

which the Loan Council proceedings are conducted. While we are at a disadvantage from the standpoint of what is referred to as semi-governmental borrowing, which is indulged in extensively by other States, I have always found that Western Australia has been able to secure a fair deal in the allocation of money provided through the Loan Council. Instead of receiving one-fifteenth of the money available, which would be our quota on a population basis, we have succeeded in securing about one-eighth. At any rate, that was our proportion of the last two loans. The Premiers meet and discuss business informally. They acquaint each other with their respective difficulties, and the effect upon their various policies of the lack of finance. Generally speaking, a very friendly spirit prevails at the gatherings. Nothing really secret takes place there, but it is inadvisable to have the proceedings disclosed at the time. The public are not disadvantaged, as within a comparatively few days of the termination of the Loan Council meetings they are made fully acquainted with what has transpired. If the proceedings were accorded publicity in the Press, the whole spirit of the gatherings would be changed, and instead of friendly informality, a more formal procedure would have to be adopted. There would be a probability of agreements not being reached so readily and informally between the various Premiers and there would be the possible application of the formula, the necessity for which nearly all States seem to desire to avoid. Many people seem to think that at Loan Council meetings the Premiers discuss the monetary policy, the expansion and contraction of credits and the problem of inflation or deflation. Those subjects are not dealt with there, but are fought out in the Federal Parliament. If members desire to pass the motion, I can have the matter brought up for discussion at the Loan Council meeting, but I can assure the House that the proposal is impracticable, would be expensive and could do no good. Members would be wise to reject the motion.

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

House adjourned at 10.36 p.m.

Legislative Council.

Thursday, 17th November, 1938.

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

BILLS (2)—THIRD READING.

- 1, Financial Emergency Tax.
- 2, Financial Emergency Tax Assessment Act Amendment.

Passed.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Reports of Committee adopted.

BILL—WORKERS' HOMES ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. H. V. PIESSE (South-East) [4.38]: I have only a few words to say about the measure. I am very pleased that the Government has introduced the Bill, and that authority is given for the board to build houses of a lower value than has hitherto been the case. Many men employed on sustenance work cannot afford to enter into a contract for the purchase of high-priced houses such as have been erected under the provisions of the Act. The Bill will give men on sustenance who are able to find £5 an opportunity eventually to become owners of the houses in which they live. I commend the Government for its action and feel sure members will support the second reading.

HON. V. HAMERSLEY (East) [4.39]: I would not like the Bill to be passed without my mentioning one phase of the operations of the Workers' Homes Board that has been brought to my notice. On several occasions I have had appeals from people for help to secure a worker's home. They have been offered properties at very low prices. In one instance the owners were very old people who desired to wind up their affairs, and they offered their home for sale at £200. It was an excellent bargain, a first-rate proposition for the intending purchaser. The Workers' Homes Board was asked to allow this house to be purchased instead of having another house constructed. The cost of construction of such a house now would be anything from £500 to £700. Having regard to the situation, the area of ground, and the building itself, one might say that the house offered was going begging. Other instances of the kind could be quoted. I fail to understand the board's attitude in rejecting the application. Here is a bona fide worker who needs a home; why debar him from the opportunity to acquire one that is suitable to his needs? Apparently the stand taken by the board, or possibly by the Government, is, "We want to create work. That house can remain idle. We will accept only applications of people who want to erect new structures. That creates work." A house already built seems to be of no interest. The worker, on his part, will not accept the responsibility of tying himself up for the future to the extent of paying £500 for a home when one is available for £200. In the interests of workers, homes should be supplied at the most reasonable price possible.

The scheme of enabling the board to borrow money for the erection of homes is an excellent one. I had always hoped that there would be no need to carry out such work with borrowed money. The Government, with its large revenues, should have been able to earmark a sufficient amount annually for the purposes of the board. However, seeing that the Government has been unable to balance the ledger, I am quite willing to support a measure authorising the board to help the Government to get rid of some of its bricks and timber in providing homes for the people. I support the Bill.

HON. A. THOMSON (South - East) [4.43]: I am pleased that the Government has at last decided to afford the Workers' Homes Board an opportunity to raise additional funds. I endorse Mr. Hamersley's observations on that aspect. I do hope that when the board is in a position to handle a little more money than in the past, it will give consideration to such a request as the hon. member mentioned. The policy of the board and of the Government is to encourage the erection of homes, and also to see that, if possible, additional work is provided. The latter consideration, however, does not help a worker who is not permitted to acquire a home at a cost of about £200 suitable to his requirements. I trust the passing of the measure will enable the board to be more sympathetic in that direction.

As regards another suggestion of Mr. Hamersley's I hope it will not be found necessary to stipulate that workers' homes shall be built of State timber and State bricks. A man who is borrowing money to obtain a home should be permitted to buy his materials in the cheapest market. If State bricks and State timber are cheapest, naturally he will buy them. In various Government contracts, though not in any contract associated with the Workers' Homes Board, a stipulation has appeared that the material to be used must be obtained from the State Brickworks and the State Saw-mills. I voice that hope, though nothing of the kind is mentioned in the Bill. I congratulate the Government on the introduction of the measure, which may afford opportunities for clients of the board to purchase from private owners houses that are cheaper than can be erected under existing conditions.

HON. W. J. MANN (South-West) [4.48]: While supporting the Bill, I consider that the House should be careful in regard to Clause 3, under which the board may from time to time, on the recommendation of the Minister and with the approval of the Governor, borrow money. Parliament should have some say on the question of borrowing, especially as the clause provides that the repayment of all moneys borrowed by the board shall be guaranteed by the State. If the State is to be responsible in that way, Parliament should at least be asked for its approval of the loans. There is little to fear from such a stipulation, be-

cause most members, so far as I am able to judge, are sympathetically disposed towards the workers' homes scheme. Most of us have from time to time deplored the fact that the scheme has been narrowly circumscribed because of not sufficient money being available. I have no objection whatever to the borrowing of money by the board, but I do contend that before any borrowing takes place the proposal should be submitted to Parliament and parliamentary authority obtained.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Nicholson in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—New section, power to board to raise money by debentures:

Hon. C. F. BAXTER: I move an amendment—

That the words "the Governor" in line 3 of the proposed new Subsection 1 be struck out with a view to inserting the word "Parliament."

The Honorary Minister: That will sterilise the Bill.

Hon. C. F. BAXTER: It will not. The board will set out a financial programme for the 12 months.

Hon. L. CRAIG: Oh, no.

Hon. C. F. BAXTER: I claim to know a little about this matter. The board would not be going on the market and borrowing every month or two months. Provision is made to invest the money borrowed.

The Honorary Minister: Twelve months will elapse before the board can make a start.

Hon. C. F. BAXTER: Not at all; funds can be provided. Parliament should retain control of borrowing. The power should be in the hands of Parliament, not of a Minister. Probably a new Minister will be in office after next March, and members know that the approval of the Governor really means the recommendation of the Minister.

Hon. H. SEDDON: I agree with Mr. Baxter, but a point arises that needs consideration. This borrowing will be apart from the activities of the Government under the Financial Agreement.

Hon. C. F. Baxter: Quite apart.

Hon. H. SEDDON: The question is whether the specifying of Parliamentary authority will bring the board within the scope of the Financial Agreement. If it does not, I consider that Parliament should control the board's borrowings.

Hon. G. Fraser: It would not be worth taking the risk by making the alteration.

Hon. H. SEDDON: Parliament should control the activities of public bodies in their borrowings, just as it controls the borrowings of local authorities.

Hon. A. Thomson: How does the Metropolitan Board of Works in the East manage?

The Chief Secretary: It has borrowing powers.

Hon. H. V. PIESSE: If the amendment is approved, will it debar the board from raising money before the meeting of Parliament next year? That is a very important point.

The Honorary Minister: That is obvious.

Hon. H. V. PIESSE: But is it correct?

Hon. L. CRAIG: I oppose the amendment. The power proposed to be given is to borrow money by the issue of debentures, and the debentures are to be secured on the assets of the board's revenue.

Hon. W. J. Mann: But guaranteed by the Government.

Hon. L. CRAIG: Yes. Parliament is not concerned with the revenue of the board, which is derived from the payment of interest and sinking fund on the homes erected.

Hon. W. J. Mann: The money was originally granted by Parliament.

Hon. L. CRAIG: But Parliament has nothing to do with the revenue of the board.

Hon. W. J. Mann: Why not?

Hon. L. CRAIG: It is the repayment of money advanced to clients.

Hon. C. F. Baxter: Money lent by the Government to the board under the authority of Parliament.

Hon. L. CRAIG: The provision that money shall be raised by the issue of debentures suggests that finance will not be required in a lump sum. Rather does it suggest that the debentures will be sold during the year.

Hon. W. J. Mann: That is one method the board may adopt.

Hon. L. CRAIG: If Parliament were not sitting, it would be extraordinary to restrict the activities of the board pending the obtaining of Parliamentary approval. The

board has been trusted over a long period of years.

Hon. C. F. Baxter: It is not a matter of trusting the board.

Hon. L. CRAIG: The board has carried on the building of workers' homes successfully and has managed the financial side successfully, and I am prepared to trust the same board to ensure that public funds are not wasted by over-borrowing or over-spending.

Hon. W. J. Mann: The present members will not always constitute the board.

Hon. L. CRAIG: But a board will be in charge.

The CHIEF SECRETARY: Ordinarily I would raise no objection to the amendment, but Mr. Craig has mentioned some points that should be borne in mind. He was correct in saying that the debentures will be on sale all the year round. Further, the amount that the board may raise will be limited by the securities possessed by the board. From time to time the board will probably need to raise only a few thousand pounds. On other occasions the board might need to raise a considerable sum and the money might be required urgently. If the board has to await the approval of Parliament, a long delay might ensue that would seriously jeopardise the operations. Every member who has spoken to the Bill has eulogised the work of the board. If the board stands so high in the estimation of members there is no reason why we should not trust it to carry on the good work, and to raise such money as it may require. Should the amendment be passed, the board would be unable to raise any money until Parliament had given approval; neither would it be able to do so by the issue of debentures until towards the end of next year.

Hon. W. J. Mann: The session will last for another month at least.

The CHIEF SECRETARY: The Bill has not yet been passed. The object is to give the board separate borrowing powers so that any money raised may not be regarded as part of the loan money raised by the Government. The measure contains sufficient safeguards to ensure that more money will not be borrowed than can be utilised.

Hon. G. Fraser: The problem confronting the board will be to raise enough money to meet the demand.

The CHIEF SECRETARY: I hope the amendment will not be agreed to.

Hon. C. F. BAXTER: The Chief Secretary would have members believe that I do not trust the board. The amendment has nothing to do with the board. The question is one of policy—whether Parliament shall continue to control the borrowings of Governments or whether borrowing shall be permitted without let or hindrance. No Government department should be allowed to borrow money without the authority of Parliament. I trust the Committee will not be led astray by the references to the board, in which we all have confidence.

Hon. H. SEDDON: When the Loan Bill reaches us we could insert a provision to limit the expenditure of the Workers' Homes Board. Something like that should be done every year. This clause deals with the conditions under which debentures may be issued. They shall be a charge upon the assets and revenue of the board. During the depression the revenue of the board fell considerably. Those in charge of this undertaking may feel justified in issuing debentures up to a certain amount, these being secured by the assets and the revenue of the board, but should the debentures not be secured by the revenue, the board may find itself in an awkward position. Apart from the supervision exercised by the Auditor-General, Parliament should each year review the expenditure the board may consider necessary and the number of debentures to be issued.

Hon. G. W. MILES: I understand the board owes the Government about a million of money.

The Chief Secretary: The amount advanced to the board is about £776,000.

Hon. G. W. MILES: When Government property is sold the money is appropriated to revenue. I have no desire to limit the activities of the board, but I do think Parliament should have some say in its borrowing powers. Should the Government be short of cash it might arrange with the board to issue debentures at 5 per cent., and with the money so raised repay the amounts advanced to it. We should not leave a loophole through which money may be borrowed without the authorisation of Parliament. In the past Governments have been authorised to construct railways that have not yet been built, and the money involved has been re-appropriated for some other purpose. That is not a sound way in which to finance the

country. I support the amendment, but do not desire that the board shall be held up for money this year.

Amendment (to strike out words) put and a division taken with the following result:—

Ayes	12
Noes	10

Majority for	..	2
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AYES.

Hon. E. H. Angelo
Hon. C. F. Baxter
Hon. L. B. Rolton
Hon. J. T. Franklin
Hon. V. Hamersley
Hon. J. M. Macfarlane

Hon. W. J. Mann
Hon. G. W. Miles
Hon. H. S. W. Parker
Hon. H. Seddon
Hon. G. B. Wood
Hon. J. A. Dimmitt
(Teller.)

NOES.

Hon. J. Cornell
Hon. L. Craig
Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray

Hon. W. R. Hall
Hon. W. H. Kiteon
Hon. A. Thomson
Hon. C. H. Witteneom
Hon. H. V. Piesse
(Teller.)

PAIRS.

AYES.
Hon. H. Tuskey
Hon. J. J. Holmes

NOES.
Hon. T. Moore
Hon. E. M. Heenan

Amendment thus passed.

Hon. C. F. BAXTER: I move an amendment—

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

Hon. J. CORNELL: Unfortunately, I was absent when the amendment was moved. The Committee has landed itself in the position, as the result of the amendment, of making the Workers' Homes Board remain as it was.

Hon. C. F. Baxter: No.

Hon. J. CORNELL: That is the effect of the amendment.

Hon. C. F. Baxter: Of course, that is not so.

Hon. J. CORNELL: The effect is that before the Workers' Homes Board can go on the money market to raise a loan, the approval of Parliament will have to be secured. No machinery is provided in the Bill for securing that approval and there is none apart from the Loan Estimates, which are submitted to Parliament in accordance with the decisions of the Loan Council. Instead of the board being able to go on the money market to raise loans for the construction of houses, a privilege enjoyed by a dozen-and-one instrumentalities in the Eastern States, the loan requirements of the board will come within the purview of the Loan Council.

