

Queensland



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[Hansard]

Legislative Assembly

FRIDAY, 8 NOVEMBER 1946

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Mr. SPEAKER (Hon. S. J. Brassington, Fortitude Valley) took the chair at 11 a.m.

QUESTIONS.

DROUGHT RELIEF FOR CANE-GROWERS.

Mr. MAHER (West Moreton), for **Mr. NICKLIN** (Murrumba—Leader of the Opposition), asked the Premier—

“1. What are the details of the drought-relief scheme for sugar-growers?”

“2. As the drought has seriously affected the c.c.s. content of cane, as well as the actual tonnage produced, will he include in the scheme provision for assistance in cases where the return to the grower is less than a specified amount because of the poor quality of the cane caused by drought conditions?”

Hon. E. J. WALSH (Mirani—Minister for Transport), for **Hon. E. M. HANLON** (Ithaca), replied—

“1 and 2. Relief will be granted under the Drought Relief to Primary Producers Act of 1940, and will be administered by the Corporation of the Bureau of Rural Development. Drought relief will be granted to assist persons in necessitous circumstances for—(a) Purchase of cane plants; (b) cultivation, preparation, and planting; and such relief will be granted direct to growers or through the sugar mills. The terms regarding the payment of interest and principal will be the same as at present operating in the relief to the dairying industry, viz., interest free for the first 12 months and thereafter at the rate of 2 per cent. per annum, and the payment and redemption instalments to be not less than 5 per cent. of their cane payments after a fixed date to be determined. Advances of £200 will be made with a proviso that if an advance is required in excess of this amount the matter must be specially investigated, and that the assistance be limited to growers who harvested not more than 400 tons of cane during the 1946 season.”

COST OF PHYSIOLOGY BUILDING, BRISBANE.

Mr. MACDONALD (Stanley) asked the Secretary for Public Works—

“What was (a) the estimated cost and (b) the actual cost of the new physiology building in William Street, Brisbane?”

Hon. H. A. BRUCE (The Tableland) replied—

“(a) £14,583; (b) as all accounts in connection with this work have not yet been received, the actual cost is not yet available.”

INDUSTRIAL MATTERS, HARBOURS AND MARINE DEPARTMENT.

Mr. PATERSON (Bowen) asked the Treasurer—

“1. Is the Harbours and Marine Department a member of or affiliated with the Metal Trades Employers' Association of Queensland?”

“2. Has Mr. Grounds, the secretary of this association, at any time acted as representative of the department on the board of reference appointed to hear or inquire into disputes between the department and any of its employees?”

Hon. J. LARCOMBE (Rockhampton) replied—

“1. No.

“2. Mr. Grounds was not at any time the fully authorised representative of the Department of Harbours and Marine on the Board of Reference. Instructions have been given for the appointment of an officer of the Department of Harbours and Marine to represent the department on the Board of Reference.”

SHORTAGE OF POULTRY FEED, TOWNSVILLE.

Mr. AIKENS (Mundingburra) asked the Secretary for Agriculture and Stock—

“In view of the difficulty being experienced in Townsville at present in procuring recognised poultry food and suitable substitutes, will he have immediate inquiries made with a view to relieving the position?”

Hon. H. H. COLLINS (Cook) replied—

“Following representations made by the hon. members for Townsville and Kennedy, arrangements designed to provide feed grains for commercial poultry farmers were made by my department in co-operation with the Food Control Directorate of the Department of Commerce and Agriculture and the Atherton Tableland Maize Board.”

FETTLERS' COTTAGES.

Mr. AIKENS* (Mundingburra) asked the Minister for Transport—

“What provision has been made in the present year for the erection of fettlers' cottages, particularly in those well-established camps where married fettlers and gangers have been living for years in makeshift accommodation, constructed of canvas, bags, and loose galvanised iron?”

Hon. E. J. WALSH (Mirani) replied—

“The provision separately shown in the current year's Loan Estimates of expenditure for cottages for employees, which is inclusive of fettlers, is £18,500.”

SHORTAGE OF CEMENT, TOWNSVILLE.

Mr. AIKENS (Mundingburra) asked the Premier—

“Owing to exhaustion of stock and impossibility of procuring further supplies of cement, protection works costing £6,000 at Aplin's Weir, approaches to Ross River traffic bridge costing £2,000, and the sea retaining wall costing £5,000, at present being undertaken by the Townsville City Council, will be imperilled in the coming wet season if the council cannot immediately secure 100 tons of cement, will he make immediate inquiries with a view to affording relief?”

