

he gave an assurance that the trustees would conform to the requirements of the Mortgagees' Rights Restriction Act. Unfortunately he was not in a position to bring that about, but what I have said shows that the then Leader of the Opposition—the member for Boulder—and the then Premier considered the Agricultural Bank should be brought under the same provisions as people affected by the Mortgagees' Rights Restriction Act.

There is no doubt that dispossession of land has been a source of bitterness in all countries during depression periods. In the United States, according to accounts I read recently in an American magazine, dispossession caused serious rioting. The farmers banded together and used shotguns to defend their farms. In Western Australia sales have been boycotted and farms declared black. Some of those farms are still vacant and are decreasing in value because they are gradually reverting to nature. The Bill aims at removing bitterness by giving the bank an opportunity to justify its actions. In many instances, no doubt, its actions can be justified and people would be satisfied if they knew the real position. That position, of course, would be brought out in open court where evidence would be heard.

The Minister for Lands: So the Agricultural Bank is harsher than any other bank, is it?

Mr. PATRICK: The question is not one of the bank's being harsh, but of satisfying people that it is not acting harshly by bringing it under the same provisions as apply to other mortgagees affected by the Mortgagees' Rights Restriction Act.

The Minister for Lands: You would place the bank under the control of a magistrate?

Mr. PATRICK: I am not suggesting that it be placed under the control of a magistrate any more than the Mortgagees' Rights Restriction Act places other mortgagees under the control of magistrates. As Sir James Mitchell said when he was Premier and as the member for Boulder said when he was Leader of the Opposition, this is the correct procedure to adopt, not only in the interests of the bank, but also in the interests of the bank's clients. I do not intend to delay the House any longer because I dealt with the matter when discussing a previous Bill. I commend the measure as enunciating a principle approved by members opposite when they sat in opposition

and as something calculated to promote a better feeling in the agricultural areas towards the Agricultural Bank. I move—

That the Bill be now read a second time.

On motion by the Minister for Lands, debate adjourned.

*House adjourned at 9.50 p.m.*

## Legislative Council,

*Thursday, 28th September, 1939.*

	PAGE
Motion: Native Administration Act, to disallow regulations	879
Bills: Metropolitan Milk Act Amendment, 3R., passed	880
War Funds Regulation, 2R.	881
Railway Level Crossings, 1R.	885
Industries Assistance Act Continuance, 2R., Com. report	885
Profiteering Prevention, 2R.	886

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

### MOTION—NATIVE ADMINISTRATION ACT.

#### *To Disallow Regulations.*

Debate resumed from the previous day on the following motion by Hon. H. Seddon (North-East):—

That Regulations Nos. 85, and 134 to 139A, inclusive, made under the Native Administration Act, 1905-1936, as published in the "Government Gazette" on the 8th September, 1939, and laid on the Table of the House on the 12th September, 1939, be and are hereby disallowed.

HON. H. SEDDON (North-East—in reply) [4.37]: I do not wish to labour the discussion on these regulations. I simply wish to direct attention to the fact that the Chief Secretary, in the course of his speech, confirmed my statement that Regulation 85, dealing with the payment to the Commissioner of portion of the wages of a native, has been applied to adult natives. The Min-

ister took great pains to explain that the regulation was designed to apply chiefly to wards of the department—to natives under the age of 21—and also told us that when the natives reached 21, the money was made available to them. In spite of his statement, the fact remains that this regulation does interfere with the rights of a native in the matter of his earnings, and for that reason I wish to have it disallowed, in order that a native might please himself and control his money, as does any ordinary citizen. If we want these men to attain the status in the community to which they are entitled, we should help them to take charge of and control their own funds.

The Minister indicated that in Queensland the wages of a native are first of all fixed by arbitration and are then paid to the State. The State takes the whole of the earnings, and then pays the native a certain amount. The Minister proceeded to say that, as a result of this system, the Queensland Government was able to do quite a lot for the natives. But, I remind members, this is being done with the natives' own money. Obviously one native might earn quite a considerable sum, and yet a portion of his wages is taken and utilised for the work that is undertaken on behalf of all the natives. I can quite understand the department's attitude, but the Queensland system is nothing more or less than slavery, and I cannot imagine anyone's advocating that such a system should be applied to any person living in the British Empire.

The other regulations to which I have taken exception deal with the establishment and control of missions. Much of what the Minister said referred to the administration and requirements of the missions, but he entirely lost sight of the fact that the regulations, as gazetted, do demand that before a person may undertake to preach the Gospel or teach religion to any native, he must obtain a permit. Thus the Minister has confirmed my contention that these regulations do interfere with the fundamental principle that has always been adopted as a sound principle in British administration, namely freedom from interference in matters of religion. The Salvation Army, for instance, will preach, and is entitled to preach. If any attempt is made to interfere with the work of the army in this respect, that attempt will amount to persecution, and the matter

will certainly be taken up by the community. Some of the itinerant missionaries amongst the natives have done work of great value. One of them, who was engaged in work among the natives of the North for a considerable time, actually compiled a vocabulary and established a dictionary of the language of those natives.

The Chief Secretary: Who was that?

Hon. H. SEDDON: A missionary working in the Kimberley district.

The Chief Secretary: What was his name?

Hon. H. SEDDON: He worked up there practically on his own.

The Chief Secretary: But what was his name?

Hon. H. SEDDON: I cannot think of his name. If the ranks of those missionaries should include undesirable persons, the Minister or the department has power to deal with such persons under the regulations so to prevent them from coming in contact with the natives. However, I do ask the House to consider the position and to confirm the decisions it arrived at last session regarding departmental interference with missions, and to reaffirm its opinion that to retain the regulations in their present form is inadvisable. A large meeting held in Perth definitely decided against those regulations.

The Honorary Minister: No, it did not.

Hon. H. SEDDON: The fact is, the position remains that we have to determine whether we shall maintain the principle of non-interference with religious meetings, or shall allow the regulations to operate in their present form. They can be amended to decide what supervision over missions is necessary; but to retain them in their present form is wrong, and opposed to the fundamental principle of religious liberty. I appeal to the House to endorse the decisions arrived at last session, by supporting the motion for disallowance of the regulations.

Question put and negatived.

#### **BILL—METROPOLITAN MILK ACT AMENDMENT.**

Read a third time and *passed*.

**BILL—WAR FUNDS REGULATION.***Second Reading.*

Debate resumed from the previous day.

**HON. L. CRAIG** (South-West) [4.46]: I have read the Bill fairly carefully, and can find nothing to take exception to in it. It is purely a measure to ensure that money raised for war purposes shall be used for those purposes. I understand that during the last war through patriotic efforts huge sums of money were raised, but that it is doubtful for what purposes they were all used.

Member: And doubtful whether the whole of the money collected reached the right quarter.

**Hon. L. CRAIG.** The object of the Bill is to ensure that the raising of money for patriotic purposes shall be under control. Under the measure anyone who wants to raise money for such purposes must first obtain permission, and must keep proper accounts; and the money must be paid into a fund, and the name of the fund must denote that the money is to be used for purposes of this kind. The Chief Secretary will administer the measure. Books are to be kept; and the Auditor General shall, if necessary, audit the accounts. The Chief Secretary may delegate authority to someone, if desirable, in order, I presume, to save time and expense, and for other reasons. It may be necessary to delegate powers to the mayor of a municipality or the chairman of a road board, when funds are to be raised by means of, say, a bridge drive in the country. Someone in authority is then to exercise the powers delegated by the Chief Secretary. Otherwise there is nothing in the Bill. It merely provides that money raised shall be raised in proper order and that proper accounts shall be kept. Any surplus funds at the end of the war are to be paid into a central fund controlled by the Minister. It is highly necessary in wartime that any funds collected shall be collected on a proper basis. I commend the Bill to the House.

**HON. J. M. MACFARLANE** (Metropolitan-Suburban) [4.49]: I congratulate the Government on the early introduction of the Bill. Experience during the last war has shown how necessary it is to exercise control over the collection and expenditure of funds. As Mr. Craig remarked, during the early

part of the last war many schemes were evolved for collecting money, and whether the whole of the money collected was distributed in the right way is doubtful. I have risen chiefly to mention that for four years I was a member of the War Patriotic Fund and that during the last two years of the war I was treasurer. The object of that fund was to assist families of married privates who went to the Front. The collections totalled over £122,000, and we were able to do what was necessary without ever calling upon the Commonwealth. Western Australia was the only State of the Commonwealth that did not do so. At the close of the war we were able to hand over to the then Chief Secretary, Mr. Drew, a considerable balance to be used for other purposes. The whole of the data connected with that fund are still in existence, and are at the disposal of Mr. Kitson.

**HON. G. FRASER** (West) [4.50]: I support the Bill. I would be better pleased if it went a little further, because we have had the experience of the last war to guide us. We do not desire that happenings which occurred then should recur; but I am afraid the measure is a little too open. Clause 3 provides—

It shall not be lawful for any person to collect any moneys or articles for or in aid of any war funds unless authorised by the Chief Secretary.

It would be better if the raising of funds for patriotic purposes were in the hands of organisations established in each district, rather than in the hands of a private person.

**Hon. L. Craig:** You would stop the private person from trying to raise money.

**Hon. G. FRASER:** I do not think so. I think that in most districts organisations have already been established.

**Hon. L. Craig:** By the Red Cross Society?

**Hon. G. FRASER:** Yes. Mayors, councillors and chairmen of the road boards have already taken steps to form organisations for collections in their districts.

**Hon. A. Thomson:** But the majority of those men will not do the actual work.

**Hon. G. FRASER:** No. They are, however, responsible for calling committees together. Committees have been formed in numerous districts and collections have already been made.

**Hon. A. Thomson:** By branches of the Red Cross Society only.

**Hon. G. FRASER:** The people calling those committees together take a prominent part in the affairs of their districts, and so should have authority to organise this work. We do not desire to see repeated the mushroom committees that sprang up during the last war, when we had even a tooth-brush committee.

**Hon. L. Craig:** The Minister can stop that. He has the power.

**The PRESIDENT:** A discussion on Clause 3 had better take place in Committee. The hon. member is discussing a clause of the Bill.

**Hon. G. FRASER:** I am discussing the Bill generally. Power is to be given for the collection of money for patriotic purposes; that is the object of the Bill. Instead of private persons being allowed to organise funds and take up collections, the work should be entrusted to the committees to which I have referred. I can see danger ahead if persons are allowed to make collections.

**Hon. L. Craig:** They would be committing an offence if they did.

**Hon. G. FRASER:** I admit that, but many people commit offences.

**Hon. L. Craig:** People will do so.

**The PRESIDENT:** Order!

**Hon. G. FRASER:** Undoubtedly, people will take risks. That is done every day. Someone will go round with a subscription list to collect money, and under this Bill he will be responsible only to the Chief Secretary. My desire is to secure a provision better than that.

**Hon. A. Thomson:** I presume some sort of permit will be issued. The collectors will be supplied with a badge.

**Hon. G. FRASER:** Collectors did not have a badge during the last war. Even if this measure is enacted, I feel that many people will unlawfully collect money.

**Member:** There is always someone who will take a risk.

**Hon. G. FRASER:** Yes. My desire is to avoid that risk, if possible. The difficulty could be overcome by appointing the responsible officer of a public body in each district the agent of the Chief Secretary to control collections in the district. That would make the Chief Secretary's work easier.