Hon. G. W. Miles: Why cannot a Bill be introduced to authorise the board to dispose of £50,000 worth of debentures? It need not bother about the Loan Estimates at all.

Hon. J. CORNELL: If the endeavour is to circumvent the Loan Council, the method adopted will have to be that suggested by Mr. Miles.

Hon. G. W. Miles: Why cannot we do that?

The CHAIRMAN: It might be done by way of a resolution.

Hon. J. CORNELL: It cannot be done by way of a resolution, but only by way of a Bill. What does the Committee hope to gain through the amendment as compared with the provision in the Bill? Suppose a Bill was introduced and we deemed the amount quite inadequate for the purposes of the board, we should be unable to increase the amount, because the Constitution does not permit us to do so. If there is one department that we should trust, it is the Workers' Homes Board.

Hon. W. J. Mann: Everyone agrees with that, so why thrash that point?

Hon. G. W. Miles: We are not concerned about the board but rather about the Government.

Hon. J. CORNELL: Members are not prepared to trust the board; they require the approval of Parliament before the board may float a loan.

Hon. G. W. Miles: It is a matter for the Governor-in-Council.

Hon. J. CORNELL: Members wish to make it a matter for Parliament.

Hon. G. W. Miles: What is the difference?

Hon. J. CORNELL: Mr. Miles has been a member long enough to know the difference.

The CHAIRMAN: And Mr. Cornell has been long enough a member of this Chamber to know that he is discussing something that has already been decided. I am allowing him a lot of latitude because he was not present when the amendment was moved.

Hon. J. CORNELL: I am perfectly in order. I regret extremely that this has happened. The Workers' Homes Board is, I should have thought, the one instrumentality that members would have been prepared to trust to borrow for its own requirements. The board has done excellent work, and that is emphasised by the latest figures of the war service homes, which are handled by the Workers' Homes Board

for the Commonwealth Government. The figures show that £2,000,000 has been repaid in Western Australia and the arrears here represent about 2.58 per cent. as against 3.70 per cent. throughout the rest of the Commonwealth.

Hon. W. J. Mann: That is greatly to the credit of the borrowers.

Hon. J. CORNELL: It is greatly to the credit of those administering the scheme.

Hon. C. F. BAXTER: I cannot agree with Mr. Cornell. From the very inception of the Financial Agreement, the position of Western Australia was recognised and the State has authority to borrow up to £100,000 without the consent of the Loan Council being required.

Hon. J. Cornell: If the money was to be borrowed for the wheat farmer, you would not object to the procedure.

Hon. C. F. BAXTER: Mr. Cornell is not right in that. I would require the correct procedure to be followed. The hon. member is quite wrong in his contention that the concurrence of the Loan Council will be necessary before the board can float a loan. We have every confidence in the board, but Parliament should control the situation. All Government loans have to be agreed to by Parliament, but that does not hold up the activities of the State. Notwithstanding that the Appropriation Bill has not been passed by Parliament, I should say that already two-thirds of the money required has been provided.

The CHIEF SECRETARY: I am afraid we have just nullified the object the Government sought to attain. Before the Bill is again considered by members, I shall take steps to have the position clarified, and if I find it is as I imagine, the Committee will have an opportunity to reconsider its decision.

Amendment put and passed.

Hon. C. F. BAXTER: A consequential amendment will be required in proposed Subsection (2).

The CHAIRMAN: That will be made consequentially.

Clause, as amended, agreed to.

Clauses 4 to 6, Title—agreed to.

Bill reported with an amendment.

BILL—BUREAU OF INDUSTRY AND ECONOMIC RESEARCH.

Second Reading.

Debate resumed from the 9th November.

HON. C. H. WITTENOOM (South-East) [5.27]: When the Bill was discussed last week, I listened carefully to the remarks of members, and I am rather surprised at many of the conclusions they reached. While I am inclined to favour the Bill, I shall reserve my decision as to how I shall vote till later on. I do not suggest the Bill is completely acceptable in its present form, but if given thorough consideration at the Committee stage, I believe it could be made quite a fair measure. In fact, if the bad points were eliminated, the Bill might be advantageous and tend to conserve the interests of the State. The Government committed a grave error of judgment in deciding to introduce the Bill in the last session of the present Parliament. If Ministers desire to submit legislation of this sort, they should be prepared not only to initiate the bureau but to nurse it during its infancy. The Government has not been prepared to do that. Should the Government be defeated at the general elections—some people are convinced that the Government is doomed, but no one can say—the incoming Government will have to—

Hon. L. B. Bolton: Carry the baby.

Hon. C. H. WITTENOOM: Yes, instead of the present Government fathering its own offspring. I agree with Mr. Thomson regarding the intentions underlying this legislation. One objection raised was that the proposal represents a costly experiment. No doubt, if the Bill be agreed to in its present form, that contention is correct. The Government will be confronted with a most difficult task in finding the right man for appointment as director. If the right man can be found it does not matter very much, within reason, what salary he is paid. The Bill proposes that there shall be nine members of the bureau. That is absurd, the number is far too high. The personnel should be limited to a Minister—very much *ex officio*: he should have no power at all over the bureau politically; his wings should be clipped—the director and two members.

The Bill proposes that the bureau shall have power to co-opt people to assist in its

work. Apparently, people may be co-opted not only in Western Australia, but from the Eastern States, from England or Canada—in fact, from anywhere in the world. I am concerned about the payment to be made to the members of the bureau, more particularly the payment to be made to the director. What causes my concern is an advertisement that I notice in a Canadian paper. The following advertisement by our Government appeared in a Canadian paper:—

Architects required: Two architects are required by the Western Australian Public Works Department, Perth, in connection with a large hospital project. Applicants must be good designers, holding a University degree in architecture, and have several years' practical experience, part at least in modern hospital work. The point I am coming to is this: The Government is advertising for highly qualified architects, and yet the salary offered for a two-years' engagement, fares paid both ways, is £440 sterling, or £8 a week.

Member: Are you certain it is sterling?

Hon. C. H. WITTENOOM: Yes. The advertisement continues—

Salary £440 sterling per annum for two years' engagement, with fare paid both ways. As the cost of living in Australia is substantially lower than in Canada, the salary offered would have a purchasing power considerably exceeding the dollar exchange value of the £440 sterling. Applications, stating age, experience and qualifications should be sent to the Australian Trade Commissioner, 15 King-street, West, Toronto.

The date by which applications had to be lodged was then stated in the advertisement. Members will note the high qualifications required—the applicants must have special degrees—and the low salary offered. Even with 25 per cent exchange added to the salary, it would be remarkably low for such officers. I cannot understand what it all means. We know the Perth Hospital is to be rebuilt at a cost of about £750,000. If a private architect undertook the work, his fees would amount to 6 per cent, or to a sum between £4,000 and £5,000. I presume the two architects advertised for are not to be asked to design the hospital. Probably they are to assist our State architect. I read the advertisement so that members would know the high qualifications required of the applicants and the low salary offered to them. I presume the director of the bureau will receive a salary of £2,000 or £2,500; a high salary must be offered to secure the services of a thoroughly competent man.

During the debate, a suggestion was made that the work which it is proposed the bureau shall do might be carried out by our departmental heads. Our departmental heads are excellent men. In common with other members, I have come in contact with them and found them to be competent officials, efficient and ready to help; but, generally speaking, heads of Government departments have reached their positions by seniority. They have, as a rule, been in only one office, their training has been in one line of the Government service, and they have been more or less in one groove. I am not under-rating the ability or the knowledge of these officials. Under the Bill, they must supply all information in their power to the bureau. If some highly paid official, with a keen business sense, is appointed to direct the bureau, he will be able to co-ordinate that information and make the best use of it.

One of the last things we desire in connection with the bureau is Trades Hall control. One or two of the clauses of the Bill have reference to dangerous and unhealthy conditions. They should be entirely eliminated from the measure, as they savour too much of Trades Hall interference. There are other persons, such as shop inspectors, boiler inspectors and factory inspectors who could carry out the work referred to in those clauses.

The Government should not have the sole say in the appointment of the director. If possible, he should be appointed by Parliament; or at the least his appointment should be approved by Parliament, and thus anything in the way of political favour would be avoided. If the Bill is to become law, let us keep out all political influence. The director's appointment should be limited to three years; nine years is too long. The bureau is in the nature of an experiment, and if at the end of three years it has not proved to be a success, then we can dispense with the director.

I am convinced that any amount expended upon the bureau will be returned many times over by the encouragement the bureau will give our people to purchase Western Australian products, even if no new industries are created. I quite agree with the Minister's statement that some of our commercial enterprises which failed after a short struggle might have succeeded if advice and assistance had been available, such as we would expect from the proposed bureau,

especially if the State is fortunate enough to procure a man of outstanding ability as director.

The principles underlying the scheme are in my opinion right. Apparently, the bureau is by no means a new idea. I understand that in America—in the United States particularly—something of the kind is in existence, but there the members give their services in an honorary capacity. We know that a similar bureau exists in New Zealand and, from what we can gather, it is a conspicuous success. I remind members that some years ago a similar project was started in this State. The members acted in an honorary capacity. The scheme was tried out in a practical way by Mr. A. L. B. Lefroy. It was called the Council of Industry, and a number of business men acted upon it. That council did much good work. Mr. Kenneally assisted it, but eventually it was overshadowed by his Economic Council. The main object of the Council of Industry was to render assistance to secondary industries with a view to decreasing our imports. At present we are importing goods to the value of £21,000,000, of which amount £9,000,000 was sent abroad and £12,000,000 to the Eastern States. I cannot see any reason why the proposed bureau should not do something to assist in reducing our imports. From the Minister's explanation, the Bill is designed chiefly to establish our secondary industries on a firm basis and, secondly, to increase the small amount of £3,000,000 that we obtain for our exports.

Hon. G. W. Miles: You may be misrepresented. The sum of £3,000,000 does not include all our exports. We export primary products of a far greater value than that.

Hon. L. B. Bolton: The hon. member is referring to our exports to the Eastern States.

Hon. C. H. WITTENOOM: In my opinion, the Bill is a laudable attempt to decrease unemployment. If our primary industries were on a better footing and if we were obtaining higher prices for our wheat and wool, then I would not be quite so prepared to embrace the Bill. To turn our State into a manufacturing State might after all prove to be a mixed blessing, as we would have to put up with additional strikes and lockouts. We shall probably have just as much unemployment, though here the problem should not be so great in proportion to

population as it would be in the Eastern States. The Minister was wise in including in his speech a reference to the value of the various goods imported into Western Australia from the Eastern States. The list was simply astonishing and it would certainly be far better for the State if many of those lines could be manufactured here. A perusal of the list must indicate to all members that many of those lines could be manufactured here and thus reduce our importations.

We are confronted with a very serious position, probably the worst the State has ever known. I do not wish to be pessimistic, but it seems to me that these depressions are approaching a degree of permanency more pronounced than ever before. For this reason, there is urgent need that we should do something to try to help our secondary industries instead of carrying our eggs in one basket to the extent we have been doing. The outlook for wheat is very unsatisfactory and I cannot see much promise for the industry in the near future.

I consider that members are wrong in comparing the proposed bureau with the C.S.I.R. and contending that that body could carry out this work. The C.S.I.R. directs its efforts to the improvement of Australian industries, chiefly primary.

Hon. G. B. Wood: Not necessarily.

Hon. C. H. WITTENOOM: It has devoted considerable attention to the rabbit and blowfly pests, and to matters of that kind.

Hon. C. F. Baxter: You ought to be interested in that.

Hon. C. H. WITTENOOM: The hon. member will find that its efforts are directed to assisting primary industries rather than secondary industries. The bureau, however, will be designed to assist the development of secondary industries in Western Australia. If the C.S.I.R. is also devoting attention to secondary industries, it is helping those in the Eastern States just as much as it is helping ours. We want to have information about Western Australian industries, and members do not need to be reminded that the chief opposition encountered has been from the Eastern States. A good deal of work has been done by means of patriotic efforts to get industries started and established in Western Australia. Mr. Kenneally, a former Minister in a Labour Government, worked very hard in this direction and with good results, but unfortunately

the patriotism of our people will not prevent them from patronising Eastern States markets for many of their requirements. People insist upon buying in the cheapest market, for evidence of which one has only to witness the crowds thronging the chain stores and purchasing goods of Japanese manufacture. Our small population of some 440,000 people renders very difficult the manufacturing of goods in anything like large quantities that can compete with those of the Eastern States. New industries would have to encounter all the difficulties inseparable from the initial stages of operating, and there would be a comparatively restricted market for their output, compared with the large market available to Eastern States manufacturers, but with the assistance of a bureau of this kind, they might have some chance of developing successfully. I am inclined to favour the Bill, but will reserve my decision until I have heard the views of other speakers.

Hon. L. Craig: But you will vote for the second reading?

HON. G. B. WOOD (East) [5.49]: Much has already been said on the measure, so I intend to be brief in my remarks and to avoid traversing any of the ground that has already been covered. I shall oppose the second reading of the Bill because I do not believe in the principle embodied in it. Still, I give the Minister for Employment credit for being genuinely sincere in his efforts to promote secondary industries in Western Australia. In my opinion, however, he is going the wrong way about it. The bureau, I consider, is totally unnecessary, because already we have quite a lot of talent available to advise the Government on these matters. One member stated that a super man would be required to fill the job of director of the bureau, and that perhaps Henry Ford would be the only man capable of undertaking the task. My belief is that Henry Ford would make an unholy mess of the work. What does he know about the banana-growing industry or the fishing industry of the North-West? He might be all right in his own particular line.

Hon. L. Craig: The bureau is purely for secondary industries.

Hon. G. B. WOOD: But those other industries have been mentioned. While Henry Ford might be a very capable man in his own sphere, I cannot see that he would be of any value to advise us on the question of

establishing jam and other factories. However, that is beside the point. We are not likely to get Henry Ford here; nor are we likely, in my opinion, to get a man capable of filling the bill.