Hon. E. J. WALSH (Mirani—Minister for Transport), for **Hon. E. M. HANLON** (Ithaca), replied—

“This matter has already been represented to me by the hon. member for Townsville. Inquiries were duly made and arrangements completed by the Co-ordinator-General of Public Works with the Queensland Cement and Lime Company Limited, Brisbane, to rail next week to Townsville distributors 50 tons of cement for these projects and a further 50 tons 14 days later. I understand that the hon. member for Townsville has already communicated to the Townsville City Council the result of his representations.”

PICTURE THEATRES AND FILMS ACT
AMENDMENT BILL.

INITIATION.

Hon. H. A. BRUCE (The Tableland—Secretary for Public Works): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Picture Theatres and Films Act of 1946 in a certain particular.”

Motion agreed to.

INITIATION IN COMMITTEE.

(The Chairman of Committees, Mr. Mann, Brisbane, in the chair.)

Hon. H. A. BRUCE (The Tableland—Secretary for Public Works) (11.6 a.m.): I move—

“That it is desirable that a Bill be introduced to amend the Picture Theatres and Films Act of 1946 in a certain particular.”

Hon. members will remember that the principal Act was debated at considerable length in this Chamber. It has been found that there is one omission from the Act that should be supplied and that is the object of the Bill. While it is essential that we should use the knowledge of public officials in all administrative matters it is necessary that their actions should be subject to the approval of the Government and accord with Government policy—in short, that any decision made by the commission set up under the Act should be approved by the Minister. That was omitted from the principal Act and the Bill seeks to supply the omission. That is all the Bill contains.

Mr. HILEY (Logan) (11.8 a.m.): In the absence of the Leader of the Opposition and at his request I desire to offer a few comments on this measure. I am not quite clear from the Minister's explanation of it as to what its precise effect will be. However, it appears to me that the whole concept of representative government—

Mr. AIKENS: Mr. Speaker, may I draw your attention to the fact that hon. members in this part of the Chamber are unable to hear the hon. member for Logan?

Mr. HILEY: It appears to me that the concept of representative government should be that the whole administration of the State should be entrusted to public officials who are responsible through the Minister to this Parliament and I gather from what the Minister said that that is likely to be the effect of this small measure. If that is so, the principle will meet with my full approval.

Motion (Mr. Bruce) agreed to.

Resolution reported.

FIRST READING.

Bill presented and, on motion of Mr. Bruce, read a first time.

GAS ACTS AMENDMENT BILL.

INITIATION.

Hon. H. A. BRUCE (The Tableland—Secretary for Public Works): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Gas Acts, 1916 to 1933, in certain particulars.”

Motion agreed to.

INITIATION IN COMMITTEE.

(The Chairman of Committees, Mr. Mann, Brisbane, in the chair.)

Hon. H. A. BRUCE (The Tableland—Secretary for Public Works) (11.13 a.m.): I move—

“That it is desirable that a Bill be introduced to amend the Gas Acts, 1916 to 1933, in certain particulars.”

The principal amendments in this Bill deal with the pressure at which gas shall be supplied; the testing and stamping of meters; the controlling of payment for gas, particularly where prepayment meters are installed on subdivided premises; and the repeal of the provisions enabling meter rent to be charged to domestic consumers in certain cases.

During the last few years many complaints have been received of poor pressure at which gas has been supplied. The Act provides at present that gas shall be supplied at the inlet to the consumer's meter, with a pressure of 2 inches water gauge. Gas cookers and gas appliances are set to operate with a gas pressure of between 2½ inches and 3 inches water gauge. The meter absorbs at least three-tenths of an inch of pressure, and in many cases more than three-tenths. The consumer is interested in the pressure only at the outlet of the meter and the Bill therefore provides that the gas shall be supplied at that point at a pressure of 2 inches on the water gauge.

Mr. Hiley: It is a raising of the present effective pressure?

Mr. BRUCE: The gas will be measured on the house side of the meter instead of on the inlet or road side, which means that the gas company will have to supply gas at sufficient pressure to compensate for the loss of pressure incurred when going through the meter, and see that the consumer gets the prescribed pressure on the outlet or house side. Many people use gas today and from time to time complaints have been made that the pressure is low and it takes much longer to cook a meal than previously. The provision I have outlined will largely obviate variations in pressure between the test on the inlet and that on the outlet side.