**Hon. A. Thomson:** The Chief Secretary could issue permits.

**Hon. G. FRASER:** Yes. That would be a safeguard. I am glad that action has been taken so early in the war to control the funds, although I am sorry the Bill does not make it harder for persons to commit an offence under it.

**HON. H. TUCKEY** (South-West) [4.54]: While I am pleased the Bill has been brought down so early, I hope too much red tape will not be used, as that would stop the good work of the genuine branches of the Red Cross Society. We know the very good work the society did during the last war, and I feel sure it will do even better on this occasion. I agree with the suggestion that societies should be formed in districts to control the raising of funds in such districts. To allow private persons to do this work is, in my opinion, a mistake. I am in agreement with Mr. Fraser on that point. Our main object should be not to interfere with or retard the work of people throughout the State who are anxious to link up with the Red Cross Society. I support the Bill.

**HON. T. MOORE** (Central) [4.56]: I support the Bill. I agree that it is required, and am glad that it has been introduced so early. Like other members, however, I am doubtful whether it may not hamper the efforts of our voluntary workers. Western Australia is a very large State, with a scattered population. In every district people will desire to assist in patriotic work; and if power cannot be delegated to responsible persons in a district, the work is likely to be retarded. People will be disinclined to write to the Chief Secretary for permission to do the work. I suggest to the Chief Secretary that in each district where there is a road board the chief officer of the board should be empowered to authorise people to raise money for patriotic purposes.

**Hon. L. Craig:** Subject to the money being paid to such chief officer.

**Hon. T. MOORE:** Yes.

**Hon. A. Thomson:** Do not worry about the people in the outback districts not writing to Perth for permission to carry on this work. Committees will be appointed and the secretaries will apply for permission.

**Hon. T. MOORE:** I am speaking of districts far distant from Perth, such as mining districts, where much of this work will

be done. If people in those districts are forced to apply to Perth for permission to carry on this work, time will be lost and they will be hampered in their efforts. I feel sure that the necessity to obtain permission will be a damper on those people. I have had much experience of this work in days gone by. Our State is too large for control of far-distant districts by the Chief Secretary in Perth, and so I hope he will give my suggestion consideration and empower some responsible person to authorise people to make collections. Private persons applying direct to the Chief Secretary may not be known to him. If my suggestion is adopted, however, the person authorising collectors would know them. Any Tom, Dick or Harry might write down to the department asking for authority, and the Chief Secretary would not know which Tom, Dick or Harry was a fit person to collect moneys. What is required is a person with local knowledge to take charge. I hope my suggestion will be adopted.

**HON. L. B. BOLTON** (Metropolitan)  
[4.59]: I support the Bill. I am glad the Government is taking early action to ensure that war funds are correctly administered. During the whole of the period of the last war I was mayor of East Fremantle, where funds were collected for the Belgians, the Red Cross Society and other appeals, and at times the public—not necessarily the people of East Fremantle—was not satisfied that right use was being made of the money collected. Under the Bill there is no possible doubt that only authorised persons will be permitted to collect these funds which, when collected, will be paid over to the proper authorities.

**HON. J. NICHOLSON** (Metropolitan)  
[5.0]: The Bill will apply to all funds to be raised in connection with the present war. I happen to have been associated for a good many years past with the society that has been referred to in the course of the debate, namely, the Red Cross Society, and I think it can be claimed for it that no society has ever come into being in Australia—

Hon. T. Moore: Or abroad.

Hon. J. NICHOLSON: Yes, but we are dealing with Australia. As I was about to remark, no society has earned such a high reputation in the conduct of its affairs as has the Red Cross Society. It is a tribute

to the work of that organisation that it has been able up to the present to continue its very good work amongst the men who returned from the war. That was due to the generosity of the people of this State and I pay my tribute to them for what they did to enable the society to accomplish its work. We, as a society, promised that as far as we were able we would carry out that work and that nothing would be forgotten in our efforts to provide those extra comforts that our means enabled us to supply. The proposal now before us is somewhat far-reaching. I am not opposed to the principle of the Bill because I believe in the wise control of all funds; and I have reason to say this, because during the last war I happened to be brought in as a member of what was then known as the War Council, a very dignified title given to a body which came into being as a result of the Great War. Amongst the duties of that council was one to exercise control over many appeals made from time to time and which needed control by some authority or other. The War Council has gone out of existence and the funds that came into its possession ultimately passed over to the board constituted under the War Funds Act of 1926. It was found necessary to bring that body into existence under the War Funds Act so as to secure and collect the many remnants of funds which existed after the Great War, and which probably would never have been devoted to the purposes for which they were originally intended had the Government at that time not brought in the necessary legislation. All these facts serve to show the need for some control in such matters, but under the War Funds Act and having regard to the position of the Red Cross Society that body was exempted from the operations of the Act and has remained free from it ever since. If we pass the Bill now before us in the form in which it is, the Red Cross Society, in common with every other body raising funds will be brought under its provisions. I hope that the Chief Secretary will agree to an amendment to exempt the Red Cross Society. It is essential that that should be done, for many reasons, because at the present time a special charter is being obtained for the Australian Red Cross Society and under the scope of that charter it would clearly be inconsistent with the powers under the Bill for one State, namely, Western Australia, to introduce legislation to include the Red Cross Society. The British Red

Cross Society has been in existence under a charter for many years, and we in Australia became a branch of that society in 1914 and thereafter, until we came into being as a national Red Cross Society having all the status of a national society. Therefore, it would place the society in an anomalous position if it were not exempted from the legislation now proposed. It has not been found necessary in Great Britain to bring the society under the provisions of a measure such as this and neither has that been done so far as I am aware in any of the other States of Australia.

The Chief Secretary: What about South Australia?

Hon. J. NICHOLSON: I do not think it applies in that State.

The Chief Secretary: The Bill before us is almost word for word with the South Australian Act.

Hon. J. NICHOLSON: I am surprised to hear that.

Hon. G. Fraser: What disability would the society suffer if it came under the Bill?

Hon. J. NICHOLSON: I draw the hon. member's attention to Clauses 4 and 5 of the Bill which set out—

The Governor on the recommendation of the Chief Secretary may at any time by proclamation direct that any moneys and securities for moneys, or any articles in any war fund which he considers will not be required for the purposes for which the fund was established shall be—

and then it sets out the ways in which the money shall be applied. What I wish to emphasise is that this brings a body such as the Red Cross Society under the provisions of a measure nothing like which, so far as I am aware, exists in any other part of part of the world.

Hon. G. Fraser: So long as the Society will not suffer any disadvantage it should be brought in.

Hon. J. NICHOLSON: It would be a grave disadvantage to us in Western Australia.

Hon. G. Fraser: In what way?

Hon. J. NICHOLSON: I think it would hamper the operations of the society. Under its constitution the society is safeguarded to the fullest extent regarding the proper utilisation and administration of its fund. Everything is very rigidly and carefully supervised.

The Honorary Minister: The Bill will strengthen the society's position.

Hon. J. NICHOLSON: I venture to suggest that it would not do so. With an organisation such as the Red Cross Society, and having regard to its position throughout the length and breadth of the Commonwealth, it would be a great pity if a Bill such as this were made to apply to it. I have communicated with the Central Council in Melbourne but I regret to say that so far I have not had a reply. My desire was to seek information as to whether that body was aware of any other instance of a similar nature. I should like to have the opportunity of considering the reply when it comes to hand because this is a matter which I think might gravely affect the society's work. I am sure it is not the intention of the Chief Secretary that the work of an organisation like the Red Cross Society should be affected. On the contrary, I have reason to know that it is the hon. gentleman's desire to give this body the fullest help, and I appreciate the assistance already given by him in various directions. At the same time, as this is a matter of such great importance to the society I hope the Chief Secretary will allow the further consideration of the Bill to stand over until the next sitting of the House so that the subject may be more fully inquired into.

HON. J. CORNELL (South) [5.13]: There seems to be something ambiguous about this Bill, but I agree that it is necessary. The Returned Soldiers' League of this State has, since the declaration of war, been on the track of these organisations, or those that it is contemplated bringing into existence. The league has been authoritatively informed that the provision of requirements for military camps will be restricted to organisations such as the Red Cross Society, the Salvation Army and the Y.M.C.A. The last-named, by the way, has profited by its experience gained in the Great War, inasmuch as it has so framed its constitution, so modelled its organisation, as to clearly and definitely lay down that its military side will be administered by the men who saw active service. Only those three bodies should be recognised, on service or in any camp here. Although they have been told they are the only organisations that can minister to the wants of the troops, the permission of the State Government will have to be sought before they can do so. That requires to be cleared up.

We have the declaration of the Red Cross Society that something like £2,000 stands to its credit in Western Australia, which money is looked upon as the gift of the country to those men who fought in the Great War. The Returned Soldiers League has a definite assurance that not one penny of that money will be touched to minister to the needs of men now going into camp. It will be used for its original purpose, namely on behalf of the men who fought in the last war.

Hon. J. Nicholson: Any money so collected has been applied strictly to the purpose for which it was obtained.

Hon. J. CORNELL: Yes. I cannot say that permission would not be given to the Red Cross Society, but can see no necessity for that provision. The measure is required to police the activities of people who, doubtless with the best of intention and possibly with a desire to have their names in print, set about getting together patriotic funds with which to do something for the troops. The suggestion has been made that all the money collected does not go to the troops. Nothing, however, can be said against such organisations as the Red Cross Society and the Salvation Army. I will tell the House how the Red Cross Society is viewed by the Returned Soldiers League of this State. That organisation has agreed to do what it has agreed to do for no other organisation, namely to give anything the society requires of Anzac House at bare cost. The League would not agree to do that for many of the organisations that may be approved by the Government. There can be no necessity to rush this Bill through. I share with Mr. Nicholson the thought that the Red Cross Society and the Salvation Army are beyond question. There can be no doubt of their bona fides.

Hon. G. W. Miles: Automatically, they would not be interfered with.

Hon. J. CORNELL: Why should they be brought within the scope of this legislation? Both organisations are recognised throughout the British Empire. I should, in fact, include the Y.M.C.A. in that category.

Hon. G. W. Miles: They are the three recognised organisations.

Hon. J. CORNELL: And the only three. These organisations are living entities, and have continued their work ever since the

termination of the last Great War. They should not be brought within the category of persons who, as the result of some brain-wave, might set about forming some patriotic association. As the Minister for Defence has said, they should stand in a category of their own, and should certainly not come within the scope of this Bill.

On motion by Hon. A. Thomson, debate adjourned.

## **BILL—RAILWAY LEVEL CROSSINGS.**

Received from the Assembly and read a first time.

## **BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.**

### *Second Reading*

**THE HONORARY MINISTER** (Hon. E. H. Gray—West) [5.20] in moving the second reading said: The purpose of this Bill is to continue the operations of the Industries Assistance Act for a further period of one year. As members are aware, that legislation contains a provision which allows credit to be granted expeditiously under an automatic charge upon the crops, land and chattels of the borrower. It has been extremely useful in recent years when, as a result of abnormal seasonal conditions and low prices, farmers' credit has been severely restricted. This year's returns will probably be insufficient to enable settlers to carry on operations after they have met their accounts with the Board. So that the Commissioners may re-advance funds to the settlers concerned, for seed wheat, superphosphate, fuel, chaff, machinery and so on, it is necessary to continue the operations of this legislation.