We have talent available in this House. Members have only to look around the Chamber to recognise that talent, which is really wonderful in its variety. It is the duty of those members who are experts in their particular spheres to advise Ministers in these matters, and Ministers should certainly not be above approaching members of Parliament and seeking their advice. In this House we have two journalists, a planter, a motor body builder, and five farmers and graziers whose districts range from Mullewa down to Dardanup. We have a city merchant, a land agent, a manufacturer of aerated waters, three lawyers, a squatter, a mining engineer, a miner, a dairy produce merchant and a union secretary. Surely the union secretary must be an expert in industrial matters and must know all about these industries. We also have amongst our members a hotel owner, as well as members of road boards and municipalities. We have an ex-postmaster, an ex-baker, a butcher and an ex-tramway inspector.

Hon. J. Nicholson: And an ex-banker.

Hon. G. B. WOOD: That should be enough with which to carry on. What a galaxy of talent is available there to advise the Minister! In another place there are 50 members, and if the quality may not be the equivalent of that here, it has the numbers. I venture to say that all those men have been successful in their own line of business or they would not be here. Further, we have experts in all our departments. As a grazier, I am interested in pastures, and when I want information I go to the Department of Agriculture and consult the expert there. The same remark applies when I want information on other subjects: I go to the departments.

We have been told the intention is to bring a man from somewhere, perhaps from overseas, to do all these wonderful things for us. Let me recall the experience of South Australia in the matter of importing an expert. About 15 years ago South Australia imported a man named Webb for the office of Commissioner of Railways at a salary of £5,000 a year. What did he do? In the course of a few years he ran the railway system into debt to the tune of something like £15,000,000. I should be very

sorry if we imported an expert and he did that for us. Webb built large engines and trucks that could not pass under the railway bridges. I can vouch for the accuracy of that statement because I was in South Australia at the time. Webb commenced by building a new railway station for the city that cost a million pounds. Certainly it is a very fine building, but I venture to say that South Australia cannot afford it. What an awful experience it would be if we got somebody like that and put him into the position of director!

I cannot imagine what new industries the bureau could bring into existence. Various industries have been launched in this State and have proved a failure, but I cannot believe that the existence of a bureau would have made any difference. One industry failed chiefly because American firms introduced machinery to under-cut the State Implement Works. We also had a jam factory, but that failed because of the dumping practised by Eastern States manufacturers. Mr. Holmes mentioned the meat works at Carnarvon where, contrary to the best advice, the people responsible proceeded with the job. What could a bureau of industry have accomplished there? Those people would have still gone on with the scheme. So it would be throughout the piece. Recently I had occasion to buy a certain piece of porcelain ware. The price of the locally-made article was 30s. while a similar article imported from England was quoted at 34s., notwithstanding that it carried a tariff duty of 100 per cent. Can anyone tell me that a bureau of industry could alter that position? I think that disparity is largely due to impossible labour conditions and other factors. I regretted that I could not patronise the local article, but I was told by the merchant that the imported article was of much better quality and I preferred to pay the extra 4s. for it.

Private companies have their own experts. Mr. Bolton is the head of a large firm, and can anybody tell him what he ought to do in order to improve his business? I do not think anybody could advise him in his line. The same position would arise if we were considering a jam factory or some other factory. The manufacturers of superphosphate have their experts, making research to improve the quality of the super and cut down costs. At Bayswater there is an American firm exploiting the wandoo timber for tannin. In the hills quite a lot of wan-

doo country is being exploited, although we considered the timber absolutely worthless. We have destroyed thousands of pounds worth of that timber. A bureau of industry is not necessary to undertake such work. There is always somebody coming to the fore to start an industry of that kind. The American firm realises that the wandoo will be cut out before long and is looking for other timbers that will produce tannin.

Hon. J. Cornell: The C.S.I.R. investigated the question of extracting tannin.

Hon. G. B. WOOD: I am glad that the C.S.I.R. had something to do with it. At any rate, the company has American chemists on the job investigating the possibility of utilising other timber.

Hon. J. Nicholson: I do not know of any American firm engaged in that industry.

Hon. G. B. WOOD: I am almost sure it is an American firm.

Hon. J. Nicholson: No, a purely local firm.

Hon. G. B. WOOD: I am pleased to hear that. Anyhow, the company has American chemists on the job.

Hon. J. Nicholson: Very good work is being done, too.

Hon. G. B. WOOD: I have mentioned that the company is exploiting timber that we considered to be valueless. In the course of clearing I have burnt up thousands of tons of wandoo. We did not know the value of it. We knew that a good wide wandoo tree would cut well for sleepers, but the company is utilising trees hundreds of years old, many of them hollow, and is using the branches as well. The point is that we do not require an expensive bureau to deal with matters of that kind. I take exception to the remark of Mr. Wittenoom that the C.S.I.R. has existed only to help primary industry. Mr. Cornell interjected that the C.S.I.R. had investigated the possibilities of extracting tannin. Let me quote the powers that have been delegated to the C.S.I.R.—

(2) The powers and functions of the council shall, subject to regulations and to the approval of the Minister, be—

(a) the initiation and carrying out of scientific researches in connection with, or for the promotion of, primary or secondary industries in the Commonwealth;

(b) the training of research workers and the establishment and awarding of industrial research studentships and fellowships;

(c) the making of grants in aid of pure scientific research;

(d) the recognition or establishment of associations of persons engaged in any industry or industries for the purpose of carrying out industrial scientific research and the co-operation with and the making of grants to such associations when recognised or established;

(e) the testing and standardisation of scientific apparatus and instruments, and the carrying out of scientific investigations connected with standardisation of apparatus, machinery, materials and instruments used in industry;

(f) the establishment of a bureau of information for the collection and dissemination of information relating to scientific and technical matters;

and also that of acting as a means of liaison between the Commonwealth and other countries in matters of scientific research.

Hon. G. Fraser: You are in favour of the C.S.I.R., are you not?

Hon. G. B. WOOD: I intend now to read some remarks made by Mr. F. P. Kneeshaw, M.L.C., of New South Wales. Mr. Kneeshaw is president of the Institution of Engineers of Australia, and is a man whose opinions must carry a good deal of weight. Mr. Kneeshaw was reported as follows:—

An enormous amount of work was being carried out by the principal supply officers' committee of the Defence Department, which consisted of representatives of the three combatant services—the Navy, the Army and Air Force—and the Munitions Supply branch of the department. That committee was under the chairmanship of Mr. Brodribb, Controller-General of Munitions Supply. The chief executive officer was Major Rowe, who had a staff to assist him in making a survey of all manufacturing organisations throughout Australia. This survey was now in progress and would take a long time to complete. Part of the work of this committee was to determine the potentialities of all Government workshops in times of emergency when these workshops would be called upon to convert equipment from commercial to military uses.

A comprehensive survey of the boot and shoe industry had been carried out in Victoria, Mr. Kneeshaw said. Surveys of the production of textiles, steels, alloys and foodstuffs and even toothbrushes, to mention a few, were being made, the ultimate object being to ascertain what materials were required and how far production could meet requirements in an emergency. The importance of a survey was indicated by the fact that a number of materials might be common to one or more products. For instance, for army toothbrushes, bone, wire and bristles were needed. Other manufactured products also required wire for their production. By ascertaining the sectional requirements of industry for the various products in time of emergency the total requirements could be determined. This was the basis of the sur-

vey and gave an indication of the work involved.

I come now to the important paragraph, to which I have been leading up—

One of the most important developments from the defence aspect, Mr. Kneeshaw said, was the proposed division of the Council for Scientific and Industrial Research to assist secondary industry. He had always supported the policy of the council in devoting attention first to primary industries, but he felt that the time had come when the scheme to assist research in secondary industries should be expanded as rapidly as possible. He sincerely hoped that no delay would occur. The defence programme should not react adversely to the scientific investigation of industry.

What I have read indicates that the C.S.I.R. exists, not only for the purpose of developing primary industry, but also for the purpose of assisting other industries. We have a local committee of the C.S.I.R. in Western Australia, and perhaps it would be a good thing for the Government to make a grant to that committee. When the Commonwealth Government pays for a council of this kind, why should Western Australia attempt to duplicate it? The proposed bureau is entirely unnecessary.

Hon. G. Fraser: Why are a lot of other services duplicated?

Hon. A. Thomson: Land tax and other taxes should not be duplicated.

Hon. G. B. WOOD: Two wrongs do not make a right. I do not like to strike a pessimistic note, but one has only to speak to people interested in wheat, who know something about conditions, to realise that Western Australia is in for a bad time. This is no time to load the State with another expensive board.

Hon. G. Fraser: It will give people a helping hand.

Hon. G. B. WOOD: Power already exists for us to do that. We have experts capable of doing it. There are the Main Roads Board, the Public Works Department, and the Agricultural Department, to mention a few bodies that can do the work suggested for the bureau.

Hon. G. W. Miles: And the Chamber of Manufactures.

Hon. G. B. WOOD: Yes. I intend to oppose the Bill, because I consider that the proposed bureau will be too expensive a proposition, because I believe it to be unnecessary, and because I do not think it will accomplish all that the Minister expects.

The proposal to establish such a bureau is a mild insult to the people we have here already capable of doing the work. Only recently five or six members of Parliament travelled all over the State as a Light Lands Commission. I am sure that members of Parliament are not averse to undertaking such duties. At any rate, the present is the wrong time to introduce a Bill of this kind.

HON. L. B. BOLTON (Metropolitan) [6.5]: Before offering a few criticisms of the Bill, I desire to quote some remarks I made previously on this subject. At the time, I was speaking of the report on youth employment furnished by Mr. Justice Wolff. This is what I said—

The only other matter regarding the report of Mr. Justice Wolff to which I shall refer relates to the establishment of a bureau of industry and economic research. Needless to say, I shall strongly support any such move, for I believe that something of the sort has been required for many years. I hope the Government will see that the bureau is established at an early date and that the object will be, not only to help in the establishment of industries, but to assist those already in existence. I trust that the Government will not see in this move an inducement to enter further into State trading concerns. I would be sorry to think it would take advantage of information so obtained in order to embark upon any venture of that description, and I certainly hope it will not do so.

Now that a Bill has actually been introduced, I am so bitterly disappointed with it that I intend to oppose the second reading. I shall do so because the Bill is so different from what I had expected. I had hoped that the appointment of a much smaller and less unwieldy body would be suggested.

Hon. L. Craig: The number of members can be reduced.

Hon. L. B. BOLTON: That is so, but I am discussing the Bill as it has been placed before us. Doubtless the number of members of the proposed bureau can be reduced. As a matter of fact, I have had a talk with the Minister regarding that possibility. But my idea was that the bureau would be a much smaller organisation. I thought that possibly there would be only one paid official, namely, a director, apart, of course, from the permanent secretary. All the other members of such a bureau should, in my opinion, act in an honorary capacity, and should function somewhat on the lines of the Economic Council which—as men-

tioned by Mr. Wittenoom—was formed by Mr. Kenneally when he was Minister for Industries.

Hon. G. W. Miles: We can alter the Bill.

Hon. G. Fraser: That would not be unusual.

Hon. L. B. BOLTON: No; probably it is just as well that the Council does alter some of the Bills introduced for its consideration.

Mr. E. H. Angelo: Do not condemn the principles of the Bill.

Hon. L. B. BOLTON: I am not doing so. I am criticising the Bill from my angle. The hon. member has had an opportunity to do the same, and perhaps before I have finished speaking I may be able to convince him that my views are correct, and that my suggestions are better in the interests of industry than are those contained in the Bill. My interest in the industries of this State is sufficiently well known for my remarks to be taken in the right spirit, and I believe that any opposition I offer to the measure will not be misunderstood.

In order that this State may be developed, the first requirement is that there shall be a closer contact between the manufacturer or the producer and the consumer. We must have greater confidence in ourselves, and there must be a realisation on the part of the people of the necessity to support local industries. I do not say that the present Government has not endeavoured to bring about that desirable state of affairs. I think I am safe in saying that almost every departmental head of this State is a staunch supporter of local goods. Unless that policy is continued and developed, how can we ever hope to find positions for the youth of this State? A Royal Commission was appointed to devise ways and means of assisting the youth of the State. I agree with the criticism which Mr. Thomson has offered from time to time and which he repeated, I believe, in speaking on this Bill. I refer to his criticism of the Government for its lack of assistance to the youth of the State.

On a previous occasion when addressing the House, I complained that the Government had not given sufficient effect to the recommendations of Mr. Justice Wolff regarding youth employment. I criticised the Government for abolishing a body that I considered had done excellent work in that direction. I refer to the Boys'

Employment League. The league placed in employment over 9,000 youths. At the time the work was taken over by the Government the league was placing in positions 1,600 youths per annum. In reply to a question I asked regarding this matter the Chief Secretary said that the placements had fallen off by approximately 50 per cent., and I speak advisedly when I say that the placements are diminishing daily. To-day there is not the same interest in youth on the part of employers seeking labour through the department as was exhibited when the work was undertaken by the Boys' Employment League, at practically no cost to the Government.

Sitting suspended from 6.15 to 7.30. p.m.

Hon. L. B. BOLTON: Before tea I was discussing what I regarded as lack of assistance given to the youth of Western Australia. I do not intend to proceed further in that direction, but shall continue my remarks on the Bill. Together with other members of the industrial community I had hoped for the formation of a body on the lines of the original Council for Industrial Development, which I think was the body referred to by Mr. Wittenoom. It will be recalled that that body was established by the late Mr. R. T. Robinson, K.C., at that time Minister for Industries. It had as financial adviser the late Sir Charles Nathan, who was a member of this Chamber for several years. It had a scientific chemist in the person of Mr. Ben Perry, who was the manager of superphosphate works. It had a representative of the Gas and Electricity Supply in the person of the late Mr. Crocker, and Mr. R. O. Law represented business interests. This body made all necessary inquiries, and in its time helped several Western Australian industries. It would have done more in that direction had additional financial assistance been available. This Council for Industrial Development was somewhat on the lines of the South Australian body which to-day is doing work that I maintain is highly necessary in this State also—work on lines for which I had hoped the Government would make provision in the Bill.

Hon. J. Nicholson: Was not the council that you refer to voluntary?