Mr. Hiley: What is the drop in pressure?

Mr. BRUCE: In passing through the meter the gas loses three-tenths of an inch pressure, and in some cases more. Generally speaking, on the Chief Gas Examiner's examination and from general knowledge, it

is three-teeth of an inch pressure that is lost. The Bill will ensure that when the gas comes into the house it will be equal to 2 inches pressure on the water gauge.

The testing and stamping of meters during the war years, like many other activities, became seriously in arrears, and it was found that the powers conferred by the Act were not sufficiently clear or explicit to enable us to deal satisfactorily with the position. The practice has been for the Chief Gas Examiner to test and stamp meters, which is then installed on the premises of the consumer, and after seven years from the date of the last testing the meter is removed from the consumer's premises to the gas company's premises and replaced by another meter, which has been tested and stamped officially. The meter removed is then repaired if that is found necessary, and submitted to the Chief Gas Examiner for official testing and stamping, and is then available for re-use. This procedure is not clearly prescribed by the Act. The Act, too, did not cover the case where the meter was leased or sold by the gas company to the owner or lessee of subdivided premises and used for gas supplied to an occupant of the subdivided premises. The Bill sets out clearly the obligations as to stamping and testing of such meters and provides that persons other than a company shall not supply gas to a consumer through a meter, and that the company shall not permit or allow gas manufactured by it to be supplied to a consumer through a meter by any other person. It provides that the responsibility for all meters shall remain with the company. Other persons shall not be allowed to render bills for gas. In a big block of flats each consumer may pay for his gas, the owner or lessee of the flats paying the gas company. It has been found that on many occasions the owner of a flat has shown a profit on the gas used, and this provision in the Bill is made to deal with that angle of the problem. The Act does not at present contain any specific provision dealing with payment for gas supplied to such consumers.

Complaints have been received from time to time that an owner or occupier of a block of flats acted as the agent for a gas company by collecting coins from prepayment meters, and the gas company on the reading of the meters made a refund to the owner of the flats of excessive amounts paid for gas. In certain cases the excess payments have been retained by the flat-owner and not refunded to the tenant. The Bill contains provision to deal with this specifically, with the collection of coins from prepayment meters and provides that before coins from any such meter may be collected a receipt must be supplied to the consumer for the money collected showing particulars of it and payment must be made to the consumer of any balance in his favour. That means that if an occupier of a flat gets a receipt for an amount above the money owing he and not the owner of the flats is entitled to a refund. I do not say that flat-owners generally follow this practice but it is undoubtedly followed by some. People make

money in various ways and some have gone into the flat business and we must watch the interests of the consumers.

There is also a repeal of the provision enabling meter rent to be charged to domestic consumers in certain cases. The Bill amends the Act to the extent that where meter rent may be charged in accordance with the Act, the power to charge rent shall not apply to the user of gas for domestic or household purposes. As the Act is at present, the company in many cases charges the consumer meter rent in addition to the charge for the gas actually used. Hon. members will remember the number of complaints that were made during the time when supplies of gas were restricted or rationed. Even members of this Committee have said that the amounts of their gas bills were just the same as they were before the restrictions were imposed. The point is that the company charged rent for the meter the same as before the supply of gas was restricted and therefore no difference was shown in the bill whatever. That was the evidence of members in this Chamber and it was stated in the Press also. The amendment will prevent the charging of meter rent where gas is used for ordinary household or domestic purposes. The amendment however does not affect the power of any company to make a minimum charge for 300 cubic feet of gas. There is a minimum charge and during my time as Minister I have investigated a number of instances and I came to the conclusion that the minimum charge is reasonably low to ask by a gas company for the services they render and for the amount of gas used by the consumer. We therefore do not intend to alter that. On many occasions the companies have made representations to me to have the charge to people using the minimum amount of gas increased but I have not granted the request. The amendment does not affect the power to make a minimum monthly charge for 300 cubic feet of gas.

The Bill contains minor amendments, such as provision to enable the Chief Gas Examiner or any gas examiner to enter upon the premises of a company or consumer for the purposes of the administration of the Act.

It contains recognition of Government gas-testing stations. The Acts at present provide only for testing stations owned by gas companies.

The Bill repeals the provision that complaints for proceedings for breach of the Act must be laid within three months of the date of the offence. Proceedings will be henceforth covered by the Justices Acts, under which complaint must be laid within six months from the date of the offence.

