (2).

The MINISTER FOR LABOUR: The power contained in Subclause (1) is considered sufficient to meet what is provided for in Subclause (2), and therefore the

retention of Subclause (2) is unnecessary. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 20, Clause 15.—Delete Subclause (3).

The MINISTER FOR LABOUR: The subclause provides that returns covering supplies of commodities shall be in the form and contain the particulars prescribed. Evidently the Council felt that the commissioner should have discretion to call upon traders to set out their returns in such form as he thinks fit. I offer no objection to the amendment, and move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 21, Clause 17.—Delete the word "proclaimed" in line 29.

The MINISTER FOR LABOUR: This refers to any "proclaimed" commodity. We have already agreed that the commodities to be dealt with shall be those defined, and the word "proclaimed" is therefore unnecessary. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 22, Clause 17.—Add at the end of the clause a proviso as follows:—

Provided this section shall not apply to dealings or undertakings in the usual and ordinary course of business or trade.

The MINISTER FOR LABOUR: I understand that certain well-established business principles operate such as are covered by Clause 17, and the Council is anxious that those practices shall not be interfered with unfairly. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 23, Clause 18.—Delete the word "proclaimed" in line 12.

The MINISTER FOR LABOUR: This is consequential on a previous decision. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 24, Clause 24—Add a new subclause to stand as Subclause (3) as follows:—

(3) If, after due investigation by the commissioner, it is found that such person was

not guilty of any offence as aforesaid, then any goods seized or carried away shall be returned to the person or due compensation shall be paid to such person.

The MINISTER FOR LABOUR: Clause 24 deals with the power of the commissioner to authorise officers to seize a commodity with a view to taking action for any infringement of the measure. The amendment is considered to be fair, and I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 25. Clause 25, paragraph (a)—Delete the words "interferes with" in line 27.

The MINISTER FOR LABOUR: "Interference" is covered by the words "resists, hinders or obstructs". I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 26. Clause 25, paragraph (a)—Delete the words "or insults" in lines 27 and 28.

The MINISTER FOR LABOUR: Evidently the Council feels that the commissioner and his officers should be able to take any insults that might be offered. I hope they will prove tough enough to do so. Somewhat reluctantly I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 27. Clause 29, Subclause (2)—Delete the words "the chairman and every managing" in lines 6 and 7, on page 14, and substitute the word "every".

The MINISTER FOR LABOUR: As amended, the clause will provide that "every director and every officer" concerned in the management shall be guilty of a like offence.

Hon. C. G. Latham: That amounts to the same thing.

The MINISTER FOR LABOUR: Yes. The amendment makes the Subclause more comprehensive in that it will include every director. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 28. Clause 29.—Delete Subclause 5.

The MINISTER FOR LABOUR: I understand the objection of the Council was to the possibility that an employee, on receiving a week's notice of dismissal, might

charge a higher price than that which had been declared for the purpose of having a hit at his employer, who would, of course, be responsible for his action. Another place felt that instead of this being set out in the Bill it could be left to the discretion of the authorities concerned as to who should be prosecuted. It is reasonable to believe that in practically every instance any prosecution that is launched would be against the employer or the trader concerned. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 29. New Clause: Insert new Clause after Clause 33, to stand as Clause 34, as follows:—

The Commissioner shall prepare an annual report with respect to the administration of this Act for each year ending on the 30th day of June and a final report up to the expiry of the Act, and such reports shall be laid before both Houses of Parliament.

The MINISTER FOR LABOUR: The amendment has everything in its favour. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolutions reported, the report adopted, and a message accordingly returned to the Council.

House adjourned at 9.45 p.m.