Hon. L. B. BOLTON: Absolutely voluntary. I am afraid many of us are alike in

the respect that we can criticise and destroy, but before concluding I shall suggest to the Government the lines on which it could have formed a body qualified to undertake the work successfully. The Bill is designed to help industries; but the people most concerned, the manufacturers, feel that it will simply overlap existing facilities, and will prove highly expensive—in their opinion, out of all proportion to the results likely to be achieved. When moving the second reading of the Bill, the Minister in another place is reported to have said that he had the wholehearted support of the Chamber of Manufactures. I desire respectfully to correct the impression conveyed. While the Chamber of Manufactures is certainly in favour of the principle of the Bill, it is definitely opposed to the machinery and to the scope proposed by the Bill for its operation. The provisions of the measure suggest that 85 per cent. of the assistance is to be for primary industries and mining, and the balance for secondary industries. That is evidenced by the suggested appointment of only one representative of secondary industries. Like Mr. Wood, I give credit to the Minister for Industries for his desire to help Western Australian secondary industries. I have personal knowledge that our Minister for Industries is entirely sincere in his effort, but to my way of thinking he has gone the wrong way about it. I suggest that the Government should specialise in one thing at a time. Seeing that it is our secondary industries that are lagging so far behind, the Government should first of all undertake the work of developing them, instead of attempting to create a body to do work of such magnitude as the Bill envisages.

I desire to point out how unwieldy and costly the proposed body will be, merely overlapping the excellent work performed by the Council for Scientific and Industrial Research. That body, as constituted, is highly efficient and operates for all branches of industry. It has a local committee which works under the chairmanship of Mr. A. L. B. Lefroy, a very enthusiastic worker for Western Australia. Local inquiries are being made daily, and information is being supplied to local industries. At times this is done through the Chamber of Manufactures. Amongst the local industries is one I wish to refer to again—the tanning industry, which was touched on briefly by Mr. Wood.

One member of the Chamber of Manufactures has derived great benefit from the work of the Council for Scientific and Industrial Research. The firm in question is not, as has been suggested, a foreign firm. That suggestion was promptly corrected by an interjection from Mr. Nicholson. It was a local firm which benefitted to such a great extent; and that firm is now extending its work with the assistance of the Council for Industrial and Scientific Research. In order to show that its work from the angle of secondary industries is appreciated by others than the manufacturers of Western Australia, I desire to read a motion put up at the conference of the Associated Chambers of Manufactures of Australia held in Perth last week. I do this to illustrate the work that the council undertakes for manufacturers. The motion read—

That this annual meeting of the Associated Chambers of Manufactures of Australia congratulates the Commonwealth Government upon the passing of legislation extending the activities of the Council of Scientific and Industrial Research (a) to deal with the problems of the manufacturing industries, (b) to establish an aeronautical research laboratory and a national standards laboratory, and (c) to establish the nucleus of an information service to bring Australian manufacturers the results of investigations of research institutions overseas; and further offers the support and assistance of the Associated Chambers of Manufactures of Australia in carrying out this programme.

Additional investigations have been made here through that body into the kiln-drying of timber, the sawmilling industry, and wood preservation. Appreciating the methods of this body, the Commonwealth Government decided to extend the activities of the council to include the provision of scientific assistance to secondary industries generally. A special committee was appointed to study the needs of the manufacturing industries. The committee consists of some of the most able men in the Commonwealth. It met under the chairmanship of Sir George Julius, who is a well-known man in this connection. Its report was presented to the Commonwealth Government in February, 1937. I do not propose to quote largely from the report, but there are two paragraphs to which I would especially like to draw hon. members' attention. The report is entitled "Secondary Industries Testing and Research—Extension of Activities of Council for Scientific and Industrial Research: Report of Committee

appointed to report thereon." Paragraph 5 states—

Exploratory and Developmental Work.—That in order to meet requirements for the establishment of new industries, both from the point of view of general industrial development and from that of the supply of essential services for defence purposes, and in order adequately to develop the utilisation of Australia's natural resources, it will be necessary for surveys to be made from time to time in order to determine the availability of supplies of raw materials and the most appropriate and economic methods by which they can be used. The Council of Scientific and Industrial Research should be requested to advise the Government as to the steps to be taken in order to provide for such surveys.

The other paragraph to which I desire to draw attention, No. 9, deals with training. I shall connect this up with remarks I propose to make later. Paragraph 9 reads—

Training of Personnel.—That in recognition of the fact that there must inevitably be a dearth of adequately trained men to meet the requirements of research into problems affecting secondary industries, and in view of the outstanding success and value of the provisions of the Science and Industry Endowment Act under which the revenue from a capital fund was made available, among other things, for the training of research students, the facilities provided under the Act should be extended as soon as necessary by increasing the capital fund established by the Act.

As an encouragement to that body the Commonwealth Government voted for the first year an additional expenditure of £16,000, and for the second year £50,000. I suggest that research work for the secondary industries of Western Australia is being well looked after by that body, and that there is no occasion for the Government of this State to create another body, which will spend more money. The total amount voted for the council in 1936-37 was £138,000, and in 1937-38 £175,000, and for the present year the vote is £207,000. Members should also bear in mind that the work of the council now definitely includes both primary and secondary research. I should like to mention the transport of chilled beef to London. Members may have read in the "West Australian" yesterday of the success that had attended a shipment of chilled beef. The shipment arrived in London in excellent condition, and brought a high price. Other activities of the council are the seasoning of timber and further inquiry into the use of hardwoods for paper manufacturing.

I am endeavouring to prove that the work of the proposed bureau is simply that which at present is being carried out by the C.S.I.R. But there is a vast difference between the two bodies. The Commonwealth body is given an absolutely free hand to go ahead without interference of any kind. But what a contrast with the proposed bureau in this State. All the powers and functions are subject to the direction of the Minister, even to reporting on unhealthy occupations and dangerous trades, which should certainly not be a function of the bureau.

Hon. J. Nicholson: The factories and shops branch deals with all that.

Hon. L. B. BOLTON: Those matters are controlled by other Government departments. Such inquiries, in addition to causing overlapping, would tend to break down any confidence that industry might have in the bureau, and make it appear more critical than helpful. In fact, the bureau, if constituted as proposed under the Bill, will be entirely without independence. The Minister for the time being is appointed ex officio chairman, with a deliberative as well as a casting vote. Apart from the director, the other nine members are to be appointed on the recommendation of the Minister. A bureau as proposed can co-opt any other person, but again only with the consent of the Minister. The tenure of office of the nine ministerial nominees is three years. Well, there is a difference of opinion as to what the period should be. Personally I think three years is reasonable, though I cannot agree to the proposed seven years for the director. The powers and functions of the bureau are all to be subject to the directions of the Minister. If the bureau merely appoints sub-committees and advisory committees on any terms, again the approval of the Minister will be required. The bureau may make private investigations for the benefit of any firm or person, but must not make them free of charge except with the express consent of the Minister. The bureau will even need the approval of the Minister before publishing such information as it thinks fit, except information obtained under Clause 31, which, incidentally, does not deal with the gathering of information but deals simply with the keeping of the accounts of the bureau.

Members will thus appreciate that the only appointment not controlled by the Minister

is that of the director, for whom a seven-years term of office is proposed. Here again there is a difference of opinion. I agree with Mr. Wood and other members who suggested that seven years is altogether too long a term for such an appointment. A great risk will be run in the matter of securing the right man. All sorts of suggestions have been made. I would have sympathy with any Government that had to secure a man to hold down this job. A study of the Bill reveals what is expected of the director, and if the Government is going to assess his services at anything like the value mentioned in the Canadian advertisement quoted by Mr. Wittenoom—

Hon. A. Thomson: That was astonishing.

Hon. L. B. BOLTON: Yes; the value of a director, based on those figures, would be £500 or £600 a year. I am convinced, however, that to secure the right man for such a position, the Government would be very fortunate if it had not to pay at least £2,000, but probably more, per annum.

Another provision in the Bill does not meet with my approval. The bureau, or any members, or any co-opted members of the committees or advisory committees, will be empowered to obtain any information from private firms or from any private source. Who is to say that, with the whole of the machinery of the Bill under the control of the Minister, such information could not be used against them? I can imagine the Chief Secretary, in his reply, taking me to task for such a remark, but, as Mr. Wood mentioned, that has happened on more than one occasion and has been brought under the notice of this House more than once. With a Minister in absolute control, there is no telling that the same thing might not recur. Clause 6 (2) refers to the appointment of the bureau, and although there will be on the operative body a total of 11 persons, only one direct representative of the secondary industries is provided for. Subclause (4) stipulates that where possible one co-opted member at least should hold some University degree. I suggest that it would have been much better had some at least of the nine members nominated by the Government been required to hold the degree, instead of a co-opted member or a member of an advisory committee.

Clause 16 provides for the payment of every member of the bureau to be fixed

by regulation. This again simply means giving the power to the Minister. So drastic are the conditions laid down to govern the director's appointment that, from my reading of the clause, he would hardly be qualified to hold a share in a public company. His salary is to be fixed from time to time by the Governor which, as I said before, means the Minister. The Minister is the absolute controlling influence from beginning to end. Why should all the powers be vested in him? I am going to endeavour to prove that a body entirely free from ministerial or parliamentary interference or control would do much better work at much less cost to the Government. The Bill also provides that the Minister shall appoint the director. In my opinion, it would be much better if the appointment were made by some other authority, say, the Public Service Commissioner, who, after due inquiry, could submit a recommendation to the Government, instead of leaving the matter entirely to the Minister. The powers and functions of the bureau are to be equal to those of a Royal Commission, and it is doubtful whether private industry would risk giving the required information which might be demanded, and which might not be to its advantage to give. Such things have happened in the past, and I doubt whether private industry would run the risk of supplying the information.

A purely industrial Act appears more desirable to render assistance in the promotion and expansion of our secondary industries. Our primary industries, in my opinion, are very well catered for. That, in the main, is the criticism I have to offer on the Bill. I hope I am not wearying members, but I now propose to refer to some remarks made by Mr. E. W. Holden, who, as members know, has been visiting Perth with other Eastern States manufacturers. They, for the last week, have been discussing matters of interest to the secondary industries of the Commonwealth. Mr. Holden is known as the founder of General Motors, Holdens Ltd., and his experience and suggestions are well worthy of consideration. Previous to his speaking in Perth last week, I had information, including a rough outline, of an industrial committee that was formed in South Australia some time ago. I propose to read the outline.

Hon. G. W. Miles: Read it all.

Hon. L. B. BOLTON: Let me first quote some remarks by Mr. Holden on the proposed creation of a bureau. In fairness to the Minister for Employment, I should like to say that he had several interviews with the executive of the Chamber of Manufactures and discussed the Bill with Mr. Holden, including the way in which such a committee should be constituted in this State. Mr. Holden's remarks, as published in the "West Australian" on Tuesday of last week, are very interesting—

If, however, you rely on the Federal Government you will not get very far, Mr. Holden said. The initiative must remain with the States. I approve of the principle embodied in the proposal in this State to establish a Bureau of Industry and Economic Research, but I do not agree that a bureau with paid members and a paid secretary is desirable—the work can be done better by private enterprise with an allowance to meet the cost of employing any technical assistants required.

In South Australia we formed an Industries Committee and, at our request, the Government appointed the Auditor General to the committee. After carrying out much preliminary survey work we established, through private enterprise, a body known as the Industries Assistance Corporation, Ltd., to which public-spirited citizens contributed £10,000 and the Government £20,000 on a second debenture. This amount was supplemented by bank overdrafts and, where an industry deserved assistance and was prepared to submit to supervision, it was possible to arrange for it to obtain additional financial accommodation based on the guarantee of the corporation. Strange to relate, we found that it was not so much financial assistance that was required as advice in regard to management, factory lay-out, and accounting problems. Arrangements were made with the Institute of Accountants to submit reports on the financial organisation of an applicant for assistance, and experienced manufacturers then went into the factory and gave advice on such matters as lay-out. In 18 months, working in an honorary capacity, we helped 17 or 18 industries, many of which have made big strides, and we feel that we are on the right track.

I do not agree that the establishment of a Government bureau is the proper way to tackle your problems. In conversation with the Minister yesterday I told him, in reply to a question, that an accountant was not required to take charge of the bureau. What is wanted is an industrial engineer who knows something about factory lay-out and production methods—accounting advice can be obtained at very little cost. With such an appointment there would be no need for a bureau with paid members; in South Australia we do not have a paid director. The necessary organisation could be taken under the wing of the Chamber of Manufactures.

Mr. Holden explained that the members of the South Australian corporation consisted of private individuals selected, as far as possible, from members of the Chambers of Commerce and Manufactures with one Government representative and a Trades Hall representative.

I agree with Mr. Wittenoom that it is both right and necessary that a Trades Hall representative should be a member of a body of this kind.

The Government gave an annual grant of £1,000, which was used to employ engineers or accountants required to advise and reorganise industries and these men reported to the corporation.

This briefly is the idea Mr. Holden has in mind—that of the South Australian committee which is doing such excellent work.

Hon. G. W. Miles: That is what we want here.

Hon. L. B. BOLTON: Yes. We do not want a highly paid, large, unwieldy body of men who will be interested in very little apart from the salaries they draw. We require experts and an industries committee to look after the whole business. The South Australian committee consists of two members of the Chamber of Manufactures, one member of the Chamber of Commerce, one representative of the Trades Hall, the Auditor General, a leading bank manager and one of the leading solicitors of Adelaide. It is not working under any legislative authority, but is a private body and is not interfered with by the Government in any way. The £10,000 was raised by debentures "A" at 5 per cent. interest. Mr. Holden told me that although the debentures carried interest at 5 per cent., the public-spirited men who had contributed the money, did not desire any interest, nor had they accepted any. So long as the money was doing good work, as appeared to be the case, they were more than satisfied. This money, together with £20,000 advanced by the Government at 2 per cent. interest, was placed in the Bank of Adelaide as collateral security for loans to be made by overdrafts to industries in need of assistance. The committee received £1,000 a year from the Government and this paid the expenses. At times it was necessary to call in experts, such as engineers or accountants, and the money was used for that purpose. The secretary of the committee is the secretary of the South Australian Chamber of Manufactures. He receives a small sum for his work, but other members of the committee work in an honorary capacity. The

committee meets every Monday at an extended lunch time, and does excellent work without cost.