A person engaged in business may find something wrong with his gas supply, but neglect to lay a complaint for three months, and in that event nothing can be done as the Act stands at present. If he has the right to complain within six months under the Justices Act, it is only right that a similar provision should be included here.

The Bill contains power to call upon gas companies to furnish returns and statistics as required by the Chief Gas Examiner, for

the purposes of administration of the Act. Of course that will apply solely, I think, to matters affecting the supply of gas. I do not think any Government department takes the right—unless for very good reason—to investigate the private books of a concern or company, and that is not the intention in this case. The intention is merely to cover particulars required for the administration of the Act.

Mr. HILEY (Logan) (11.28 a.m.): This measure contains a number of principles, but I should say the most important one with which the Minister has dealt is that relating to pressure. I agree that to have an efficient gas service for the community you must have an adequate working pressure. With an inadequate pressure not only do you get the slow cooking speed to which the Minister has referred, but you are likely to get also a degree of blowback. By that I mean that the flame, instead of being at the burning nozzle with a good mixture of gas and air, blows back into the inlet gas pipe, and if it is not quickly detected you get a sooty yellow flame containing little heat, which makes a thorough mess of the housewife's pots and pans. The Minister has chosen to meet this difficulty—and it is a difficulty—of the working pressure by statute, but I doubt whether the real root cause of low pressures to-day can be dealt with by this statute. It is precisely the same as that which gives the Minister for Transport such trouble with the steaming of his locomotives.

Mr. Walsh: Not entirely.

Mr. HILEY: It is almost entirely a matter of impure and poor coal.

Mr. Walsh: Why did the consumers get just as high bills during the restrictions as they did when there were no restrictions?

Mr. HILEY: That is not the point. I am going to tell the Committee something that the Minister will know. It is a fact that has obtained in relation to the use of coal for gas-making in Australia and Queensland for many years. In the old days a standard ash content of coal was set down and it was recognised that if the ash of the coal supplied exceeded it the gas company had the right to reject the coal. In New South Wales, where Newcastle coal was used for the purpose, the ash content set down in the contracts entered into between all collieries and the gas companies was 5 per cent.

In this State we have never been able to get from West Moreton coal the general purity that it is possible to get from Newcastle coal. Gas companies have given me to understand that they were content if they could get coal with an ash content not greater than 10 per cent. They prefer it to be purer, but such coal enables them to turn out a reasonable volume of the valuable by-product, coke, from the retorts—I shall explain the retort system later. The plain fact of the matter is that there has been a steady increase in the ash content of the coal, so that far from the 10 per cent. that was looked upon as a reasonable ash content today it has risen to nearer 20 per cent. and some of the consignments of coal the

companies have taken delivery of and used in the manufacture of gas have had an ash content as high as 25 per cent. It is not my purpose to spend much time on the questionable economy of the transport of this muck, dirt, &c., that goes to make up the ash content; it is my purpose to demonstrate the effect of the ash content in the making of gas. In the first place, when coal is fed into the retorts and the heat is applied you get a sort of fluxing process, if your coal is reasonably pure, and thus you have coke which runs together in bubble formation and will be quite large in size. When coal has a high ash content you cannot make the particles of coal fuse together to make a good block of coke and instead you get a dusty mixture of tiny particles of coke mixed with ash and the resultant mixture is of little and in some cases of no value. Instead of getting big lumps of coke that can be broken and used for the various purposes for which coke is used, your coke by-product, with a high ash content, is of negligible value. There are various forms of retorts.

There is the horizontal retort, which is arranged in tiers of four. These four retorts are heated and the gas is extracted. From three of them, the coke is pushed out—the salvage—and from the fourth the hot coke drops down to the furnace beneath to act as a heating agent. Where dirty coal has been used I have seen the coke emptied from the top retort into the furnace below so dirty that instead of making the fire burn it has actually put it out.

There is another form of retort in use in some of the gas factories in this city known as the continuous vertical retort. Coal is fed into the retort at the top and a great screw device passes it through the retort and the coke is delivered out at the bottom end. To operate that retort you must have a reasonable quality of coal because if you do not, when it is getting down near the bottom end, instead of being fused together into a solid holding structure, the whole lot will spill out of the retort because it is too full of ash.