The Bill is also necessary to protect the Commissioners' security for advances already made. An amount of £276,354 is still outstanding by borrowers on account of drought relief advances, while, in addition, there remain in the Industries Assistance Board ledgers 51 unfunded accounts involving a sum of £36,109. There are also other accounts in respect of which the Commissioners' security is preserved by the principal Act. Several Industries Assistance Board accounts have been incorporated in the Agricultural Bank ledgers following upon debt adjustment.

For various reasons it was impracticable to take a funding mortgage in respect of these accounts, and they are still secured, therefore, under this legislation. Then again, it is necessary to continue the Act to protect the Commissioners' security for moneys made available to bank clients under the provisions of the Finances and Development Board Act. Section 32 of that Act provided that moneys so advanced were to be secured as though advanced under the Industries Assistance Act. I move—

That the Bill be now read a second time.

**HON. L. CRAIG** (South-West) [5.23]: This is one of the continuance Bills that unfortunately it is necessary that we should pass. No long discussion upon it need take place. The crops of certain settlers are under lien to the Industries Assistance Board, and the proceeds of this year's crop will be paid to their accounts at the Agricultural Bank. It is necessary for Parliament to authorise the Industries Assistance Board to re-lend that money for next season's crop. The Bill is brought down to fulfil that purpose. The Board could not re-lend this money to enable settlers to buy their superphosphate supplies, and carry on next year, without Parliamentary authority. Unfortunately, the low price that has ruled for wheat, and the few bad seasons we have had, have left the accounts in bad order. If the settlers are to be kept on the land, this Bill will have to be passed so that money may be advanced to them, even should that money be something they have received out of the proceeds of this season's crop. I hope the Bill will be passed.

**HON. G. B. WOOD** (East) [5.24]: This legislation has been in force for 24 years, and, so far as I can see, will remain in force for a further similar period. I wish to make a few suggestions for the benefit of the settlers affected by the Bill, to the end that they may be enabled to keep a certain amount of stock. Quite recently I travelled for several hundred miles through the wheat belt, and was glad to see such good crops and feed in the north-eastern portion. Many of the settlers have no livestock, other than domestic stock, on their farms. At Wialki, practically the furthest point out in the North-Eastern wheat belt, there are nine farmers who have an abundance of feed, water and adequate fencing, and yet are unable to procure any sheep. I suggest that

if these people who are growing wheat were given 100 or 200 ewes each, that would be the means of helping them to make a living. The conditions to which I have referred have endured for many years, and I hope something will now be done to render that assistance to settlers. Other ways of helping them could also be suggested. When the price of wheat is so low, they could even be given a few pigs. Some of the settlers are helping themselves by keeping poultry, and I have been surprised and pleased to see dozens of boxes of eggs coming into the city from the wheat belt.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

### **BILL—PROFITEERING PREVENTION.**

#### *Second Reading.*

Debate resumed from the previous day.

**HON. J. NICHOLSON** (Metropolitan) [5.28]: The Chief Secretary, in his second reading speech, outlined very fully the purposes of this Bill. He also stated it was the outcome of a conference recently held between the Prime Minister of the Commonwealth and the Premiers of the different States. I have found some difficulty in following that statement, in view of the fact that the Bill before us is, to all intents and purposes, a copy of that which came before this House last session but failed to pass. I admit that the circumstances of to-day are distinctly different from those that prevailed when the Bill was considered last session, but even so, that the measure before us, which is almost an exact copy of that rejected last year, is the outcome of the conference between the Prime Minister and the Premiers of the several States, seems hard to understand. In the course of his speech, the Chief Secretary pointed out that at the Federal conference price-fixing was one of the first subjects discussed. One point considered was that State price-fixing authorities should be permitted to take such action as the respective State Governments thought fit, quite outside the price-control scheme to be operated by the Commonwealth. I take it that implies that the Commonwealth



had arranged to pass certain laws and frame regulations dealing with price-fixing and, in addition, the States could take what action was deemed necessary. Members are aware that the National Security Act, 1939, which was passed by the Federal Parliament, was assented to on the 9th September. The Act vests the Commonwealth with very wide powers, enabling the Government to deal with many matters. I have obtained a copy of the Act, together with the regulations framed under its provisions, in order to ascertain exactly what has taken place. I find the legislation applies to all matters arising out of, or in connection with, the present war. The definition clause shows that "the present state of war" means—

The state of war existing between His Majesty the King and Germany during the period commencing on the third day of September, One thousand nine hundred and thirty-nine, at the hour of nine-thirty o'clock post meridiem reckoned according to standard time in the Australian Capital Territory and terminating on the date of the issue of a proclamation that the war between His Majesty the King and Germany has ceased.

Among the powers vested in the Commonwealth Government by virtue of the Act, are the following that appear in Section 5—

(1) Subject to this section, the Governor-General may make regulations for securing the public safety and the defence of the Commonwealth and the Territories of the Commonwealth, and in particular—

(a) for providing for the apprehension, prosecution, trial or punishment, either in Australia or in any Territory of the Commonwealth, of persons committing offences against this Act;

(b) for authorising —

(i) the taking of possession or control, on behalf of the Commonwealth, of any property or undertaking; or

(ii) the acquisition, on behalf of the Commonwealth, of any property other than land;

(c) for prescribing any action to be taken by or with respect to alien enemies, or persons having enemy associations or connections, with reference to the possession or ownership of their property, the conduct or non-conduct of their trade or business, and their civil rights or obligations;

(d) for prescribing the conditions (including the times, places and prices) of the disposal or use of any property, goods, articles or things of any kind.

I shall not weary members by reading out the other powers outlined in the section; the portion I have quoted is sufficient for my present purpose. Voluminous regulations have been issued under the Act and these

deal with a host of matters, which include the fixing of prices for goods. As members were told yesterday, information has been received showing that something like 53 different articles of merchandise or commodities have already been dealt with.

Hon. C. F. Baxter: The number dealt with totals 58.

Hon. J. M. Macfarlane: They include primary lines.

Hon. G. W. Miles: And the items cover thousands of articles.

Hon. J. NICHOLSON: Of the 58 items, many may include hundreds of small lines. I instance "building materials," which will include a hundred-and-one different lines, all needed in connection with building operations.

Hon. G. W. Miles: And hardware.

Hon. J. NICHOLSON: Yes, everything connected with building operations. The same position arises regarding many of the items included in the 58 already dealt with. Furthermore, we have been informed that the list is being added to from day to day. In view of the items listed since the 9th September, the multiplication of those dealt with will be very great. That brings me to the point that I fail to see how the Bill can be, in fact, the outcome of the conference—at any rate, so far as Western Australia is concerned. I ask members to scrutinise the Bill carefully, for I think they will find its effect will be to make the State the authority for the fixing and controlling of prices in every possible avenue of activity. In one of the early clauses reference is made to the Commonwealth law. I wish to emphasise the fact that such a Bill is not necessary to give effect to the decisions arrived at by the Prime Minister and the Premiers at the conference held recently in Canberra. I find it desirable to refer to some of the provisions of the Bill. I do not want to quote them unnecessarily, but, to make the position clear, I may find it helpful to mention some.

The PRESIDENT: I am sure the hon. member will refer to the clauses of the Bill only incidentally.

Hon. J. NICHOLSON: That is so. What I seek to do is merely to make the position clear. The object of the Bill, as its title indicates, is for the prevention of profiteering and other incidental purposes. I remarked yesterday, when discussing a

motion that preceded the introduction of this legislation, that I felt quite sure, and I repeat the statement now, that no member of this Chamber is desirous of encouraging, but will condemn, any attempt at profiteering, and will assist the Government to pass legislation necessary to achieve that very laudable objective.

The Chief Secretary: It does not sound too hopeful!

Hon. J. NICHOLSON: I trust that, by the time I have concluded my remarks, I shall have convinced the Minister of the truth of my words. The Bill contains various provisions and definitions the effect of which, if agreed to, will be that no person will be allowed to sell, or agree to sell, any article at a price other than that prevailing on the prescribed date, namely, the 31st August last. I shall illustrate the effect of such a provision on every trader in Perth.

I believe every trader will seek to carry on his business as far as possible in the customary manner, despite the crisis that has overtaken us. He will also wish to keep his employees at work. He, however, will find himself committing an offence if, having purchased goods to-day in order to replace lines disposed of in the ordinary course of business since the 31st August, he attempts to sell the goods at prices other than those that prevailed on the prescribed date. Not only will he be committing an offence, but he will be liable to a very serious penalty. That phase was dealt with effectively by Mr. Parker yesterday. Members have only to look at the various clauses of the Bill to discover how great those penalties are and to realise the serious position in which the ordinary trader will be placed. I was informed to-day of a trader in this State who, on the 31st August, was able to buy a certain line of goods at the rate of 22s. 6d. a dozen. I am giving this as a simple instance that could be multiplied hundreds of times.

The Chief Secretary interjected.

Hon. J. NICHOLSON: Apparently the Chief Secretary feels I am not justified in bringing this matter before the House, and that I should sit down after saying simply that I concur in the Bill. But I am not going to sit down and concur in a Bill that I contend will destroy the foundations of business and produce unemployment. I propose to assert my right in this House to try to ensure that wise legislation is passed and not unwise legislation such as this.

Hon. J. J. Holmes: Now get back to the goods bought at 22s. 6d. a dozen.

Hon. J. NICHOLSON: This trader was able to buy a particular line of goods at 22s. 6d. per dozen. Last week he negotiated for a further supply—just a replacement—but found that those goods—it was a simple line—could be supplied only at 30s. a dozen, an increase of practically 25 per cent.

Hon. T. Moore: That is because this Bill is a month late. We should have stopped the other fellow. Next month the position will be worse.

Hon. J. NICHOLSON: That was the result of his desire to purchase goods from a manufacturer in the Eastern States; not from someone outside the Commonwealth, but from someone inside Australia. There was another line of goods for which he had paid 32s. 6d. a dozen. That particular line has increased to 54s. a dozen. If that trader were to replenish his stocks and sell at a price to recoup himself for his expenditure, he would be guilty of a serious offence under the Bill. Can anyone suggest that legislation such as this that stipulates that goods shall be sold at the price prevailing at a specified date is of benefit to the community, and particularly the trading community and its employees? Everyone knows that when an event of such gravity as a war overwhelms a nation, business and prices are enormously affected.

Hon. T. Moore: Was that line of goods to which you referred outside the scope of the Federal Act?

Hon. J. NICHOLSON: No. I believe it comes within the scope of the Federal Act.

Hon. T. Moore: Then how did it happen that there was an increase?

Hon. J. NICHOLSON: I will show the hon. member. The position is that the trader made his inquiry from the manufacturer. He desired to replenish his stock but found that he could not replace the goods without paying the higher price presumably allowed by the authority in another State. The Bill in its present form is framed on entirely wrong lines and will be detrimental to the interests of the trading community generally. Consequently it should be amended. Prices cannot be controlled in the manner suggested by the Bill. The State Government is seeking to exercise power over the retailer who buys his goods from outside the State at an enhanced cost due to the circumstances I have mentioned.

That enhanced price is far and away above the price prevailing on the 31st August. The mistake made in the Bill is that the Government has established a commencing date namely, the 31st August.

Hon. T. Moore: Like the Federal Government.

Hon. J. NICHOLSON: The Federal Government is able to do things of that kind because the laws it makes apply throughout the length and breadth of the Commonwealth. I am glad the hon. member mentioned that fact, because it reminded me of something I wished to say. The position is that until such time as industries for the manufacture of these goods are established in this State, any attempt to introduce legislation of this kind in its present form is unwise. But as Mr. Moore has reminded me, I have to point out that in view of the fact that the Commonwealth has seen fit, through the National Security Act and regulations formulated under its provisions to fix prices, the fixation by the State Government of prices on many lines, such as those to which I have referred, is quite unnecessary.