Experience has shown that most of the advice required deals with the lay-out of factories. Monetary assistance is not, generally speaking, the important side of the business. A general supervision is exercised by the committee, but there is no interference with trading unless the client disregards the advice given. If the client goes too far, the guarantee or overdraft, if one is given, is withdrawn. The committee will not help competitors in a healthy business, but endeavours to develop industries to compete with imported lines. The Government of this State could help in the establishment of industries to compete with lines imported from the Eastern States. Members have probably read other remarks by Mr. Holden and some of the other visitors, indicating how amazed they were that we should be importing from the Eastern States annually goods to the value of £12,000,000. The visitors said that in some directions factories could be established and could compete satisfactorily with imports from the Eastern States.

The Honorary Minister: To what were they referring?

Hon. L. B. BOLTON: To clothing, of which we import £1,000,000 worth, and to boots. They claimed that the manufacture of both those lines could successfully be undertaken in this State.

The Chief Secretary: Strange that this is not being done.

Hon. L. B. BOLTON: Yes. Industry in this State is so heavily burdened that factories cannot be established to compete with the Eastern States. We have had this brought home to us in the House in the last few days by the added cost to industry of insurance. Some of our industries have to use Newcastle coal. I am told that this costs 45s. per ton in Perth and only 23s. in Adelaide. The company tax in this State amounts to 3s. 4d. in the pound, whereas in the other States of Australia the average is 2s. 3d. in the pound. These are additional burdens cast upon our industries.

The Honorary Minister: If people would only buy local products we would experience less difficulty.

Hon. L. B. BOLTON: The Honorary Minister is quite right. That, too, has been stressed in the House. Unfortunately, many consumers persist in buying Eastern States

goods when they could just as readily buy those made within the State. I desire to read some further remarks by Mr. Holden, on the question of factory mentality. In a farewell interview he said—

To get secondary industries you will have to go after them like we did in South Australia; they won't come to you. In the process of time they will come, but that will be a long time. Why wait? From what I have seen and heard here, you have not yet got to the mentality for factories. Some of you would like to have them, but as a State you are not enthusiastically behind your manufacturers, not really interested in their handicaps, not keen to remove them, not alive to the methods of attracting new secondary industries. We were much the same in South Australia until about two years ago; since then, however, we have made astonishing progress.

The company tax, I should say, is so high in this State as to be a deterrent. It is 3s. 4d. in the £1. The average throughout Australia is 2s. 3d. While you keep yours at 3s. 4d. you shut the door. Wharfage charges are another matter. You levy here, I understand, on the in and out basis. Manufacturers are assisted if the inward basis only is in operation. That is the system in New South Wales and Victoria. We still levy on the in and out basis in South Australia, and this is how it works out. On a motor body the charge is, say, 10s. inward or outward, and if inward only is 20s. A body sent from Adelaide to Melbourne would cost 10s. at Adelaide and 20s. at Melbourne, 30s. altogether. On the other hand, if the body were sent from Melbourne to Adelaide the charge would be nothing at Melbourne and 10s. at Adelaide, total 10s.

Mr. Holden went on to refer to the high cost of power and other matters. I have endeavoured to point the way to the Government. If this Bill is defeated on the second reading, as I think it will be, the Government should tackle secondary industries first, along the lines adopted in South Australia. I give the Minister for Employment credit for his sincerity, and for his efforts to help the industries of the State, but he has adopted the wrong method. The Government should also relieve industry of some of the burdens being imposed to-day. With little expense a committee could be formed that would investigate all these questions, and could co-opt such expert advice as might be required from time to time. I am sorry to have to oppose the second reading of the Bill. After studying Mr. Wolff's report I had hoped the Government would bring down a measure that would be satisfactory for our secondary industries. If the Government would organise a committee such as

has been created in South Australia, it would find that the work would be carried out much better by private enterprise than by a Government department. I shall vote against the second reading.

On motion by Hon. J. Nicholson, debate adjourned.

BILLS (2)—FIRST READING.

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

Received from the Assembly; Hon. H. V. Piesse in charge.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the 3rd November.

HON. H. V. PIESSE (South-East) [S.19]: I regret that the Bill has been presented for the re-enactment of this legislation. Doubtless the conditions in the agricultural industry have necessitated the Government's adopting this course. Some time ago, when speaking in this Chamber, I indicated that I would be willing to support an amendment to exclude mortgages in the metropolitan area.

Hon. L. Craig: Or the big country towns?

Hon. H. V. PIESSE: I would require to give that phase very careful consideration. During the recess, many letters were published in the Press regarding hardships occasioned by this legislation. The complaints were mostly in relation to mortgages in the metropolitan area, and seldom was a reference made to the position in country districts. In view of the present prices for primary products and the water shortage in the wheat areas, as well as in the Great Southern, the situation in the rural areas is particularly difficult. When one travels through the Great Southern areas, trains hauling hundreds of tons of water may frequently be seen. These adverse conditions militate against the interests of primary producers in the districts concerned. That a state of emergency persists in the country districts cannot be gainsaid.

Last year I was twitted by several members on the score of having attacked the

Associated Banks. To make my position perfectly clear, I wish to emphasise that little connection exists between the Bill and the Associated Banks. Many people confuse the Financial Emergency Act, which provides for an interest reduction of 22½ per cent. on mortgages, with the Mortgagees' Rights Restriction Act. The latter does not affect the Associated Banks, seeing that the legislation prescribes that the reductions must be imposed by way of proclamation as affecting banks. Members should realise that the Mortgagees' Rights Restriction Act is not connected in any way with the interest reductions to which I have referred, although at the same time the Acts go hand in hand. Nevertheless, the legislation may be amended in this House. In general terms, the Mortgagees' Rights Restriction Act prevents sale or foreclosure, or the calling up of the principal moneys by any mortgagee—that does not mean a mortgagee of a farmer only—provided the mortgage was executed before the 19th August, 1931, or is one since executed to secure the same moneys. Under this Act the mortgagee is at liberty to make application to the Supreme Court for an order for sale, foreclosure, etc., and the various inquiries to be made by the judge before giving his decision are prescribed in the Act. The judge has to inquire whether the mortgagor could pay the debt out of his own money or by borrowing at a reasonable rate of interest, and also whether the failure to pay had been contributed to by economic conditions affecting the State. As a general rule, if interest has been paid, the court will not make an order, and mortgagees have been reluctant to make the required application. However, considerable agitation exists for the position to be reversed, so that the borrower shall be forced to make application to the court.

Hon. L. Craig: That is reasonable, is it not?

Hon. H. V. PIESSE: To that proposal I am opposed. The Act deals mainly with insurance companies, trustee companies and private mortgagees. In the first place, I would like to ask, has any member ever heard of an insurance company having requested the repeal of the Act? Those companies have been exceedingly generous in lending money.

Hon. L. Craig: They have collateral secur-

Hon. H. V. PIESSE: I realise that. When legislation was passed enabling interest rates to be decreased under the Financial Emergency Act, the companies wrote to over 90 per cent. of their clients encouraging them to carry on, and in many instances advanced additional funds to enable the farmers to continue production.

Hon. L. Craig: The point is that by so doing, their securities were not going back.

Hon. H. V. PIESSE: That is so, but the companies extended additional financial assistance indicating that they had confidence in the men to whom they had loaned money. Nevertheless, can any hon. member say that one of those companies has made any request that the Act should be repealed?

Hon. L. Craig: You are dealing with rural interests, and I agree with you.

Hon. H. V. PIESSE: I desire to impress upon members the importance of continuing the Act, and I speak purely from the standpoint of rural interests.

Hon. J. Nicholson: Have you asked those companies whether they were desirous of having the Act repealed?

Hon. H. V. PIESSE: I do not think I would ask that question of any financial institution. However, no such request has been made. As a trustee, I have had dealings with companies, and their letters have always been encouraging. From the outset of the depression, the insurance companies indicated their willingness to extend mortgages from year to year and stated that until the Mortgagees' Rights Restriction Act was repealed, the interest rate would be 5 per cent.

Hon. J. Nicholson: I think you will find the companies are as desirous as private mortgagees to have the Act amended.

Hon. H. V. PIESSE: I have never been approached on the matter, nor have I read any such indication in the Press. As to trustee companies, they are in a very different position. By Act of Parliament they have been permitted to reduce their interest rates, but what would happen if both the Acts I have referred to were repealed? Their interest rates would revert to those ruling prior to the depression, and in many instances 8 per cent. would be charged.

Hon. H. S. W. Parker: Interest was never 8 per cent.: it was more like 7 per cent.

Hon. H. V. PIESSE: At present the value of agricultural land in this State has depreciated to such an extent that people are not able to secure sufficient advances to

enable them to pay off mortgages. Mr. Craig has had experience on behalf of the Government in inspecting various properties and must know that, in view of present-day prices, the capital value of land has greatly diminished. In many instances the equity of the farmer has been lost.

Hon. L. Craig: You do not suggest that the value has gone for all time?

Hon. H. V. PIESSE: I do not suggest that. Last year when there was an increase in wheat prices, a number of properties were disposed of at a very reasonable figure. I know of properties belonging to estates of deceased persons that were sold at a good figure.

The Honorary Minister: What is a good figure?

The PRESIDENT: Order! The hon. member will have an opportunity later of speaking to the Bill.

Hon. H. V. PIESSE: If the Bill is not passed, then the trustee companies, in my opinion, will be placed in a difficult position to raise money. Private mortgagees may suffer a little more hardship than will the big companies. The companies are getting a reasonable rate of interest to-day, because 5 per cent. is fair, as I think every hon. member will agree. I do not think farmers consider 5 per cent. is too low, nor do I think they would object if the rate were increased to $5\frac{1}{2}$ per cent. or even 6 per cent.

Hon. L. Craig: Five per cent. is enough.

Hon. H. V. PIESSE: Five per cent. is really all the farmer can afford to pay. At the same time, the Associated Banks and other institutions not affected by the Act have increased the rate of interest beyond the rate that trustee companies are to-day obtaining under this legislation.

Hon. L. Craig: The increase is not very great: it is $5\frac{1}{4}$ per cent.

Hon. H. V. PIESSE: Six per cent.

The PRESIDENT: Order!

Hon. H. V. PIESSE: We have heard remarks in this Chamber about other legislation which might be brought down, but I ask hon. members not to wait for that other legislation. I ask them to vote for the second reading of this Bill. They can, if they so desire, amend the Bill in Committee. If the Bill is rejected we might lose the advantage of this legislation altogether. As a representative of farming and grazing interests, I am seized of the importance of continuing this legislation for the next two

or three years, especially while the prices of our primary products are so low. I commend the measure to members and sincerely trust they will give it their support. If they desire that the legislation should not apply to the metropolitan area and move to that effect in the Committee stage, I shall certainly support them.

[77]

HON. G. B. WOOD (East) [8.34]: I support the second reading. Judging only by some interjections that have been made, several members are adopting a selfish attitude in their desire to confine this legislation to the rural districts. I have observed what is taking place in some of the suburban areas and, in my opinion, if the legislation is not re-enacted hardship will be inflicted on working people who are buying houses on the instalment principle and cannot keep up their payments. It is selfish for country members to desire the re-enactment of the legislation for country districts and not for the metropolitan area. I am in close touch with an assurance society, and never at any time have I received a hint that the society does not desire this legislation to be continued. Had that been its desire I am quite sure the matter would have been mentioned to me. No doubt the continuance of the legislation will cause some hardship. That will be so in the case of my own family, as my brother is unable to obtain his money. At the same time, we must do the best we can for the greater number of the people.

HON. H. S. W. PARKER (Metropolitan-Suburban) [8.36]: Although I have opposed this legislation time and again, I propose on this occasion to vote for the second reading of the Bill, and should it reach the Committee stage I intend to move that it shall be continued only till June next. People require time to make arrangements. In the past, when we have renewed this legislation for a year, people have said, "That is all right, it will be renewed again." If we succeed in continuing the Act until the 30th June next, people will then realise that, as Parliament will not be sitting, there will be an end to the legislation. This I trust will be so. The suggestion has been made that the discontinuance of the legislation will ruin many working men who are purchasing homes. That is not so. All that

the purchaser of a home has to do is to pay his instalments of purchase money. Such instalments, which amount to £1 or £1 10s., are usually payable weekly and are applied in reduction of principal and interest. The removal of this Act from the statute-book will not in any way affect those people.

I draw the attention of members to one or two facts. The first is that when this legislation was introduced, times were exceedingly bad. The basic wage was then about £3 13s. 6d.; now it is £4 1s. or £4 2s.

Hon. J. A. Dimmitt: Many workers are out of work on account of the increase.

Hon. H. S. W. PARKER: That may be. The Minister, when introducing the Bill, said that it was essential now because of drought conditions. I have not in the past heard anyone suggest that because of the good prices that then prevailed the statute should be discontinued. Obviously, if we accept the arguments that have been adduced, we might as well make the legislation permanent. It has been in existence for seven years. Of all the emergency measures, this is the only one remaining that affects people who invested their money carefully and for a small return. Those people invested their money upon mortgage, thus avoiding any gambling element. Whether the value of the mortgaged land increased or decreased, the return for the money invested remained stationary, but the capital was secure. The capital cannot increase. A mortgage is recognised as one of the safest investments next to bonds, which are regarded as gilt-edged. Mortgages provide a safe return for men who have saved their money. Many men desiring to provide a competence for their wives and children invest their capital in mortgages, because, although the rate of interest is low, the gambling element is eliminated from the investment. The law provides that a trustee cannot invest more than 66 per cent. of the value of the property to be mortgaged; the property must consist of bricks and mortar, and a valuation is required. Those safeguards are designed to protect beneficiaries interested in the estate of a deceased person.