In Brisbane I have seen all the contents of the retort pouring out from the bottom onto the floor because it would not hold. Every time that I have seen this I have been disgusted to think that in a modern community men should be asked to do this type of work that this bad coal necessitates. It is an essential feature of a gasworks that the furnaces should never go out; people need gas every day and every hour of the day. Consequently once the furnaces are fired and heated up they should be continuously fed with coal and ashes extracted until it is necessary to shut down the furnace for rebuilding or some similar purpose. Where this dirty filthy coal is supplied I have seen lumps of clinker form on the walls of the furnace, white-hot masses, some of them weighing hundredweights. White men in this city have to open the furnace doors, take the whole of the heat blast from the furnaces and with long crowbars and sledge hammers belt the clinkers off the walls of the furnaces.

It is work that I hate to see any inhabitant of the globe have to do. The work is such that I absolutely shudder to think that any white men in the community should be called upon to do it.

Mr. Bruce: I know that what you say is correct but they should have an extra boiler that they can call into use while those retorts are cooling.

Mr. HILEY: That may be a method of meeting the difficulty but it would simply mean that the extra cost of doing it would be imposed upon the consumers of gas. Do not let us forget that a gas company operates as a controlled public utility and the object of the Gas Act and the duties of the Gas Referee are to see that gas companies are not permitted to charge just what they like for gas. The Gas Referee calculates the cost of manufacturing the gas and fixes the price of gas so that the company will earn what is regarded as a fair margin of profit. Therefore if we were to adopt the suggestion of the Secretary for Public Works and duplicate the works—

Mr. Bruce: I do not suggest that the works should be duplicated but there should be an extra retort.

Mr. HILEY: Let us suppose that there is to be an extra retort to be called into use while the other is cooling off. You would still be adding to the capital outlay involved and the people who would be required to pay this extra cost would not be the shareholders of the gas company but the consumers of gas, because that is the effect when the company is a controlled public utility.

One of the greatest problems facing this community in this connection arises from the supply of coal and with that I do not propose to deal at the moment. Another great problem facing the community is the cleanness of the coal and I would remind the Committee that the Minister for Transport has been greatly exercised over this problem and not so long ago a newspaper published a picture of the hon. gentleman holding in his hand a huge piece of coal with a great band of rock running through it, which had been supplied to the Railway Department to fire the locomotives of the State.

Mr. Gledson: That is the fault of the coal-owners.

Mr. HILEY: The cure for the trouble—it is one that has been adopted in other parts of Australia—is the washing of the coal so as to ensure that the user gets a clean product. Dirty coal is the arch enemy of economy in the production of gas and the aim of the gas companies is to get clean coal, but bear in mind that the people who pay the cost, who pay for economy in gas production, are the consumers. I would remind the Committee that one of the purest seams of coal in Australia is the Burwood seam, owned and conducted by Broken Hill Pty. Ltd. It has the reputation of possessing an ash content, as it is delivered in the skips, of not

more than 5 per cent., yet the Broken Hill Company still washes it. If it is good for the Broken Hill Company to face up to its responsibilities in that connection, how much more so is it in our case?

Mr. Donald: It is not washed at Burwood but by the B.H.P. Company.

Mr. HILEY: I understand that the B.H.P. Company owns Burwood.

Mr. Donald: Yes.

Mr. HILEY: If it is good enough for the B.H.P. Company to wash its Burwood coal—

Mr. Donald: It washes all its coal.

Mr. HILEY: If it is good for the company to wash all its coal, including Burwood coal, to get rid of a small ash content like that it is good for others too. It may very well be thought that an answer to this problem is some examination of the washing of the coal used for the manufacture of gas. I quite agree with the Minister that the determining factor should be the service given to the consumer and the price charged. Those are the only things with which we should concern ourselves. But I hope that the Minister does not imagine that the mere passage of this Bill will entirely correct the trouble.

Mr. Power: It is going to help.

Mr. HILEY: I doubt whether it is going to be the biggest help to this correction.

I see nothing to comment on adversely in the other matters the Minister mentioned, namely, the testing of meters and the use of meters in flats, which to me are likely to contribute to the good regulation of this industry.

As regards the examination of books, I am not sure that this Bill should not go further than he suggests. I think it should. I would again remind him that we are dealing with a controlled public utility. This is not a private undertaking manufacturing gas in which the public and State are not interested. On the contrary, the gas company manufactures something in which the public are vitally interested. For that reason we appoint a Gas Referee to examine all the transactions of a gas company in order to fix and control the price of gas rather than leave it entirely a matter for private control. It seems to me therefore to be an inescapable inference that the Chief Gas Examiner must have the right of examination of everything that relates to the production of gas, to the sale of gas, and to an extent costs incurred in conducting the undertaking. I cannot see how it would be possible for the Chief Gas Examiner to tackle his job if he was denied that access. All that the Minister suggested was that it would be a right of very limited inspection, and would not in any way impinge upon the private books of the company.