The Chief Secretary: Ridiculous!

Hon. J. NICHOLSON: The Chief Secretary says, "Ridiculous". Perhaps in his reply he will be able to show in what respect my remarks are ridiculous.

Hon. G. Fraser: You have demonstrated that already.

The PRESIDENT: Order! The hon. member may proceed.

Hon. J. NICHOLSON: The Chief Secretary says that my remarks are ridiculous. I should be glad to hear from him in what respect they are ridiculous. I venture to say that no two price-controlling authorities can operate with benefit to the State.

Hon. G. Fraser: What you have said indicates that the Federal Government is evidently not doing the job properly.

Hon. J. NICHOLSON: Mr. Fraser must realise that restrictions which may have been introduced in other States apparently do not apply here. If the State Government had allowed the deputy-controller of prices or the Commissioner to exercise his powers under the Federal Law, he could have fixed prices straight away after the passing of the Federal Act and the receipt of necessary instructions. That, I infer, has been done by the deputy-controllers or commissioners in the other States.

Hon. T. Moore: If he does his job he will have to take up the case you quoted.

Hon. J. NICHOLSON: I will elaborate what I have said. Apparently the deputy-controller of prices in Victoria, where this particular inquiry was made, has fixed a price on a basis that has enabled the manufacturer to quote the same price to traders in this State. Mr. Fraser and Mr. Moore suggest that I have indicated something other than I have been seeking to explain. Perhaps now, however, they will realise how the difference in the price charged by the vendor in Victoria and that formerly prevailing in this State has arisen. Something must be done to overcome the disability under which a local retailer in this State is placed by reason of an addition to the cost of his goods charged by a manufacturer in another State above and beyond that prevailing on the 31st August.

Hon. T. Moore: The man you mentioned may be a profiteer.

Hon. J. NICHOLSON: He is not necessarily a profiteer. I suggest that if the Government deems a measure of this kind necessary, it would be wise to appoint a number of commissioners representative of the various interests concerned, rather than to confine the appointment to one man.

The Honorary Minister: Would not that be unwieldy?

Hon. J. NICHOLSON: It would be less unwieldy than to appoint only one commissioner. Considering all the goods involved in any particular line of business, one realises the gigantic nature of the task to be undertaken by the proposed commissioner. So tremendous a task will it be that one commissioner will not possibly be able to accomplish it.

The Honorary Minister: What about an advisory committee?

Hon. J. NICHOLSON: The difficulty might be overcome by the appointment of an advisory committee, but I consider that the better course would be to appoint more than one commissioner so that the various interests concerned might be represented.

Hon. G. Fraser: Too many cooks spoil the broth, you know.

Hon. J. NICHOLSON: I think that if the hon. member will reflect on the matter he will realise the need for our having more than one commissioner. I observe that the Chief Secretary has placed an amendment on the notice paper. The power sought

under that amendment is probably necessary. I have endeavoured to show what risk a business man here would run if he sold goods at prices other than those prevailing on the 31st August. I remind members that duality of control is not desirable. It would have been better to limit the scope of the Bill to those particular commodities outside the ones being controlled by the Commonwealth. That was the arrangement made at the conference.

Hon. G. Fraser: That is what will happen.

The Chief Secretary: That is the effect.

Hon. J. NICHOLSON: No; this Bill indicates an attempt at State control that will conflict with the control being exercised by the Federal authority.

Hon. G. Fraser: In that event the Federal law would over-ride the State law.

Hon. J. NICHOLSON: True, if there is an overlapping, the Federal law would prevail. Whatever is done, the guiding principle should be the securing of uniformity between the Commonwealth and the States. There is an absolute lack of uniformity between the procedure proposed under this Bill and the action being taken in the other States. I have been informed that similar legislation has not been introduced in the large manufacturing State of Victoria. Nor has a Bill of this kind been introduced in South Australia, where one would imagine that greater need existed for it than in Western Australia.

Let me direct attention to Part III. of the Bill dealing with combines. As was pointed out in another place by the member for Nedlands those clauses are taken from the Australian Industries Preservation Act and really have no fitting application under a Bill of this sort. I agree with Mr. Keenan's observations. The purposes of the Bill—to prevent profiteering—could be set out in a comparatively few clauses and without the introduction of matter such as appears in Part III. which, I venture to think, is not appropriate in a measure of this sort.

The Chief Secretary: For what reason?

Hon. J. NICHOLSON: For a simple reason, which the Minister will find on referring to certain clauses. Clause 17 relates to illegal concessions and Clause 19 deals with illegal monopolies. Every person who monopolises or attempts to monopolise or combines or conspires to monopolise, wholly or partially, the demand or supply of any proclaimed commodity or

the price of any proclaimed commodity shall be guilty of an offence. A remark was made that the Government is the greatest offender in monopolising various commodities. If that is so, I hope the Government will see that the goods sought to be stored up are made available to the people at the prices that prevailed on the 31st August. The purposes set out in those clauses differ from the purposes required to prevent profiteering, and for this reason that portion of the Bill should be eliminated. If traders and business men are to meet the requests of the Prime Minister and of our Premier to carry on business as usual and maintain employment in spite of the war, the Bill will need to be extensively amended in the interests of industry generally. I do not object to the principle of preventing profiteering, but to pass this Bill in its present form would be harmful to the best interests of the State, and I sincerely hope that the Chief Secretary will afford members opportunities to make the necessary amendments.

Hon. G. Fraser: The House will see to that.

HON. W. J. MANN (South-West) [6.9]: I cannot allow this measure to go to the vote without making clear my attitude. To prevent profiteering, whether in time of crisis or at a time like the present, I am firmly convinced that we should take a definite stand. I regard profiteering as a form of robbery, and the man found guilty of such a practice should be severely punished. So far as the Bill deals with profiteering, I am in full accord with it, but I find myself in a quandary when I consider the proposals for price-fixing. I have carefully read the Bill twice, and I seriously doubt whether its provisions could be fully administered, owing to the number of articles to be dealt with, the varying conditions, and the fact that what might be a fair price for a commodity in one place and under one set of circumstances might be an outrageous price in another part of the State. In fact, there are so many governing factors that I cannot conceive how any Commissioner could possibly cover the whole field, and my belief is that the problem might, with greater wisdom, have been approached in a different way.

I have no knowledge of what happened at the Premiers' Conference, but I understand that the Prime Minister and the Pre-

miers investigated the matter thoroughly. However, I consider there is another way by which the goal can be reached—one that has not been discussed so far—and that is by dealing with individuals. The authorities have a record of all business houses, which are registered in some form or other. We have detailed information of all the people conducting businesses in this State, and I think it would be possible to secure from them a statement of the average profit they expect to receive, either on individual articles or on their turnover as a whole. So many factors enter into business today that traders cannot definitely take into consideration when they are pricing-up their goods. If the basis of average profits was accepted, I believe it could, with advantage, be extended to cover a period like the present. I have been told that to estimate certain charges inseparably associated with the transaction of business overseas is almost impossible. I refer, of course, to insurance, war risks, exchange and charges of that kind.

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

Hon. W. J. MANN: Prior to the suspension I was endeavouring to point out that, quite evidently owing to the altered conditions as the result of the war, many business people, and especially importers and merchants, are subject to numerous factors which have a bearing on their costs and are increasing their difficulties to a marked extent. The cost of running some businesses has already risen quite appreciably, and we have to be careful that we do not penalise those people but give them at least some opportunity of recovering part of that additional cost in ordinary trading.

It is remarkable to learn, when the position is analysed, how many things there are having a bearing on business. Take, for instance, the mass of employees called up for military service and now in camp. I know of a case where a tailor has had a fair proportion of his staff called up, and has had to put in other help to carry on. That help, naturally, is untrained, and therefore less valuable than it would otherwise be. Even from that cause there is increased cost which he will have to bear; and in price-fixing care should be exercised not to fix prices that will make the cost of running his business too great. And then there are other factors, some of them small. For instance,

the man who is trading over East and uses aerial postage to a large extent has had his aerial costs increased, even though slightly, in the endeavour to trace supplies. Again, in order to learn who can or will furnish him with certain articles, he has to expend much more money in cables. Thus he is being subjected to additional charges. I think I have already referred to the fact that the serious aspect concerning imported goods is the fluctuation in foreign exchanges. A trader may easily cost his goods on normal or existing rates of exchange, provided he has some knowledge that the position is stable. But there is no such thing as stability in business now from the aspect of foreign trade. He may be trading with, say, America. The exchange on American currency fluctuates from day to day. I think Mr. Dimmitt last night pointed out the difference against us in the last few weeks. If a trader is to carry on his business, he must be given a reasonable opportunity to provide against all these contingencies. Take the importer who sells goods from a foreign country on an indent basis—a country with which we are now at war. To secure his orders he may have to expend quite a deal of money, perhaps hundreds of pounds, in cabling; and now, owing to the war, those orders cannot be fulfilled. There again he will be subjected to a big loss. Therefore I consider that while we agree with the fundamental principle of price-fixing, we must be most careful that in the fixing of prices people who are endeavouring to carry on trade—as the Prime Minister, our own Premier, and everyone else who desires to see the country remain as normal as possible in respect of trading desire them to do—are not unduly penalised.

It has been represented to me that there is a simple and effective way by which the public can be protected, other than by individual fixing of prices. That way would be for traders, merchant houses, and persons doing other forms of business to be dealt with individually on their businesses as a whole. That is to say, if a merchant has estimated to work on an average profit of 33 1-3 per cent. to provide a sufficient gross profit to meet all overhead and running charges and leave him a normal profit, the Commissioner should have power to limit that merchant to his average profit shown over a period of years. The Minister appears to have some unspoken objection to that idea.

The Chief Secretary: A very strong objection.

Hon. W. J. MANN: I think there is at least a vein of sanity in the suggestion. If it were possible for us to deal with individuals and see that the average rate of profit over a number of years, and no higher rate, was maintained, then there could be no objection. The man would then be able to conduct his business, and the rise and fall of commodities on the market would be a matter for himself; and so long as he did not exceed the average rate of profit there could be very little objection indeed. That has been suggested to me as a much simpler and much more effective method than that proposed in the Bill. I am seriously of opinion that it will be found highly difficult to implement the Bill as it is presented to us. The ramifications are so wide, and the conditions are so variable over a great State like this. No doubt conditions in Perth are quite dissimilar to conditions in Kalgoorlie, and Kalgoorlie's conditions dissimilar to Wiluna's, and Wiluna's perhaps dissimilar to those of other places. It seems to me a colossal task for any commissioner to attempt, and I foresee grave difficulties.

I wish to utter a protest against the lack of consideration which has been shown by the Federal authorities in dealing with goods that are being landed, or within the last week or two have been landed, in this State. I have here a statement as to goods arriving from an enemy country, or already arrived thence, and discharged at Fremantle. Those goods are being held up, and traders are refused delivery. One importer, when he endeavoured to clear his goods, was informed that the duty should be paid and the goods released; but he was warned that the matter would be referred to Canberra and considered in relation of trading with an enemy.

Hon. A. Thomson: But that is absurd.