Many people in Western Australia are to-day living upon the income derived from mortgages. Many mortgages executed in 1929 are still in existence. It will be remembered that 1929 was an extremely prosperous year. In the intervening nine

years the securities have depreciated. I regret to say in a number of instances no equity is left. Because of that fact, the owner of the property does not worry to keep it in order. He says, "Why should I keep the property in order? If I do, the mortgagee will come along and take the lot. I shall simply continue to live virtually rent free."

Member: Are there many such people??

Hon. H. S. W. PARKER: I regret to say there are.

Hon. J. Nicholson: That is so.

Hon. H. S. W. PARKER: The trouble is that this legislation now has the opposite effect of what it was originally intended to have. It is depriving people who have been careful in the investment of their money on mortgage of the opportunity to obtain repayment of the principal. Many mortgagees now require the money for business purposes. Money is required for investment in trade and industry. People frequently ask me whether something cannot be done to obtain repayment of money that they have invested on mortgage. They wish to re-invest it in other channels.

Hon. H. V. Piesse: Not trust money.

Hon. H. S. W. PARKER: I am speaking also of people who have invested money upon mortgage and who now desire to invest it in industry. I will give a few instances. In 1933 a young man became of age. He is now 25 and wants money to invest in business. He cannot obtain his money because it is tied up as long as the mortgagor pays the interest. During the course of this debate, members inquired by interjection whether any cases were before the courts in respect of this legislation. I cannot give the number, but there are quite a few. In the legal profession, it is regarded as certain that when an application is made to a judge—no matter what the facts may be—the judge will adjourn the application for at least three months. The judges do not read the Act as members of Parliament read it, and the judges consider they are bound to do as I have said. The court will not make an order calling up a mortgage if it can possibly avoid doing so. Mortgagees are put to endless expense as a result of mortgagors trading on the way in which judges interpret this legislation.

I wish to refer to some remarks made by the Premier when this legislation was introduced in 1931. He said that he hoped the

necessity for the measure would not long endure, and that Parliament was not justified in passing such legislation to extend over a long period. This Act and the Reduction of Rents Act are the only two emergency measures left on the statute-book. Members of Parliament have had their allowances restored. We have even had the experience of an official in receipt of £1,500 a year being paid an increase because of the rise in the basic wage. Yet the thrifty individual who invested his money on trust security is not allowed to get his capital back.

The suggestion has been made that hardship will be inflicted if the Act is not continued. I cannot see where there can be any hardship. I am speaking now of metropolitan and town property, not of land in the country areas. If a man has a house and there is no equity in it, he does not own anything, so why not let the mortgagee get what he can? I do not think we should immediately jettison the Act, because it might cause a rush, but if we allowed it to continue until the 30th June next, there would be ample time for mortgagors to make the necessary financial arrangements. Many people will lose in the process; many mortgagees will lose part of their capital, but it would be far better for them to cut their loss now than later on. Many trustees are in a very difficult position. Trust mortgages are made for three years, and the certificate of a sworn valuator is necessary. The practice at the end of the three years is to notify the mortgagor that the mortgage will fall due on a certain date, and if the mortgagor can get a satisfactory valuation the mortgage is renewed. Obviously a trustee, if he obtained a valuation of all his trust securities at present, would find that he had not the 33 per cent. margin required by law. Therefore many mortgagors should make some effort to reduce their mortgages. They have made no effort whatever during the last nine years.

Hon. L. Craig: Are you speaking of the country?

Hon. H. S. W. PARKER: I will speak of the country in a moment. I am speaking of ordinary mortgages on houses, particularly trust securities. As the hon. member knows, trust moneys as a rule are not advanced on country lands.

Hon. H. V. Piesse: Often they are.

Hon. H. S. W. PARKER: Some trustees will not lend money on country lands. I

admit that some of the trustee companies and some of the big financial institutions might lend their own money on country lands.

Hon. H. V. Piesse: And some estates I could mention.

Hon. H. S. W. PARKER: Then that is an extremely risky thing to do. I claim it is essential that this statute be wiped out. As I said, the country lands are in an entirely different position. If money is lent on agricultural land, the land remains the same. The money is not advanced against the improvements on the land, such as the house, but is lent on the general value of the land on a productive basis.

Hon. L. B. Bolton: That is a new one.

Hon. H. S. W. PARKER: I always understood that when a party wishes to borrow money on agricultural property, the question asked is, what will it produce?

Hon. H. V. Piesse: That would depend upon the improvements.

Hon. H. S. W. PARKER: If a lender looked at the house, well, amongst the places I have seen, there are very few against which anything would be advanced. I am credibly informed by a gentleman of considerable experience as a Government valuer that the improvements are never taken into consideration. What counts is the value of the land based on what it will produce. What is the use of having a good house on unproductive land? What is wanted is good land, even if it carries only a shack.

Hon. C. F. Baxter: Valuers do find out the value of the house.

Hon. H. S. W. PARKER: I suppose they give a certain amount of consideration to improvements.

Hon. L. Craig: A very small maximum value on the house.

Hon. H. S. W. PARKER: Certainly, one cannot borrow money on agricultural land unless the land itself is valuable for its productive capacity. The productive value of land rises and falls with prices, but the quantity of produce would be the same, regardless of a depression. From the viewpoint of my constituents, I am not concerned about country land, but I am seriously concerned about metropolitan and suburban land. If we do not wind up this emergency legislation very soon, we shall have very chaotic conditions existing in the near future. Many instances could be quoted of mortgagors having nothing. The securities are rapidly disappearing because

mortgagors will not renovate their houses. They say, "Why should we paint the house to let the mortgagee get his money back? Why should we go to that expense?"

The Honorary Minister: Are there many like that?

Hon. H. S. W. PARKER: I regret to say there are. A satisfactory mortgagor need not worry, for a very good reason. If I, as a trustee, had a good mortgagor, and he had not the necessary margin, I would not call up the money provided he paid his interest. I would hold on in the hope that the margin would soon be there, and I would have no wish to depreciate the value of property by forcing sales. When a lender has capital repaid, he has to put it out again.

Hon. H. V. Piesse: You are speaking of a trustee.

Hon. H. S. W. PARKER: Yes.

Hon. H. V. Piesse: Then you must have a trustee security.

Hon. H. S. W. PARKER: But I would not sacrifice money because the legal margin was not there, so long as I could see an opportunity of saving the money ultimately. At present there is more money available than there are securities offering. To get trustee securities at the moment is very difficult.

Hon. G. B. Wood: What is the rate of interest?

Hon. H. S. W. PARKER: Five per cent., and if one is lucky one might get $5\frac{1}{2}$ per cent. I grant that the rate of interest on country land would be higher.

Hon. G. B. Wood: You would not let it out on country property.

Hon. H. S. W. PARKER: Exactly. The amount of money available by way of loans on country property is so much less because the private trustee will not lend on agricultural land. At any rate, he will not lend it out on such security if he can possibly get securities in the metropolitan area. I sincerely hope that members will not allow the Act to continue any longer than the 30th June of next year.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.54]: As a representative of the Metropolitan-Suburban province, I had brought before me last year instances of hardship being suffered by investors in small securities in the metropolitan area. Last session I opposed the continuance of this legislation as it applied to the metropolitan area, but the position this year is

complicated by the fact that the country is suffering such disastrous conditions. Thus it may be claimed there is now more excuse for continuing the Act, especially as the prices of wheat and wool and other primary products are so low compared with those ruling last year. While we have continued this legislation mainly for the benefit of rural mortgagors, a considerable number of people in the metropolitan area have been suffering hardship. I feel that the time has arrived when emergency legislation of this kind should be discontinued, so that mortgagees who have been suffering so keenly during the last year or two might at least be given control of their capital.

I shall not recapitulate many cases that have been brought under my notice, but I should like to speak of one that was mentioned in conversation to-day. A widow went to her sister to obtain a position in a small business. She has been compelled to turn out and earn a living for herself and her son. Her husband, who is known to a good many members, has some property. A friend wished to go into a hotel, and he asked the husband to assist him financially. The man mortgaged his property in order to raise the money and foolishly gave security to the bank over quite a lot of his property, apparently far beyond the necessities of the case. Thus the whole estate is tied up. The friend to whom the money was lent has done well in the hotel. He has three sons at college, is driving about in his motor car, and will not pay more than the interest on the money. The properties in which the savings had been invested are deteriorating because money is required to put them into repair. The bank, however, will not provide the money and now it has become necessary to sell the properties. That is only one case, but I come across like instances almost every day.

Various people have interviewed me and other members pointing out the hardships they are suffering. After years of striving to save enough to keep themselves in their old age, they are really far worse off than they were before. These people want not so much the interest on their money as the control of their capital, so that they can have it for sickness, old age or some other purpose. Many of the mortgagors are far better off than are the mortgagees. I agree that something should be done to afford relief in such cases. Last session I suggested

that small loans of this kind should be exempted from the operations of the Act. I hoped that the Minister would take notice of my suggestion and that on this occasion a suitable provision would be embodied in the Bill. However, that has not been done. I am prepared to support the proposal that six months' notice be given mortgagors in which to make the necessary financial arrangements to meet their obligations. The mortgagees are entitled to the control of their capital, so that they may use it for the benefit of their children or for other purposes of their own. I shall have to vote for the second reading of this Bill, realising that troublous times are ahead, but we should provide some relief for small investors as Mr. Parker suggested. Mortgagors will have ample time before the 30th June next in which to make financial arrangements, and by giving such notice mortgagees will be afforded an opportunity once more to control their capital.

HON. E. H. ANGELO (North) [9.0]: I was a member of another place when this legislation was introduced by the then Government. That was at the height of the depression. I was very reluctant indeed to vote for the measure because it was so opposed to what I have always considered correct business methods and business integrity. But the absolute necessity for the legislation was indicated by the leader of the Government at that time. Conditions were so abnormal and so many people were really suffering. Furthermore, we were distinctly given to understand that the legislation was purely of an emergency description. Since those days the State has experienced better times and this legislation should have been dispensed with long ago, just as other legislation of the same kind has been discontinued. I have heard of many sad cases of mortgagees who are suffering. Much has been said as to how mortgagors are likely to suffer, but we must consider both sides. Since the Bill to continue the Act was introduced in another place, many people have poured out their troubles to me. I am acquainted with some sufferers, widows and others, who depend for a livelihood upon the interest from their property and who have been deprived of a considerable amount of their income.

Hon. H. V. Piesse: Have you had any requests from country districts?

Hon. E. H. ANGELO: No, rural people have not applied to me, but I suppose they also suffer. I am merely dealing with the position as I know it. I am acquainted with one very sad case. A man prepared for his old age by investing in several mortgages. He is now almost dying and cannot get his money or any interest on it. Of course he could secure it if he went to court, but he is too ill to do that. I had made up my mind to vote against the second reading of the Bill, but Mr. Parker has made a very good suggestion that I can accept. He moved a similar amendment previously and I voted for it. On the present occasion I intend to vote for the Bill in the hope that his amendment will be carried. I cannot promise to vote for the third reading if that amendment is not accepted; I cannot approve of the continuance of the Act for another year. To give mortgagors about seven months' notice of our intention to have the measure wiped off the statute-book, as it should have been years ago, is however an excellent idea.

HON. C. H. WITTENOOM (South-East) [9.5]: I intend to support the second reading because I am of the opinion that the time has not arrived for us to do away with this legislation. I have listened to the suggestion of Mr. Parker, but I cannot agree with his views. I think the measure will have to be continued for a much longer period.

Hon. L. Craig: Would you agree to its being confined to the agricultural lands?

Hon. C. H. WITTENOOM: I represent a rural province and have an opportunity of observing the very unfortunate position in which farmers and others are placed. They are suffering as a result of circumstances entirely beyond their control. I do not think anyone can say that a state of emergency does not exist in rural areas. I have had correspondence from people in the metropolitan area and I know there are some bad cases. But both sides have to be considered. In comparing them, I feel that there is a good deal more distress in country areas than in the city; that is, distress that cannot be relieved to the same extent as is possible in the metropolitan area. Therefore, I must support the Bill.

Hon. J. Nicholson: Would you be prepared to support the re-enactment of legislation for a reduction of members' salaries?

Hon. C. H. WITTENOOM: I am prepared to go into the whole matter.

HON. V. HAMERSLEY (East) [9.7]: I support the second reading. I believe that when we reached the end of the period suggested by Mr. Parker we should find that there was still a great demand for the re-enactment of this legislation. I propose, when the Bill is in Committee, to move an amendment to have the measure apply only to agricultural and pastoral lands, but not to the large centres.

Hon. G. Fraser: Why not?

Hon. V. HAMERSLEY: I know, of course, that there are people in the large towns in receipt of regular incomes who are sheltering behind this legislation. Many cases of hardship have been mentioned to me, and there is no doubt that mortgagors should make an attempt to pay the interest they have undertaken to pay. But they do not pay; they shelter behind the Act and keep money that is not theirs.

Hon. G. Fraser: There would be twice the hardship if the measure were discontinued.

Hon. V. HAMERSLEY: However much money may be available in the brick areas, there is not much available in the agricultural and pastoral areas. I realise that many people undertook obligations during the good years up to 1929. Then came the depression period and many of our people have not been able to recover from its effect. They are still suffering and, from all that we can learn, the outlook for the future is not at all bright. However much money may be available for investment by big companies operating here, those companies seem more inclined to put money into Commonwealth bonds, picture shows and other safe investments that are much more likely to pay them good dividends than into wheat or wool ventures. People engaged in the farming and pastoral industries are likely to find the greatest difficulty in obtaining money to pay off any mortgages they have. To retain this legislation for only another six months will not be satisfactory. The period will have to be extended. We should not act in a dog-in-the-manger style and say we will not give relief to a great number of people who, I am sure, are eager for some radical change in connection with this measure. I support the second reading in the hope that it will be amended in Committee.

HON. L. B. BOLTON (Metropolitan) [9.10]: I am definitely opposed to the continuance of the Act. Other emergency deductions have been restored and there is no need for this legislation to remain on the statute-book. If the Bill passes the second reading I will support the proposed amendment that the Act shall operate only in the agricultural areas, where I believe its continuance is more necessary than in the city. Like other metropolitan members, I have received scores of letters from people who have suffered as a result of the enactment of this legislation. I have one very sad case in mind. In view of such instances, it is time this legislation was discontinued. The measure may be necessary in the country areas, but the hardship this Act imposes in the city should not be longer borne by the people who are suffering to-day. Many people are taking unfair advantage of the provisions of the Act. If the second reading is passed and the Act is not restricted to the agricultural areas, I will support the suggested amendment by Mr. Parker to limit its operation to six months. I oppose the second reading.

HON. G. FRASER (West) [9.13]: I am surprised at the tone of the debate, but it merely serves to prove the truth of the accusation made in this Chamber that legislation affecting the country areas receives all possible consideration whereas measures affecting the industrial centres receive very little attention. Members have even suggested that the Act should be restricted to rural districts. Some speakers have mentioned the fact that hardships have been occasioned through the operation of this legislation. I admit that is so; but if the Act applied to country districts only, twice as much hardship would result. I have not received one letter of the type mentioned by Mr. Bolton.

Hon. J. Nicholson: The writers knew that to appeal to you would be useless.

Hon. G. FRASER: I have had letters proposing the opposite line of action, and I have personal knowledge of people to whom exceptional hardship would be occasioned if this legislation were discontinued.

Hon. H. S. W. Parker: In what way?

Hon. G. FRASER: In most of the cases I refer to, the only thing the people have is the little home.

Hon. H. S. W. Parker: Then they have no equity in it.

Hon. G. FRASER: They have some equity.

Hon. J. Nicholson: Do they pay their interest?

Hon. G. FRASER: Yes.

Hon. J. Nicholson: Then they are doing all right.

Hon. G. FRASER: And yet the hon. member is prepared to withdraw this protection from them.

Hon. J. Nicholson: They will be able to renew the mortgage all right.

Hon. G. FRASER: Possibly, but I am not going to risk their not being able to do so. Again, I am not prepared to place on them the burden of increased interest rates.

Hon. H. S. W. Parker: This measure does not affect rates of interest.

Hon. G. FRASER: That is so, but all these things operate in conjunction.

Hon. H. S. W. Parker: No.

Hon. G. FRASER: Does the hon. member contend that interest rates will not be affected by the passing of this Bill? The people I have in mind should not be exposed to such difficulties.

Hon. J. Nicholson: They might save money.

Hon. G. FRASER: I will play for safety, and vote that things be left as they are. I am indeed sorry to observe the frequency of the viewpoint as to differentiation of treatment between the metropolitan area and the country districts. I hope hon. members will not persist in that attitude. Certainly it is not one I would adopt. I say, either all in or all out. I support the second reading.

HON. G. W. MILES (North) [9.18]: I oppose the second reading. The mortgagee should be considered as well as the mortgagor. The Act was passed seven years ago, and as a result the thrifty section of the community has been penalised. Many mortgagors are not playing fair with mortgagees. Frequently the mortgagee suffers. A man saves money and invests it on mortgage, and then finds the money tied up. I oppose this legislation now, as I have opposed it for a number of years. The Act should now be struck off the statute-book. With regard to agriculturists, I suggest that the Western Australian Government should approach the Commonwealth Government and urge the establishment of a rural bank. I do not

know how far that project has got. In Africa landowners pay the South African Rural Bank only 3½ per cent. If a landowner there is paying 5 per cent. to a financial institution, the Government refunds him 1½ per cent. The establishment of a rural bank lending money at 3½ per cent. would do more to assist the primary industries of Western Australia than anything else that could be done. I hope our Government will use its influence with the Commonwealth Government to bring about here the same position as exists in South Africa.

On motion by Hon. L. Craig, debate adjourned.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 3).

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [9.20] in moving the second reading said: The Bill seeks to amend the Road Districts Act, and has been brought forward for the purpose of remedying certain weaknesses which have been revealed in the operation of the principal Act since that legislation was last amended. Most of the proposed amendments have been incorporated in the Bill at the request of the Road Boards Association, which considers that their enactment would materially assist local authorities in administering the Act.

The first proposal relates to annual retirement of members. By Section 27 it is provided that on the third Saturday in April in every year a certain number of members shall go out of office by rotation, and by Section 61 that an annual election of members of the board shall be held in every district on that same Saturday. Where the third Saturday in April occurs during the Easter week-end, Section 6 of the Act operates. That section stipulates that whenever any day provided or appointed under the Act falls on a public holiday, then such provision and appointment shall take effect as from the next following week-day which is not a public holiday: and that whenever an election falls on a Saturday which is a public holiday, it shall be held on the first Saturday that is not a holiday. The operation of these provisions means that when the third Saturday in April coincides with Easter Saturday, the elections are postponed to the following Saturday, although

the retirement of members actually takes place three days earlier. During the three intervening days the board is necessarily without full representation. To overcome this anomaly we are now simply providing that the day of retirement shall be the day of the annual election held under the Act.

Another proposal deals with the rate-payers list. Section 38, Subsection (1), renders it obligatory for a board to make out a list of all owners of rateable land in the district, and, in addition, Subsection (2) provides that a separate list shall be prepared for each ward. Much time and trouble is entailed by this duplication, and the road board authorities have now requested the deletion of Subsection (2). They point out that if this amendment is agreed to, the form used for the list can be arranged so as to show the ward wherein an elector is entitled to vote, and the number of votes he may cast. Section 65, Subsection (3), at present provides that no person who acts as a returning officer at any election shall be or become a candidate at such election. We now propose similarly to exclude a person appointed to take absentee votes, unless he first relinquishes that appointment. A further amendment is sought in respect of the same section. As the Act now stands, no member of a road board, other than the chairman, appointed as a returning officer, is entitled to the prescribed fee. This provision is not considered equitable, and accordingly the Bill provides that ordinary members shall be entitled to the same privileges in this respect as the chairman.

With regard to the election of chairmen and vice-chairmen, it has been emphasised that frequently finality cannot be reached owing to an equality of votes being cast for candidates. In order to prevent the prolongation of deadlocks of this nature, the Bill proposes that in such cases the Minister shall have the right to make the necessary appointment. Another proposal deals with the powers of a board. These will be extended to include the provision and maintenance of landing grounds and aerodromes.

Important amendments are also proposed relative to the erection of motor traffic passes in lieu of or in conjunction with gates across roads. Section 149 provides that where a board has taken any land for a road, the owner or occupier may require fencing to be erected. Where the land enclosed is held on pastoral lease, or for pas-

toral or grazing purposes only, the board may erect gates in lieu of fences. It is already provided, under Section 192 of the Act, that a board may grant permission to any person to place or maintain a gate across a road. With the advent of fast motor transport, many of these gates have become an obstruction to traffic. Therefore we desire to insert a provision in the Act that will enable motor traffic by-passes to be erected either in lieu of, or in addition to, any gates that may be placed across public roads.

Hon. G. W. Miles: How are you going to keep rabbits out if you have a by-pass?

The HONORARY MINISTER: The Bill provides that these by-passes shall be of such design and description, and shall be erected of such material and in such manner, as may be required and approved by the Commissioner of Main Roads. This does not mean that every by-pass will have to be individually approved by the Commissioner, but simply that the type erected shall conform to the Commissioner's specifications.

Hon. L. Craig: That is a very good provision.

The HONORARY MINISTER: The remaining provisions of the Bill deal with the time within which certain duties have to be carried out by road board secretaries. These duties concern the annual valuation of rateable property, the valuation of gas mains and electric lines, and the making-up of the rate-book. In each case the time allowed for the performance of the various duties under the Act is utterly inadequate. The proposed amendments will have the effect of giving the secretary and other officers of a board more time in which to collect and prepare the necessary data, and to perform the duties that the Act renders obligatory. I move—

That the Bill be now read a second time.

On motion by Hon. L. Craig, debate adjourned.

BILL—SUPREME COURT ACT AMENDMENT.

Second Reading.

HON. H. S. W. PARKER (Metropolitan-Suburban) [9.29] in moving the second reading said: The Bill is designed to amend the divorce laws as they exist at present. It is also designed in the interests of public morals. People do not understand the exist-

ing divorce laws. The main grounds on which divorce is generally granted throughout the British Empire are adultery and desertion. Broadly speaking, people do not understand what desertion is. The general impression is that if people live apart from each other for three years, they may get a divorce. That is partly correct, but legally it is entirely wrong. Desertion must mean where one party leaves the other party against that other's wish; that is to say, people cannot agree to live apart and call it desertion. In the metropolitan area, I regret to say, many married people are separated by order of the court, or by mutual agreement, under which the husband is paying the wife maintenance. Those persons cannot obtain a divorce except, broadly speaking, on the ground of adultery. It is idle to think that when young couples separate—and there are all too many of them in the metropolitan area, as one can find out by attending the police court on Friday morning—one party afterwards does not commit adultery. In too many cases, also, the married man is living in open adultery with a mistress and he cannot get a divorce. In many cases the wife will not divorce him, partly out of pique, partly out of jealousy. She says, as she is within her rights in saying, "I am not going to let my husband treat me in this way and then marry that woman." The net result is that the husband lives in adultery. This amendment is designed to overcome that difficulty.

Many unfortunate cases arise. Without mentioning those that come within my knowledge but do not go into court, I venture to say that every member knows one or two couples who entered into disastrous marriages and are now living apart from their respective spouses. A case that recently went to the High Court affords a striking example of the necessity in the interests of public morals for altering the divorce laws. Some little time ago a woman obtained a decree nisi against her husband on the ground of his adultery. In order that a man may provide for his wife in the future, it is not at all uncommon, before the decree nisi is made absolute, for the solicitors for the parties to get together and arrange the amount of permanent maintenance to be paid to the wife. In this instance a condition was included that on the decree nisi being made absolute, a certain sum would

be paid to the wife. But the wife did not apply for the decree absolute. Members may recollect that in 1935 the law was altered to provide that where a petitioner did not apply for the decree absolute, the guilty respondent could do so.

The wife to whom I have referred did not apply to have the decree made absolute. The judge was informed of the arrangements that had been made, and he said, "This is collusion. I will not grant the decree absolute." The case was taken to the High Court, where the Chief Justice expressed the opinion that it was not collusion but the other two justices said it was collusion. The position now is that there is no divorce. That man could not get a divorce from his wife even if she committed adultery, because it is within the absolute discretion of the judge whether he will grant a divorce to a man guilty of adultery even if his wife has been guilty of adultery. Where adultery has been proved on the part of the petitioner, it is in the discretion of the court to say whether a divorce shall be granted. Strange as it may seem in these modern days, the courts are very reluctant to grant a divorce to a party who has been guilty of adultery. Hence people, however much they may dislike each other, are left bound by their matrimonial bonds.

When the Bill was introduced in another place to permit of the guilty party completing the divorce by getting the decree absolute where the innocent party would not go on, the following remarks were made:—

The Bill merely seeks to alter the method of procedure and to end an unsatisfactory state of affairs which leads to many abuses of the divorce law.

After saying that a similar provision operated in New Zealand, the sponsor of the Bill proceeded—

It may be taken for granted that after the petitioner has approached the court and the decree nisi has been granted, the reason for delay or failure to apply to have the decree made absolute is that the petitioner desires to strike some unfair bargain with the respondent for the price of his freedom, or alternatively it is from vindictiveness that the petitioner does not apply to have the decree made absolute.

That is what happens in most of these cases. I might almost describe it as blackmail on the part of the wife.

Hon. L. CRAIG: Not necessarily the wife.

Hon. H. S. W. PARKER: I am speaking of the wife who strikes a bargain with her

husband before she will free him. She says, "No, I will not free you unless you pay me so much." That is what is happening.

The question members should ask themselves is whether it is right for persons to be kept in the position where they are neither married nor single, with no hope of reconciliation with their former partners, and no right to enter into a respectable relationship with any other person, or whether this unsatisfactory position should be ended and an opportunity given to those unfortunate people to live normal, respectable lives and rear families in lawful wedlock.

The speaker went on to refer to the granting of permanent maintenance and continued—

I have in mind a case in which the petitioner made application and secured the decree nisi, but she has since left the State, there is no hope of a reconciliation, and the respondent now desires to re-marry.

But he cannot get the divorce; he has to live in adultery. I should like to refer to two cases that have been before the courts here. There was a case in 1927 reported in the "West Australian Law Reports." In 1919 the husband went to Ceylon, and there is no doubt he went there with the full consent of his wife. He came back and passed through Fremantle, but still had no money and went on to Sydney with the full concurrence of his wife. In 1924 he had a little cash and wrote that he was coming over to make a fresh start. His wife took no notice of the letter. As the judge pointed out, he was a man who would never do any good for himself. She had absolutely no affection for him, and she decided to apply for a divorce on the ground of desertion. Chief Justice McMillan and Mr. Justice Burridge both came to the conclusion that there was no desertion and that they could not grant a divorce. In another case a man married a girl solely to give a name to the unborn child. Actually twins were born. On the way to the church the man said he was never going to make a home for the girl and would never live with her. Chief Justice Northmore remarked—

This marriage was gone through for the purpose of giving a name to the child. The petitioner knew before the marriage that there was no intention to make a home, and there was no intention of the parties living together as man and wife . . . I have therefore come to the conclusion that, in the state of the law as it is at present, the petitioner has not established a right to a decree and this petition will be dismissed.

There was no desertion. That was as late as 1934. Members will readily understand that to obtain a divorce is by no means an easy matter, however much people may desire it. Where the guilty husband is living in adultery, the wife cannot get a divorce unless the judge chooses to grant it. The granting of it is entirely within his discretion. Section 75 of the Supreme Court Act provides that the court shall dismiss a petition if parties act in collusion, and Section 77 (1) reads—

The court shall not be bound to pronounce a decree for dissolution of marriage if he finds that the petitioner has during the marriage been guilty of adultery, or if the petitioner in the opinion of the court has been guilty of unreasonable delay in presenting or prosecuting the petition, or of cruelty towards the other party to the marriage.