Hon. W. J. MANN: That is the position as stated to me. I am told that under those conditions certain goods were actually delivered, but that in regard to certain other shipments the Customs advised the importer that he should not pay the bank the drafts relating to these shipments but should pay the amounts of them to the Collector of Customs at Fremantle, whose receipt would be a valid discharge for the debt, and that the bank should deliver the bill of lading over against the Collector's receipt. The bank

refused to do that, and this importer was put to considerable expense in the way of telegraphic communication with Canberra and with the bank in Melbourne. In the meantime the importer, in an endeavour to get hold of the goods and hand them to the people for whom he had imported them, went so far as to pay the duty. Finally the bank at Fremantle, on instructions from its head office in Melbourne, agreed to hand over the bills of lading against the Collector's receipt for the amount of the drafts. Upon acquainting the Customs Department of this and offering payment, the importer was informed that he could not obtain delivery of the goods even in that way, the goods being regarded as enemy property. Most of the goods were to be brought to the store and repacked for distribution to customers. The importer's staff is idle, expecting every day that the goods will be released. The importer cannot dispense with his staff. He does not wish to do so; he wishes to comply with the request made to employers by the Prime Minister and the Premier to keep their staffs intact. He cannot, however, be expected to retain an idle staff. That is unfair to him. It is still more unfair that his goods should be held up in this way. The goods having been shipped before the war, there is no question of trading with an enemy; yet this importer is being put to endless expense, loss of time and worry merely because the Commonwealth chooses to take a technical point. The importer was prepared to pay for and receive his goods from the Customs Department. That course was not permitted. He then said he would pay the money to the Commonwealth Government, which could negotiate with the bank. He was prepared to follow any course so long as he could obtain delivery of the goods, which I understand are still at Fremantle. That is further evidence of the disabilities to which traders are being subjected. It is evidence, too, in my opinion, that we should be careful not to deal hurriedly with a Bill of this nature, because otherwise traders will be put out of business. I shall support the Bill, but hope it will be drastically amended in Committee.

HON. C. P. BAXTER (East) [7.43]: I intend to take up very little time in discussing this measure. Those of us who were members of Parliament during the last war are aware of the Commonwealth's powers

during wartime. As a matter of fact, the Commonwealth Constitution gives the Commonwealth complete control of everything within the Commonwealth during wartime; and consequently price-fixing is within its jurisdiction. I ask a simple question: Should there be divided control in the matter of price-fixing? I have not the slightest doubt that the Commonwealth intends to carry price-fixing to the utmost limit. Therefore, this Bill, although it may find its place on the statute-book, will remain inoperative. At the same time, I shall not oppose it, as no harm can be done by passing it. That is my reason for deciding not to speak at length. It will, however, be necessary to explain the Commonwealth's power under the Constitution to deal with the present situation. Paragraph (d) of Section 5 of the National Security Act passed early this month gives the Commonwealth power to frame regulations. The paragraph reads—

For prescribing the conditions, including the times, places and prices, of the disposal or use of any property, goods, articles or things of any kind.

That covers all commodities. Yesterday I read a list of 58 commodities now subject to Commonwealth control. Up till 10 o'clock this morning we had not received notice of additions; but the day before yesterday nine more items were published in the Federal Government Gazette, bringing the total number up to 58, as I have said. That is clear evidence that the Commonwealth will control all commodities. The Commonwealth is working under paragraph (a) of Regulation 59, reading—

For regulating the production, treatment, keeping, storage, movement, transport, distribution, sale, purchase, use or consumption of essential articles, and in particular controlling the prices at which the articles may be sold.

So the Commonwealth has ample power to control prices irrespective of the Bill now before the House. During the last war period I was a member of the Ministry, and so fully appreciate that in wartime the Government must have complete control. The Commonwealth Government should have control of price-fixing throughout the Commonwealth, because the trade of each State extends beyond its borders. Numerous business firms in this State have head offices or branches in Melbourne, Adelaide, Sydney and Brisbane. With Commonwealth control, we shall have uniformity in the commercial world, and this is most desirable. It is in-

advisable to have a price-fixing commission functioning in each of the States. Such control is inconvenient and costly to traders.

One important matter to which close attention should be given is cornsacks. Cornsacks are included in the list published by the Commonwealth, but something more than Commonwealth control is needed. Merchants are taking the stand that they will not run the risk of importing cornsacks. The price fixed by the Commonwealth Government allows a margin of profit of only 4d. per dozen to the importer. The jute trade is a very peculiar business. Merchants import huge quantities of cornsacks which they supply to farmers, but for which they may not be paid for some years; nevertheless the merchants must receive payment.

Hon. J. Cornell: What happened in 1914-18? Ted Russell imported them himself.

Hon. C. F. BAXTER: Ted Russell did not import them. As a matter of fact, I was the Minister in charge of the wheat scheme and my Government guaranteed the merchants payment for the cornsacks which they supplied to the farmers. The money for the purpose came out of the Wheat Pool. Unfortunately, that cannot be done now because the Federal Government is acquiring all Australian wheat. Personally, I think that is a fatal mistake. During the last war, selling and shipping were carried out on a collective basis through the medium of the Australian Wheat Board. There were then four wheat-exporting States; now there are five, as Queensland is exporting 50,000 tons of wheat per annum. Each of the wheat exporting States had its own wheat scheme. There were heavy losses in South Australia owing to the inefficient way in which the wheat was handled there; many hundreds of tons were used to manure the land. In Victoria hundreds of tons were also wasted. That was not our position; the Western Australian Wheat Pool paid the highest return to wheatgrowers. The Commonwealth Government has made a mistake in appointing advisory committees in each State, instead of reverting to the joint control during the last war, but that is beside the question. What will be the position of clients of the Agricultural Bank? The Government has a very important interest in our wheat harvest. I would advise the Government that it should come to an arrangement with the merchants to supply

cornsacks; provision for payment could be made under the Industries Assistance Act. Such a course would ensure the importation of cornsacks this year, and so avoid the storing of wheat in paddocks.

Hon. J. M. Macfarlane: I understand that India is likely to put an embargo on jute goods.

Hon. C. F. BAXTER: That may be so. Another point requiring attention is the system of storing wheat. During the last war period wheat was bagged; now we have the bulk storage system. Not early enough farmers have bags in which to store their wheat should it be necessary for them to retain it for a long period. Reference was made in the Press to the 1917 to 1920 losses. I do not know what Mr. Braine was talking about; he did not himself know. The disaster that occurred in 1917 was due to floods. The fact is that if wheat can be bagged there is less likelihood of loss due to weevil; because if a bag becomes infested with weevils it can be taken out of the stack and the wheat can be reconditioned in the mill. That, of course, cannot be done in the case of bulk handling.

Members should concentrate closely on this Bill, because six months after the termination of the war, although the Bill may then lapse, it can be renewed. This House, as at present constituted, may be changed; opinions may alter. Although the Bill is scarcely worth troubling about and not worth the cost of printing—because we shall be overruled by the Commonwealth—it nevertheless is necessary for us to pass a workable measure that will be suitable for price-fixing in the State should Parliament decide to continue the legislation six months after the termination of the war. I do not intend to oppose the second reading of the Bill, and I do not think any other member will oppose it.

Hon. J. Nicholson: As it is, it might do harm?

Hon. C. F. BAXTER: It might do harm, and perhaps there are some who will say that harm will be done if it is not passed. A sub-commissioner has been appointed in this State, to deal with price-fixing here. He is, however, a representative of the Federal Government, and it is not likely that he is going to side-track the Federal Government, which is paramount, in favour of the

State Government. No doubt he will operate under the Federal regulations, and therefore the Bill now before us will not be of much use to him at all.

Hon. J. Nicholson: What I meant was it might do harm if passed in its present form.

Hon. C. F. BAXTER: If we have to put it on the statute-book let us make a good measure of it.

Hon. J. Cornell: You agree then that amendments are necessary.

Hon. C. F. BAXTER: Absolutely, and here I would like to mention that I have never seen a more badly drafted Bill placed before Parliament.

The Chief Secretary: In what respect?

Hon. J. Cornell: There is too much verbiage to start with.

Hon. C. F. BAXTER: It appears to me that the person who drafted the Bill wanted to make it as voluminous as possible. On many pages there is plain repetition. Anyway, we can deal with that aspect in Committee. Our duty is to make a good workable measure of it. After the Federal Act ceases to operate it may then be necessary to have a price-fixing Act on our statute-book. Price-fixing legislation is a drawback at any time, but in war time particularly we must have it on the statute-book. Control is very necessary, and it will be foolish to attempt to operate without it, because there are always to be found persons who will take advantage of a situation such as that through which we are passing. I am hoping that the moral effect of the action of both Federal and State Governments will prevent exploitation. If a section of the community had not been made to realise that something would be done, undoubtedly there would have been profiteering.

Hon. G. Fraser: You admit, I suppose, that there are cases of profiteering?

Hon. C. F. BAXTER: I do not. But I admit there are a few foolish people who are doing so. Most people, however, will carry on in the ordinary way of business. I shall support the second reading, but I intend to assist in amending the Bill in Committee in the hope of making it a good workable measure, bearing in mind that the time may arrive when such a statute will be needed.

HON. H. V. PIESSE (South-East) [8.5]: As you, Sir, are aware, this House was not sitting on the 22nd September when



we read these headlines in the "West Australian" newspaper—"Emergency Measures;" "State Control of Prices;" "Profiteering Prevention." There was also the announcement that the legislation that it was intended to submit to Parliament was to be made retrospective to the 31st August. I was delighted to read what appeared in the newspaper, because as a representative in this House of the primary producer, and being a merchant, as well as a director of a merchandise business, I realised that the Government intended to submit measures that all regarded as being necessary in war time. I was visiting a show in the country while this House was not sitting last week, and in the course of an address I delivered I said that the Government was to be congratulated on bringing in legislation to deal with profiteering, and particularly in coming to light so early.

The Chief Secretary: To which Government are you referring?

Hon. H. V. PIESSE: The Western Australian Government. The Premier had returned from the conference in the Eastern States and had stated in another place that a profiteering prevention Bill was being introduced. I assure you, Sir, that all the country people were in accord in congratulating the Government on being so prompt, and actually getting ahead of the other States in connection with this legislation. When I came to the House and heard the Chief Secretary introduce the Bill, it was another matter altogether, because the Bill was the Trades Hall measure that we had before us last year. We discussed that measure in this House and fired it out by a big majority. Although its purport was to fix prices, I could not understand how it was possible to again bring it in so suddenly as a war time measure. Only last week a man in Katanning approached me and said, "I should like to draw your attention to the price of second-hand cornsacks. On the 31st August it was in the vicinity of 6s. a dozen." Then he showed me different quotes that he had received and the price was up to 9s. per dozen, an increase of 3s. in a few weeks. The intention of the Government to introduce profiteering prevention legislation must have had some effect on the merchant, because the price was later reduced. That goes to prove that we must have legislation of this nature.

Hon. L. Craig: Will the Commonwealth Act cover the position?

Hon. H. V. PIESSE: There are many matters that have to be considered in connection with price-fixing, and no one knows that better than the hon. member. I have heard several statements in the Terrace that the wool growers are profiteering out of the price of wool. Even if they received a flat rate of 15d., which would be a figure similar to that of the B.A.W.R.A. scheme of 1914, it would not be too high. We all know what a terrible time the pastoralists and stock producers have experienced in this State in recent years, and in fact throughout Australia, brought about by a combination of droughts and low prices. Debts have accumulated and these include overdue rates and taxes. Therefore, only a reasonable price can now assist the industry and place it on its feet. Seasonal conditions will also help and both should provide means to enable the pastoralists to carry on business as usual, to use the words of the Prime Minister. Everyone will admit this. Even my friends who represent the Metropolitan Province say that unless the woolgrower and the primary producer are carrying on successfully, we cannot expect the cities to thrive.