If a woman knows her husband has committed adultery, she cannot delay and at a later time ask for a divorce on the ground of adultery, because the court says that if there has been delay, it has discretion. One of the difficulties confronting a lawyer is to convince a client that it is purely at the discretion of the judge whether he grants a divorce. A woman or man as the case may be cannot delay and then find reason for the delay. Perhaps it is an easier matter for a woman to find a reason for delay; the reason given usually is that she has not had the money. For a man to find a reason for delay is not so easy.

Having pointed out those difficulties I should like to mention what happens in Perth. Every Friday morning cases are heard in the Police Court, applications by wives for separation orders under the Married Women's Protection Act. I made inquiries to ascertain the present position. After an order is made the money is supposed to be paid into the Police Court and I have been informed that 43 husbands have for seven years been paying maintenance for wives into the Perth Police Court. An additional 81 have been paying for three years, so that 134 husbands have been paying money into the Perth Police Court for that term. These people get a divorce only by arrangement, and if they go into court and it is proved to be by arrangement, the petitioner is adjudged guilty of perjury and is liable to about 14 years' imprisonment. In taking out his or her petition, the party has to swear there has been no collusion or connivance. If the judge finds there has been either of these things, he can-

not by law grant a divorce. Judges frequently remark about the fact, but it cannot be proved, that the husband arranges to be caught in a compromising position, or to go down to some house of ill-fame when an inquiry agent is watching, very often the wife being present to identify her husband.

We read in the papers on the first Tuesday and Wednesday in every month of the divorce cases that are heard. The only exception is the month of January. On reading that evidence, any member would come to the conclusion that things had been arranged between the parties, though that cannot be proved. This is what these people are forced to do. To get a divorce they are obliged either to commit adultery, or have it proved against them, invariably by collusion. Is that in the interests of public morals? Is it not better, after people have been separated for some years, that even the guilty party may then apply for a divorce, and so live a decent, honourable, straightforward life as a citizen, and that the children of the issue may be legitimatised and not branded for the rest of their lives as bastards? A woman may loathe and detest her husband. The husband has found the mate he desires, has lived with her for many years, and has become the father of her children. I know of some instances, and I am sure members know of others. Is it not better that the man should be free? What harm has he done to his lawful wife? Perhaps he has done her harm by deserting her, but we never know the facts of the marital relationship between parties. Let us assume the husband is at fault in deserting his wife. Have we not to think of the children, the result of that unlawful connection, or are we to leave the law in its present archaic condition?

My suggestion is no new one. We have already established the principle in the amendment passed in 1935, and reaffirmed it later when we passed the Supreme Court Act. In New Zealand, the authorities go very much further than I propose, and the Act there has been in force since 1920. That Act provides for a period of three years, but my Bill specifies seven years. I would not object to any amendment that might be moved to reduce the period. The matter of domicile is a complicated one. It is usually regarded as the place where the man lives. That is not so. It is the place where the man has made his permanent home. What

is the man's permanent home is difficult to say because it might not be the place of his business. If a man domiciled in Western Australia left his wife in this State and went elsewhere, the wife's domicile would become the domicile of the husband, wherever he might go. To overcome that difficulty our law has said that when the wife is deserted she retains the domicile of her husband at the time of the desertion. We have altered the law providing for desertion, but have not altered the law as regards domicile. In instances of separation, the domicile of the wife must be in Western Australia if she was deserted in Western Australia. In New Zealand the authorities do not care where the order is made, or where the husband is living, so long as the wife resides in New Zealand. I hope in the interests of public morals, not in the interests of any individual, members will give this Bill favourable consideration. I move—

That the Bill be now read a second time.

HON. J. NICHOLSON (Metropolitan) [9.50]: I support the Bill. Mr. Parker has given a very able and full exposition of the law in Western Australia relative to divorce, and has left little for me to add. We in this State have probably two more grounds for divorce than exist in some of the other States. The ground suggested in the Bill is, however, of such a nature that it is bound to appeal to members as being in the best interests of morality, as Mr. Parker has said. The man who is happily married has cause to be thankful. Because he is fortunate in that respect, there is no reason why he should deny his brother the relief necessary to lead to the same happiness that might be secured by a union with some other person. The position outlined is very true in a large number of instances, particularly where parties have been united and cannot be released until one or the other commits an act of adultery or does something entitling the other party to apply for divorce.

In the interests of morality it is undesirable that one or the other party should be compelled to do that which may be most abhorrent to him or her. One can imagine the resentment that would be felt by a true woman at having to commit such an act to attain the desired end, namely, matrimony with someone with whom she feels she will be happy. If she was not happy in her first selection, why should she be denied the

right to enter into a fresh matrimonial contract? Numerous instances could be cited, but I think the relief proposed in the Bill is justified by the experience of lawyers generally, and the difficulties they see in the solution of the problems arising out of estrangements between partners in life. Neither side is disposed to take the step that would lead to the breaking up of the union, namely, divorce. For some reason, sometimes through pique, one party or the other says, "I will take care that you will not be permitted, by reason of my divorcing you, to enter into a matrimonial bond with the other party you have chosen." For that reason two people are living a miserable life, whereas they might be doing something to fulfil those duties and functions in life which devolve upon every man and woman. No State more than Western Australia, because of its vast empty areas, requires married people. I feel that the Bill should commend itself to every member who considers the matter dispassionately and from the wise standpoint of the morality of the people. I support the second reading.

On motion by Hon. G. B. Wood, debate adjourned.

BILL—MARKETING OF ONIONS.

Second Reading.

Debate resumed from the 10th November.

HON. G. B. WOOD (East) [10.0]: I consider that this Bill should really form part of some general marketing legislation, but, as there is no such thing in this State, I shall support the measure. We have heard about the unfortunate position of people in the wheat industry and in other industries, but they have a great deal of voting strength, and carry a good deal of weight when it comes to a question of bounties, etc., being granted by Parliament. The growers of onions are not numerous, and do not carry much voting strength. For that reason I give my wholehearted support to the Bill. If members of this Chamber can assist the onion growers to help themselves, they should do so. The growers desire this legislation. I understand that they hope it will be operative during the forthcoming onion season, which is close at hand. The Bill contains safeguards in that the board cannot be established unless a

majority of the growers favour the step, and if, after a period of two years, the board is found unsatisfactory, it can be dispensed with by a majority of the growers.

Hon. G. W. Miles: What about the position of the big onion grower as against the small grower? Is his interest protected?

Hon. G. B. WOOD: Yes, there is provision to meet that phase.

Hon. J. Cornell: Are sufficient onions grown in Western Australia to meet local requirements?

Hon. G. B. WOOD: No. At times more onions are available than the market requires, but at other times the market is bare. The legislation will help to regulate supplies throughout the year. The growers will not be able to exploit the public by forcing up prices because importations from the other States will police the situation. I agree with what has been said regarding the position of other growers. To instance what can happen, I visited the markets and bought four dozen cucumbers for 1s. This indicates that the present system is altogether wrong, and it applies throughout the vegetable-growing industry. There are times when some grower can market a line earlier than anyone else and he reaps the benefit accordingly. I am not altogether satisfied with the clause dealing with the constitution of the board. An amendment was agreed to in another place whereby the board is to be constituted of two growers and three nominees of the Government. In my opinion the producers should have a majority on the board, while the consumers and the Government should also have representation. When the Bill is dealt with in Committee, I shall move an amendment along those lines; in other respects I commend the Bill to the House.

HON. L. CRAIG (South-West) [10.4]: I do not like the Bill.

Hon. H. S. W. Parker: It smells.

Hon. L. CRAIG: Onion Bills speak for themselves, as onions often do. I shall support the second reading, because the measure represents an attempt to regulate the marketing of onions. The fact is almost fundamental that where a commodity is perishable and where there is no export outlet, control boards invariably break down. Mr. Wood referred to the unfortunate position of vegetable growers. Anyone producing perishable commodities has to sell his output at once, and if more of the commodity is available

than can be sold, the surplus must rot or else be sold for what it will fetch. Onions represent a partly perishable commodity, and if the crop is not very extensive, some control can be exercised by allowing only a proportion of the crop to be marketed at the one time and thus extend the selling season. That is all the board can do. What usually happens with primary production is that when a line becomes profitable for the inefficient, people rush in and over-production follows. No board in the world can prevent slumps. Queensland is held up as the State of successful boards. I admit that the boards are successful, but some are most expensively so. On the other hand, it must be remembered that those boards deal with tropical products and have not to face competition from any other State. In that case the boards have Australian control over the commodities under their jurisdiction, and do not have to compete against importations from other parts of the Commonwealth.

Hon. C. F. Baxter: What about butter?

Hon. L. CRAIG: That is not a tropical product. Even so, there is an agreement with regard to exports from other States. As to other commodities there is no trouble whatever. The boards dealing with bananas, pineapples, canary seed, peanuts, pawpaws and so on deal with commodities produced solely in Queensland. Members will agree, therefore, that Queensland is hardly a typical State to be cited to prove that the control is satisfactory.

Hon. G. B. Wood: There are marketing boards in other States.

Hon. L. CRAIG: And some are most unprofitable. I do not think the board now under consideration will cost the consumers anything. The object is to regulate supplies on the market, and obviate a position such as could easily have cropped up in Western Australia with regard to potatoes just recently. We know that with potatoes the market is sometimes over-supplied and that at other times imports from the Eastern States are necessary. This year, however, there has been an enormous potato crop and had it not been for the shortage in Victoria and New South Wales, Western Australian potatoes would have dropped to less than £2 a ton. As it is, there is plenty of outlet for the surplus production and supplies are being exported in train loads. The same could apply to onions. Should onion growing become highly profitable, in a year or two the production will be so great that

in all probability we shall not be able to give onions away. Another question that deserves consideration relates to the borrowing powers of the board, which is to consist of two growers and three other persons. We know nothing about them. Those three are just names; in fact, not even that. To-night one Country Party member has strongly supported the Bill in its present form; yet a few minutes before he voted against a proposal to allow a board whose reputation stands high in the community and has done so over many years, the right to borrow money without the consent of Parliament. In this instance, we have a board, the personnel of which we have no knowledge, and yet borrowing powers are to be given to it without the slightest hesitation. Not one word is said about reference to Parliament.

Hon. G. W. Miles: But in this instance there is no guarantee by the State.

Hon. L. CRAIG: It amounts to the same thing. By the same argument we would be perfectly justified in saying that similar powers should be enjoyed by the Egg Board, which should have authority to borrow money without the consent of Parliament. The attitude adopted by some members is extraordinary. On the one hand, we have a board whose reputation is known and whose work is appreciated. On the other hand, a board is proposed and we know nothing about the prospective members. The former is to be denied the power to borrow without the consent of Parliament, but the latter is to be given full power.

The PRESIDENT: I think that is a matter that could be better discussed in Committee.

Hon. L. CRAIG: But it is just as well to mention the fact while the point is hot in one's mind. I mention it so that the members concerned may consider how to overcome the difficulty. Possibly they will ask to be given an opportunity to re-commit the other Bill so that the Workers' Homes Board may be given a similar right to borrow. Mr. Wood is not the only one; Mr. Hamersley is sitting very quietly. However, I shall not stress that point.

The PRESIDENT: As the hon. member appears to be about to stress the point still further, I think he had better leave it till the Committee stage is reached.

Hon. L. CRAIG: That is so; I merely mentioned the point casually. One other matter is that the board is to declare when onions shall become its property. I take it

the board would so declare before the onions were harvested. The position of the grower, once the onions are declared to be the property of the board, is that he will have a claim on the board to the extent of whatever price is fixed for his commodity. As onions will be declared the property of the board before being harvested, we must remember that very often onions are scalded. The point that appeals to me is that the onions may be badly damaged and the crop may not be worth half what was originally anticipated. The board will be liable and will have to pay the grower the full price, irrespective of what may happen to the crop. That clause is rather dangerous. There may be dishonest growers and they may, once their crops are declared the property of the board, damage their onions, perhaps through neglect or some other cause, and even destroy the vegetables.

Hon. A. Thomson: The board will provide regulations.

Hon. L. CRAIG: But crops will have to be inspected and in the circumstances the board may prove expensive.

Hon. A. Thomson: It will be a small board.

Hon. L. CRAIG: And a small section of the community will be required to bear the costs of that board. That section is very limited and comprises poor people. If the board is required to police properties, the expense will be considerable. However, the growers have asked for this legislation; let them have it. Trouble may result, but, in the circumstances, I shall support the second reading.

on the board be increased, he certainly will have my support.

The onions produced by the growers in this State are of a perishable kind. From statistical information that I have obtained, Western Australia to-day produces the largest quantity of potatoes per acre in the Commonwealth. I think we should encourage our onion growers to produce the brown onion, which has good keeping qualities. When I was in Victoria recently, I saw hundreds of tons of this class of onion being exported to New South Wales. With the research work that is carried on by our Government departments, growers could obtain expert advice that would enable them to produce this better-keeping type of onion. Last year our imports of brown onions amounted to about 20 tons.

Hon. L. Craig interjected.

Hon. H. V. PIESSE: The point is that if we can grow potatoes to advantage, surely, given suitable land and with our favourable climatic conditions, we can grow the brown onion. I was on a grower's property at Denmark. He pointed out a 10-acre plot on his property which he said had returned him £100 per acre for a brown onion crop. That man's property was one of the most valuable small properties in the district. I shall give the Bill my support. When it reaches the Committee stage, I sincerely hope the proportion of non-producers on the board will be reduced.

On motion by Hon. J. Cornell, debate adjourned.

House adjourned at 10.19 p.m.

HON. H. V. PIESSE (South-East)
[10.14]: I have always advocated general marketing legislation and I am sorry the Government has not seen fit to submit a Bill along those lines. Had that been done, there would be no necessity for the introduction of Bills dealing with separate industries, each controlled by boards such as that indicated in the Bill now before the House. Upon reading the Bill I was surprised to find that another place had amended it to provide that the personnel of the board shall consist of three representatives of the Government, with a lesser number of producers. If, when the Bill reaches the Committee stage, Mr. Wood carries out his intention to move an amendment that the number of producers