Glancing through the Bill one cannot help recognising a measure identical with that introduced last year in connection with which my friend Mr. Moore took me to task about machinery prices and spare parts. I am aware that some portions of the Bill are of importance and when it reaches the Committee stage we should frame it so that it should be returned to another place as quite a reasonable measure which, when passed into law, will assist to carry out the wishes of the Government as expressed in the newspaper on the 22nd September. This House is in a reasonable frame of mind to accept legislation that will benefit the people. I think I can speak for the mentality of the House when I say that.

Hon. J. Cornell: What do you mean by reasonable?

Several interjections.

The PRESIDENT: Order! I should like to inform members that in consequence of numerous interjections, difficulty is experienced by the "Hansard" staff in reporting what is said in the House. I shall be glad if members will assist the staff in that respect.

Hon. H. V. PIESSE: I congratulate the Government on the appointment of Mr. White to the position of commissioner. The knowledge that that gentleman has gained over many years, particularly in connection with farmers' debts adjustment, will enable him to fill the position in a manner that will give general satisfaction. I also am sure that the State Government is honest in its intentions regarding profiteering and my support will be given in the direction of passing the Bill into law. We must, however, see to it that the measure is returned to another place in a reasonable form. I shall support the second reading.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.14]: Long before war was declared the people of the State were fully prepared for the introduction of a measure to Parliament to deal with the question of profiteering. Like us, however, who have seen the Bill, the people will raise objections to it, that is, in its detail but not to its general application. Everyone realises that a Bill is necessary to control the sale of goods and to stabilise trading conditions. Not only is man power required in this war, but the sinews of war likewise. I refer to "business as usual." To carry on business as usual, and as a means of getting from the trading community that money which is necessary for the conduct of the war, we must have equitable legislation that will fall with elasticity upon all. People in business are not afraid of this legislation, but of the conditions it seeks to impose upon them. They are scared lest one man should control all the functions connected with the new Act. They would prefer to give the Commissioner the right to co-opt other persons possessing the knowledge and experience of particular lines that require to be valued, or some fixed body of persons to act with him, and representing different interests of the trading community.

The Chief Secretary: That authority is already contained in the Bill.

Hon. J. M. MACFARLANE: I have not read it in that way.

The Chief Secretary: It will not take you very long to read it.

Hon. J. M. MACFARLANE: The Bill has been fully discussed. It is open to question whether it would apply in the way

indicated. Were the trading community to receive from the Commissioner the consideration indicated by the Chief Secretary I am sure the other points would be loyally accepted because of the general conditions imposed upon the community. One could talk for a week and only touch the fringe of the difficulties that present themselves in trade. This legislation cannot control neutral countries, from which this State receives a number of goods that it requires. Such countries are already putting up their prices. In the last war period the price of cotton in America went up from 4d. to 3s. a lb. Western Australia imports cotton goods as well as mercery from England. I am told that even under control, prices have already advanced between 20 and 40 per cent. Owing to the difficulty of getting ships into port it is likely that higher priced goods and those of a cheaper price will be on hand together in the same store. The Commissioner will, therefore, experience difficulty in fixing an equitable price without the assistance of experts. Had the Bill dealt only with goods made in Australia the matter would have been simple, but it does not do so. We felt yesterday that the State was drifting too fast, and was not working in co-operation and in step with the Commonwealth authorities and those of the other States. The points made by Mr. Nicholson this afternoon indicated that. If this State were working in co-ordination with the other States we would not find that prices there had gone up from 22s. 6d. to 32s. 6d. for some commodities compared with the local price. We are ahead of the Eastern States, and mistakes that would be almost irreparable are likely to be made.

The Chief Secretary: That shows the necessity for this legislation.

Hon. J. Nicholson: You are beginning at the wrong end.

Hon. J. M. MACFARLANE: Such mistakes could not afterwards be put right. It is unnecessary to continue this discussion at any great length. The Bill must be passed, but I hope in Committee it will be amended in such a way as to make it acceptable to the community.

HON. G. B. WOOD (East) [8.20]: The sooner the Bill gets into Committee the better pleased we shall be.

Hon. G. Fraser: Let us endorse the principle and deal with it in Committee.

Hon. G. B. WOOD: When a similar Bill was before the House last year I opposed it on the ground that it was unnecessary at that time and would prove ineffective. Circumstances to-day are altogether different, and there is no question that something like this will have to be put on the statute-book. Some of us recall the last war when people, especially members of the farming community, were exploited. On that occasion the principal price-fixing was done with respect to primary products. Although the farmer had to pay enormous prices for his bags, petrol etc. the price of his wheat and hay was fixed.

Hon. J. M. Macfarlane: Wheat was fetching 9s. a bushel.

Hon. G. B. WOOD: I am not complaining about that. I am pointing out how the farmers were exploited with regard to the commodities they had to buy. One of our leading newspapers during the last war rose in price from 1d. to 2d.

Hon. J. M. Macfarlane: And it has been kept at 2d.

Hon. G. B. WOOD: Unfortunately the prices are never brought down. Unless legislation of this kind is put on the statute-book we may have to pay 4d. for our paper. I do not hold with the sentiments expressed by Mr. Dimmitt. It is all very well to say that things will work out in the end as a result of competition, and that there generally exists some levelling factor that causes everything to come right. That is not so on an occasion such as this, and I was sorry to hear such sentiments expressed. War creates a shortage of goods, and the price then goes up. The exploitation of the farmers was referred to last year by Mr. Moore. He mentioned particularly machinery and parts of machinery. I hope very close consideration will be given to the dealings of machinery firms in respect of parts sold to farmers.

Hon. L. Craig: The cost of parts in America has increased 50 per cent. already.

Hon. G. B. WOOD: Most of these parts are now made in Australia. This legislation will have to be Commonwealth-wide otherwise it will be valueless, particularly in the case of goods imported from the other States. Unless the legislation is made uniform throughout Australia I can see very little good in it. In Committee every clause

will require earnest consideration so that, as Mr. Baxter said, we may put on the statute-book an Act that will be really good. I support the second reading in the hope that full consideration will be given to the Bill in Committee.

**HON. L. B. BOLTON** (Metropolitan-Suburban) [8.25]: As most of the ground has been covered by previous speakers I shall not long delay the House on this question. Although I support the second reading the opinion I have already expressed, that price fixing is primarily a Federal matter, is unchanged. The Government would have been well advised to delay the introduction of this measure. I am particularly opposed to the Bill because of its retrospective effect. If it is allowed to pass in its present form, the prices ruling for all commodities will be those ruling on the 31st August last, until such time as the Commissioner alters them. I am referring principally to commodities that are not fixed either by the Federal legislation or by regulation. There is a danger that the whole of the business community will be disorganised as a result of such unfair treatment. I join with other members in an earnest desire to see that all profiteering is prevented while the war is on. I well remember the last war and what happened then. Mr. Cornell echoed my sentiments when he said that such things must not occur during the present crisis. In a measure of this kind both sides must be considered. I would not like to think that the Government had not that point of view in mind when introducing the measure. Certain amendments are to be brought forward in Committee. I agree with the previous speaker who said that every consideration must be given to the clauses of the measure, some of which are unfair and will work harshly. I would even support the infliction of heavy penalties in proven cases of profiteering. It should be possible to impose a fine or provide for imprisonment, as well as the forfeiture of profits improperly made. I support the second reading, and hope that in Committee the Bill will be amended along the lines I have suggested.

**HON. H. SEDDON** (North-East) [8.28]: It is obvious that the Bill will pass the second reading, and that the House has agreed upon the desirability of controlling profiteering or the exploitation of the

people of this State in this time of war. Nevertheless, we are justified in criticising the machinery by which it is proposed to give effect to the many steps that will have to be taken, both in this and every other part of the Empire, if we are to come successfully through the struggle. We are engaged in a struggle with a strong, ruthless and determined opponent, who has been contemplating and preparing for this war for many years, who has organised the whole resources of his country economically, as well as those other factors dealing with military activities, with the object in view that sooner or later he would challenge those countries that were opposed to his objectives. This evening I wish to stress the amount of loose thinking that occurs with respect to profiteering, in the endeavour to make the public understand how much more economic laws affect prices than does the culpability of persons associated with the selling and distribution of commodities. Without doubt much war hysteria is apparent to-day.

Hon. G. Fraser: And some of it has been displayed here.

Hon. H. SEDDON: There is much hysteria with regard to the exploitation of the people. Only too frequently are people blind to the very factors that necessarily influence the operations of Governments to continue the organisation and advancement of the productive power of the country toward the all-important end of securing a successful conclusion to the conflict in which we are now engaged. So much of the rise in prices is due to the wastage of war, so much to disorganisation caused by the diversion of a large proportion of our needs that, in the ordinary course would percolate through the customary channels of trade to meet the requirements of the community generally. If we were to have a close investigation, such as I hope will result from the passing of this legislation which has been introduced to enable an inquiry to take place, we would probably find that the greatest culprit regarding increased prices is the Government of the country, not as the result of voluntary action on its part, so much as that its hands are forced because of the conditions with which it is confronted.

Hon. J. Cornell: The difference between us and our opponents in the war is that Germany has foreseen that, and organised accordingly.

Hon. H. SEDDON: The hon. member has put the position very plainly, and, as I shall point out in the course of my remarks, the tremendous efforts that have been made in that country have enabled Hitler to organise the strength of Germany to a degree never attained before. That was done because he benefited by the lessons of the Great War. He assumed power that, in any democratic country the majority of the people would be loth to place in the hands of a Government. We always remember the results of the last war. The Australian pound had depreciated to less than half its value when we entered upon hostilities. The greater proportion of the devaluation that has taken place was due to the effects of that war which took from behind that currency the wealth that supported it, both by destruction and by the inflation necessary to meet the demands of the war, not perhaps on the soundest lines but on those that the Government felt would be acceptable to a community that did not understand the economic laws with which it had to contend.

Hon. J. Cornell: No one can realise the the wastage of war unless he has been in close proximity to it.

Hon. H. SEDDON: That is what must have been brought home to men engaged in actual operations at the seat of war. We are faced by a strong and ruthless opponent, who is determined to carry the struggle on to victory. That position is little understood today. Much will have to be done if the nation is to be victorious. Much will have to be done in exercising rigid control over all production. There will have to be rigid determination and a drive by the people themselves towards that successful end. Failing that, we shall witness an unsuccessful result to the struggle, unsuccessful from the standpoint of our nation.

I do not know whether members have studied the record of the efforts that have been made in Germany in the economic and military spheres. A report on that subject has been freely circulated in the overseas Press. In a recent English banking review, the whole position was clearly and fully demonstrated. I recommend that that report be put into circulation throughout this country. It was embodied in the "Manchester Guardian's" half-yearly commercial review. The report dealt mainly with

banking matters, and pointed to the preparations Germany had made in anticipation of the present struggle in Europe. The manner in which Germany exploited the credit system was indicated, showing how the Germans trapped the surrounding countries, first of all by arranging barter agreements with them. Then they unscrupulously exploited those agreements by manoeuvring the countries concerned into the position of creditors. They forced further trade upon those countries by indicating that they could not meet the credits granted in the past, until their exports were accepted and still further credits could be made available in the future. The Germans exploited credits to a degree hitherto unimagined. One is astounded at the ramifications of the system under which trade between the countries involved has been carried on. In Germany itself the Nazis have completely directed the internal economy, absolutely controlling all savings and all sources of wealth and means of circulating that wealth, to a degree that is not understood even yet, except by a very few of those high in the sphere of finance in the British Empire. Control is exercised over the workers that, if suggested in our country, would promote widespread industrial trouble.

Workers in Germany have to labour for long hours and are hard driven. There can be no question of dissatisfaction with conditions. A worker giving any indication of discontent simply disappears. Such are the conditions under which Germany is dragooned and regimented. So it is that the wealth of the British Empire, widespread and vast though it be, will perforce have to be handled in a manner far removed from the slipshod methods that characterised our operations in the past. I am afraid that our policy of freedom to trade and untrammelled activities will have to be set aside for the time being in face of our greater need. Therefore a Bill of the type under discussion, though not perhaps in the exact terms outlined, must provide the Government—we must regard the Government as being reasonable—with the necessary authority to enable it put the country into shape to face up to the inevitable.

Hon. J. CORNELL: The process may be hard; that is inevitable too.

Hon. H. SEDDON: We must discriminate and ascertain what are the various factors

that will necessarily operate to raise prices of commodities, so that there will be no question of undue and unfair blame that too often was apparent in the past through ignorant and incorrect thinking. The machinery that the Bill proposes to establish will demonstrate, if honestly and clearly administered, just exactly what factors are operating to force up prices in Western Australia, and under that system, if the Commissioner carries out his work along the lines I suggest, we shall see that he will have to adjust and readjust prices as various economic factors operate, factors that are in evidence even today. They will become more stringent and more urgent as time progresses. I am positive that the passage of such a measure will have two effects. One will be to demonstrate clearly the influences that are operating; the other is that it will serve to educate the people, who are badly in need of such direction, regarding the economic laws that are as immutable as any other natural laws operating in this world of ours. If the measure has that effect, its value will be undoubted.

Criticism has been launched against the Bill. Undoubtedly it contains clauses that, if operative, will act unfairly in their application to those engaged in trade and commerce. I am quite satisfied that members of this Chamber, when considering the Bill, will be actuated by a desire to make it as fair in its incidence as is possible. Little good can be achieved by endeavouring to ascribe improper motives. In the past we have known too much of that tendency. It was characteristic of the last war period to a degree. I am satisfied that it was due then to the ignorance of the people at the outset, and the tendency was encouraged by people who were the enemies of our nation, and who desired, through the promotion of discontent, to make the Empire weaker in the struggle in which it was engaged. We must approach a consideration of the Bill with clear intentions.

I contend that the measure embodies clauses that will operate unfairly and will require amendment. With the general principle we are all in agreement. We must exercise control over prices, if only from the standpoint of the necessity to place Western Australia on a basis far more efficient than is apparent at the present juncture. That must be done in order that we may emerge successfully from the disastrous war that has

been forced upon us, not because of any wish on our part, but because we feel the duty incumbent upon us to enter the fight for the liberty of our fellow-men, in enemy countries as well as in those of the Allies.

The Chief Secretary: Can you suggest any particular clause that will have the effect you suggest?

Hon. H. SEDDON: That phase can be dealt with more particularly during the Committee stage. Speaking off-hand, I think the proposal to apply the provisions of the Bill retrospectively to the 31st August, unless accompanied by a certain amount of elasticity granted to the commissioner, will undoubtedly work hardship.

The Chief Secretary: You know that that provision is included in the Commonwealth legislation?

Hon. H. SEDDON: I do. I know that condition is embodied there on account of the objective to which I made reference in my opening remarks. That objective is to raise Australia to a position in which it will be able to make the best use of its resources. For my part, I wonder if that result could not have been attained more simply but just as effectively by adopting the principle of limiting profits and confiscating all returns above that limit. Having regard to the fact that various businesses have varying rates of turnover, what would be an exorbitant profit in one business would be quite legitimate in another.

Hon. A. Thomson: That is quite so.

Hon. H. SEDDON: Let me give the House an illustration. Take a grocery shop in connection with which the general principle governing operations is that stock shall be turned over 12 times in 12 months. The rate of profit on commodities sold in that shop obviously must be much lower than the rates of profit essential in a shop where articles are sold, in relation to which the turnover in 12 months is once or twice only. That illustration alone will indicate to members that the business is fairly complicated, and for that reason I endorse the proposal that, in order that the commissioner may carry out his work properly, he shall have the benefit of the advice of men experienced in business activities. I was glad to hear the Minister say that the clause in the Bill dealing with that phase will be put into operation. Members would be wise if they

defined in the Bill the type of man to be chosen to assist the commissioner to carry out his duties.

The Chief Secretary: How could that be done? No one could possess wider powers or authority than is provided in the Bill. The commissioner will be able to consult anyone, and to authorise others to act on his behalf.

Hon. H. SEDDON: I think the best parallel we can cite is the position occupied by a judge of the Arbitration Court. Before him are placed details regarding an occupation or vocation, and he is asked to decide upon the conditions that shall obtain. In making his adjudication he has the benefit of the assistance of men engaged in those industries who plead before him on one side or the other, and to help him to arrive at a fair determination in regard to rates of wages he has two men on the bench with him, one of whom represents the industrial side and the other those engaged in the management of production. The principle adopted in the Arbitration Court could well be embodied in this Bill. A clause could be inserted to provide for something of a similar nature. Simplification could be obtained and much time saved if we adopted those principles that are accepted in business practice, and laid down a general rule governing the standard of profit and providing for the confiscation, for the benefit of the community, of excessive profits. Much was said about profiteering during the war of 25 years ago, but one very cynical statesman on that occasion remarked, "After all, we let them make their profit and we take it from them by means of taxation."

The Honorary Minister: They took some of it.

Hon. H. SEDDON: Members should realise that there is an "afterwards." While wars tend to raise prices and disturb conditions, economic conditions are even more involved and widespread when the wars finish. Many people who at the end of the last war were in a position of comparative affluence, found themselves—through the disorganisation that followed—reduced to positions of comparative poverty.

Hon. J. Cornell interjected.

The PRESIDENT: It is impossible to hear what the hon. member interjects, and interjections make it extremely difficult

to report what is said. I do wish the hon. member, as Chairman of Committees, would set a better example to the House.

Hon. H. SEDDON: There was one matter touched upon by Mr. Cornell last night that I think could well be mentioned at a time like this. He pointed to the necessity for adequate provision being made for a fair deal to be given to the man who is risking not profits or a business but who is risking his all by volunteering to defend his country. One of the worst features associated with the termination of the last war was that many men went to the Front, and even if they returned comparatively unscathed, they lost four valuable years of their careers as civilians. More than that, some of them came back to find their places occupied by men who had remained behind.

Hon. A. Thomson: Quite true.

Hon. H. SEDDON: The Government would be well advised to introduce a Bill designed to obviate that state of affairs in the future. Legislation of that description is more important than legislation to control profiteering. Consequently I hope the words of the hon. member will bear fruit. Although the Government itself has set an example and many business firms of this city and in other parts of the State have emulated that example, there will always be a few people who are not influenced by the soundest and fairest examples and who have to be dragooned into doing what is a fair thing.

The Chief Secretary: Do not you think that the Government has already set an example in that regard?

Hon. H. SEDDON: I have just stated that the Government has already set an example.

The Chief Secretary: I beg your pardon. I misunderstood you.

Hon. H. SEDDON: I also stated that several firms have followed that example.

The Chief Secretary: That is all right, then.

Hon. H. SEDDON: I further declared that there are people who have to be dragooned into doing the fair thing, and I repeat it would be sound policy on the part of this Government to introduce legislation with that object in view, legislation equally important, if not more important than, measures dealing with profiteering.

Hon. J. J. Holmes: What legislation would you suggest?

Hon. H. SEDDON: Any man who volunteers for active service should not only be assured of getting his place back but when he returns he should be assured also of retaining his seniority.

Hon. A. Thomson: That is very important.

Hon. H. SEDDON: He should be given a reasonable opportunity to catch up with the fellow who has remained behind and who has gained experience and earned the right to promotion by reason of the fact that someone else went away to fight for him.

The Chief Secretary: Do you suggest there should be legislation of that description to govern private enterprise?

Hon. H. SEDDON: I certainly do.

The Chief Secretary: I do not think you would get many supporters for such legislation in this Chamber.

Hon. H. SEDDON: I would not like to say that. From what I have seen of members of this House I am satisfied they would give such a proposal serious consideration. I am sure such legislation would have warm support. I have that much confidence in the members of this Chamber. I trust the Bill will be amended and made more efficient and in some respects fairer than it appears at present.

HON. J. J. HOLMES (North) [8.52]: I would not have spoken on this measure but for the remarks of the previous speaker relating to men returning to the positions they formerly occupied. Listening to the Chief Secretary introducing the Bill, one would have thought that the only profiteers were tradespeople and the only genuine 18 carat folk were those connected with Trades Hall organisations. I am associated with two or three very big concerns in this city and the rule adopted by those companies is that when men are called up for training, in the first instance they receive full pay in addition to their military pay. If their term of service is extended they receive from the companies the difference between the military pay and their usual salary. If they go abroad on service and come back well and sound they are told in writing that their old positions are waiting for them. I mention that to indicate that traders and business people are not the mercenary crowd some members would lead us to believe.

Dealing with the Bill, the more I consider it the more sceptical am I about the

need for it. As a greater authority than I once said, "You cannot serve two masters." How we are going to avoid conflict if we have a Federal measure controlling prices and a subsidiary State measure, I do not know. The Minister took Mr. Nicholson to task when he was illustrating what was happening in the Eastern States. He said that those occurrences were justification for the Bill. What was said demonstrates the difficulties that will arise. It appears that manufacturers in the Eastern States are entitled to charge what they like for their goods, but the retailers of Western Australia are to be able only to charge the price that prevailed on the 31st August, irrespective of what the goods cost them. Unless we are careful, disaster will follow the passage of this Bill. Surely we do not expect people to run the risk of carrying on business at such a time as this, only to be told subsequently that there shall be no profit for them. Surely we do not expect them to be prevented from making profits and at the same time to be prepared to continue employing workmen at the same rates of pay. They are prepared to pay the same wages and retain their employees if they can trade in the ordinary way; but not otherwise. I travel through this country a great deal. Last week-end I saw wheat fields such as I have never seen for many years in this country, but I do not think we have the bulk handling accommodation to deal with that wheat. My theory is that we will not be able to obtain the bags for it, either.

Hon. A. Thomson: I am sure we will not.

Hon. J. J. HOLMES: I have heard that one man received a cable from Calcutta in which he was offered £300 to cancel a contract for the supply from Calcutta of bags, which are wanted at the other end of the world for use as sandbags. The merchant concerned is faced with the position that he must live. He has this sword—this profiteering Bill—hanging over him and he will be a fairly patriotic man if he does not accept the £300 and cancel the contract.

The Chief Secretary: He will not have much regard for his clients if he does.

Hon. J. J. HOLMES: We are aware of the Chief Secretary's definition of a profiteer. He considers that traders are profiteers. I have my own definition. I travel throughout this country day after

day and week after week and the biggest profiteers I have seen have been the men working on the roads and elsewhere who never attempt to earn the money they are paid. I do not know of a worse class of profiteer. I remember that there was once a big Government job on which many men were employed. Somebody approached the foreman and said, "How many men have you working on this job." He replied, "About half of them." On the Perth-Fremantle road, where men are supposed to be working, a passer-by can see one man smoking a cigarette, another lighting one and half-a-dozen others—

The Honorary Minister: The critics of those men would not last 10 minutes if they tried to do the same work.

Hon. J. J. HOLMES: I am annoyed that men holding responsible positions as Ministers of the Crown should lead the country to believe that the only dishonest people in the land are the traders.

The Chief Secretary: That has not been said.

Hon. J. J. HOLMES: On the contrary, the traders are just as anxious to do the right thing as anybody occupying a position on the Treasury bench or associating with the Trades Hall. One would think from the Chief Secretary's remarks that the Bill emanated from the Premier's conference. Nothing of the kind. It emanated from the Trades Hall.

Hon. C. F. Baxter: It is not a wartime measure at all.

Hon. J. J. HOLMES: It emanated from the Trades Hall.

The Chief Secretary: I think you will have to qualify that statement.

The PRESIDENT: The Chief Secretary will have an opportunity to reply later on.

Hon. J. J. HOLMES: The Minister stressed the point that the Premiers had agreed to introduce similar price-fixing measures. Probably Mr. Menzies said to the Premier, "Go away and do that if you like, but we are going to have our over-riding measure and will do as we think fit." Let members realise that Labour Premiers, for 15 or 16 years, have been trying to get legislation of this kind passed by Parliament. Here was an opportunity to get legislation that appeared in Labour's platform—the Honorary Minister told us that last year—an opportunity for the Trades Hall to rush



in and say, "This is what we want. See whether you can get away with it; suspend the Standing Orders and get it through before the Council wakes up." Thank God we did wake up.

The Chief Secretary drew a comparison between the drastic action being taken by the Federal Government and the moderate action proposed by the State Government. To hear him speak, one would be led to believe that the State Government was responsible for the defence of the country. Of course the State Government has no such responsibility. Its function is to attend to the domestic affairs of the State. The Commonwealth Government will conduct its part in the war in its own way. Surely, while the war continues, the Government does not propose to abandon the policy on which it won the recent election, namely, an increase in the secondary industries of this State! Surely, if Labour proposes to carry on the affairs of the State, it is not going to do that! But how can we expect to manufacture goods in this State and compete with the manufacturers of the Eastern States when all sorts of conditions are being imposed upon our traders that are not insisted upon elsewhere? The Minister for Labour filled columns of the newspaper in telling us what the manufacturers were going to do in this State under his supervision, and on the very same day, Mr. Trainer of the Trades Hall pointed out to the manufacturers whom the Minister expected to come here that we had the highest basic wage in Australia, the shortest working hours and the best conditions. If I were a manufacturer thinking of starting business in Western Australia, and I read those statements in the Press, I would say, "Can I cancel my passage? It is of no use my going to that State."

While all these derogatory remarks have been made about the traders, there has not been one word from the occupants of the Treasury bench or from their supporters as to what the people on the other side of the fence are likely to do. May I point out that in New Zealand, where the Labour Party is in power, hours of labour have already been extended. New Zealand has reverted from the five-day to the 5½-day working week. If it were suggested to the men behind this gun—or perhaps I should

say behind this Bill—that a similar alteration should be made to meet the difficulties confronting us in this State, there would be such a howl throughout the country as would rend this Chamber in twain. The Government should understand that if it touches profits, cuts down business and prevents people from carrying on their trading, unemployment will be created and increased, and that is the last thing we want in Western Australia. Trade must be carried on. Merchants and others engaged in trade must provide sufficient supplies of every description for the people. They ought to be encouraged to do so, but the passing of this measure will have the opposite effect.

When, during the depression period, we passed special legislation to meet the difficult conditions then prevailing, we went ahead a little too fast, just as we are asked to go too fast on this occasion. The Mortgagees' Rights Restriction Act has been a curse to a number of people of small means who put their money out on mortgage and now want it to live on. We in this State, I am advised, reversed the principle adopted in the Eastern States. There the mortgagor was required to apply to the court for relief; here the mortgagee has to apply to the court if he wishes to recover his money.

Hon. G. Fraser: Which clause of the Bill deals with that subject?

Hon. J. J. HOLMES: The mortgagor is the man that needs relief; if relief is needed by a mortgagor, he is the man that should make the application. If we allow this legislation to pass, we shall find ourselves confronted by a serious difficulty. There will be one set of conditions operating in the Eastern States, another set of conditions operating in this State, and the Commonwealth's proclamations and regulations will be over-riding the lot. I am more than ever convinced that we should allow the Commonwealth Government to exercise sole control in the prevention of profiteering, and we should devote our attention to other matters. If this measure is placed on the statute-book, it will be mere camouflage—something that might please the people but will not get them anywhere.

HON. V. HAMERSLEY (East) [9.8]: I assume that the Bill will pass the second reading, but I should like to indicate some amendments that ought to be made in Com-

mittee. One outstanding point that must be considered is the attitude that will probably be adopted by those traders who are placed under control. The proposal is to set up a dictator. He will have to deal with numerous large trading concerns having their capital employed in many and varied businesses. He cannot possibly control the heads of those businesses, who will be concerned with purchasing goods, not only in the Commonwealth but also in other parts of the world. Between the commissioner and the executives, differences of opinion will inevitably arise. The advisers of business houses will be putting up propositions to the heads, and they must necessarily come into conflict with the commissioner under this measure.

Seemingly no provision is made for right of appeal in the event of a deadlock occurring. That being so, the tendency would be for a trader to curtail his activities as much as possible, or even close down his business. I can find no proposal in the Bill to give the right of appeal to any authority except the Minister, and he, I take it, will back up his own official—the commissioner. Some form of appeal should be allowed, because quite a number of traders will be affected, and some of them will probably close their businesses. I have come into touch with traders who ask, "When is Parliament going to clean up this obstruction that has been placed in the way of our business. We have decided to retain only a skeleton business here. The Government is competing with us through its trading concerns, which do not have to pay taxes and which thus create unfair competition. Yet, on top of that, the Government is trying to put this legislation over us."

I am satisfied that many businesses will be closed down and that people who would have embarked upon big business will refrain from doing so. Consequently the people generally will suffer greatly through the imposition of these restrictions. Traders are not going to continue in business if they are not permitted to earn a reasonable profit on their transactions, and make provision to meet the losses likely to be sustained when the war ends. They remember well what happened at the close of the last war. They had large stocks of goods on hand and lost huge sums of money on them. In view of the restrictions proposed under this measure, they are nervous of ordering goods because, with the rapid rise of prices else-

where, they cannot tell what increased costs will have to be met. This measure is to operate for the duration of the war and six months thereafter, and throughout that period the uncertainty will continue. Before the Committee stage is completed, provision should be made for an appeal from the decision of the commissioner. I can only hope that the Bill will fulfil the desires of those who are so anxious to have it passed into law. As has been pointed out, the Government showed great eagerness to put a similar Bill on the statute-book when there was no war. Now that there is this clamour for putting something of the kind on the statute-book, I have no wish to oppose it.

**HON. A. THOMSON** (South-East) [9.16]: The House is faced with this position, that were it not for the war the Bill before us would receive short shrift here. In view of the fact that Australia is facing a highly difficult period, the general consensus of opinion in this Chamber is that the Bill is necessary and must be enacted. The point just raised by Mr. Hamersley is well worthy of being noted by the Chief Secretary. It relates to one of the weaknesses of the measure. There should be an appeal. Surely some attempt will be made to bring that appeal into being before the measure is passed. I desire to congratulate Mr. Seddon on his speech dealing with the difficult position in which this State and the Commonwealth find themselves. Before the war is over we shall unfortunately have to adopt many measures to impose control in numerous directions. I endorse Mr. Seddon's remark that an effort should be made to ensure that those men who go away so that we may retain our liberty should be enabled, as far as is humanly possible, to find on their return that they have not paid too great a sacrifice in respect of their future. That is one subject in regard to which I see many difficulties. While some say that employers must make up the amount of remuneration which volunteers will lose when in receipt of military pay, others express different views. What is argued may apply to numerous companies which may be able to pass on the expense involved in making up the margin between military pay and wages or salaries; but it must not be forgotten that those who heed the call to carry on their businesses must put on other

men for the work hitherto done by the volunteers. Thus the cost of administration in such businesses will be increased. That is a weakness I see in the measure, since prices are to continue to be what they were on the 31st August. Such a price fixing proposal is not practicable. It cannot be carried out if justice is to be done to firms who are desirous of doing justice by employees who have enlisted.

The Chief Secretary: The Bill does not deal with that aspect.

Hon. A. THOMSON: I know that. However, that is what has been stated. We find a Federal Minister declaring that firms who do not pay will be blacklisted. I am merely dealing with a phase of the situation to which attention has been drawn by Mr. Seddon and also by Mr. Cornell. Let me point out also that to many men an idea is being conveyed that the making-up of the difference in rates of pay will apply not only to the training period, but also during active service. That will not be possible for many firms. Certainly there are branches of industry in which it is out of the question to continue to pay employees who are playing their part in the war. If that financial responsibility has to be faced, it should be faced by the country, by the taxpayers as a whole. We know that we must encounter increased taxation in every direction.

I do hope the administration of this measure will be such as to cause the minimum of friction and the maximum of possible satisfaction. I have every confidence in the agent appointed by the Commonwealth. He has proved himself most capable in the various positions he has held. But one of the greatest tasks ever placed on his shoulders is that of administering this measure with justice to the whole of Australia. It is a highly difficult task. It will be quite easy for the Commonwealth agent to arrange prices in the metropolitan area, but let us take him along the Great Southern. Railway freights increase as distance from Perth increases. It would be utterly unfair to say that prices fixed in the metropolitan area should also rule in country districts. The Chief Secretary no doubt will reply that that aspect will receive consideration. The Minister has said it is ridiculous to suppose that one man will deal with the whole matter. I consider there should be a board.

Hon. J. A. Dimmitt: And a competent board, too.

Hon. A. THOMSON: The matter is one that will affect the financial stability of many of our taxpayers. However, as I indicated in my opening remarks, the emergency upon us is a most pressing one of war conditions, and that emergency enables the Government to pass through this House a measure resembling that which last session was turned down by an overwhelming majority. Though I opposed that measure, I support the second reading of this Bill hoping that it will be possible to mould the legislation in as satisfactory a manner as possible, recognising that all sections of the community will have to make great sacrifices to meet the position confronting us.

On motion by the Chief Secretary, debate adjourned.

*House adjourned at 9.23 p.m.*

## Legislative Assembly,

*Thursday, 28th September, 1939.*

	PAGE
Question: Government House domain, as to erection of public buildings	905
Bills: Land Tax and Income Tax, 1A.	906
Financial Emergency Tax, 1R.	906
Financial Emergency Tax Assessment Act Amendment, 1R.	909
Death Duties (Taxing) Act Amendment, 1R.	906
Administration Act Amendment, 1R.	906
Railway Level Crossings, 3R.	906
Increase of Rent (War Restrictions), Com. recom., reports	906
Workers' Compensation Act Amendment, 2R.	910
Metropolitan Milk Act Amendment, returned	911
State Government Insurance Office Act Amendment, 2R.	911
Annual Estimates, message, Financial Statement for 1939-40	912

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

### QUESTION—GOVERNMENT HOUSE DOMAIN.

*As to Erection of Public Buildings.*

Hon. C. G. LATHAM asked the Premier: 1, Is it a fact that preliminary work in connection with the erection of public build-