Mr. Bruce: Not very limited, but there are certain things that, although wanted for a public utility, should not be open to everybody.

Mr. HILEY: I did not understand the Minister's introductory remarks to convey that this information was to be open to everybody; I understood it was to be available only to the gas examiner.

Mr. Bruce: No, I think certain things should not be open to anybody.

Mr. HILEY: I agree that if a gas company has certain moneys invested outside its business it has nothing to do with the production of gas. No-one would suggest that that should be a matter of examination. I gathered from the Minister's explanation that he was introducing a very limited examination of matters relating to these companies.

Mr. Bruce: All statistics are required in relation to the fixation of the price of gas.

Mr. HILEY: I thank the Minister for his explanation. I will return to my original point concerning the pressure of gas. I hope that the Minister will, in his reply, give this Committee some indication of his views concerning the surer way of correcting this latent trouble of pressure, that is, some method of ensuring that good coal is supplied for gas-making. I would remind the Minister that we still have the illogical position operating in the sale of coal in this State that quality does not matter twopence. We sell coal and dirt mixed together at a common price; we sell the best coal and the worst coal at a common price, and from a gas-making point of view we sell a coal with high gas content and a coal with the lowest possible gas content, all at the same price.

It seems to me that if we are going to have any regard to the economy of a public industry—remember it is the consumer who pays in this case; you are not putting extra pounds into the pocket of some shareholder—we should show some common sense and endeavour to arrange that some consideration shall be given the important question of quality instead of mere quantity.

Hon. H. A. BRUCE (The Tableland—Secretary for Public Works) (11.46 a.m.): The hon. member for Logan has dealt fully and correctly with the matter. The major difficulty is the ash content. At one time there was a minimum for ash content but today there is virtually no minimum. The hon. member could not have been in the House the other morning when the Acting Premier said, in reply to a question, that the ash content had actually reached 42 per cent. The only reply to that is the washing of coal. The Acting Premier stated in reply to a question by the hon. member for Bremer that the City Electric Light Company and the Government would refuse to take coal from the mines mentioned unless they did something about the washing of coal. In this morning's "Courier-Mail" there is an assurance by the companies that they will put in the necessary machinery to reduce the ash content. It is strictly correct that the Chief Gas Examiner has to take the ash content of coal into consideration when fixing the price of gas. The gas companies are not directly responsible and the coal company wants its profits and the consumer has to pay because the Chief Gas Examiner has

to take into consideration the ash content when he is fixing the price of gas. If anybody has any doubt about the ash content of some coal he can go to some of the gas companies and see enough road metal there to make the inland road they are talking about.

Mr. Maher: Do you suggest that if the coal were uniformly clean gas should be cheaper to the consumer?

Mr. BRUCE: Some collieries have washing plants. I have not been a coal-miner but I have seen a lot of coal mined. It is astounding that some coal-owners have the hide to send out the stuff that goes to their consumers; they do nothing to clean the coal but take the coal and the stone—everything on the face. There does not seem to be any reasonable effort to cut clean coal, and when the ash content gets up to 42 per cent. it is "over the odds." There is no doubt that either the company is not mining the coal properly or the seam should not be mined for coal. Unfortunately the gas consumer is paying the cost of this bad mining to the producer of gas, because the ash content is charged up to the producer of gas and he passes it on to the consumer. It is true that to make gas you need clean coal.

There are all these defects with regard to coal and gas, but if the gas companies can get clean coal they can manufacture gas at a cheaper rate than at present. Their activities are carefully watched in the interests of the consumers, and in the result it all comes back to the ash content in the coal.

Mr. POWER (Baroona) (11.51 a.m.): The Bill tightens up the Act and gives a greater protection to the consumer. He is entitled to a fair measure of protection.

Right at the outset may I say that as the result of man-power shortages during the war many meters were not tested? I do not blame the gas company or anybody else for that. There was great difficulty in obtaining the necessary man-power, not only to carry out the work of testing meters but for other activities. The war is now over, and it is time to restore the position. Provision is made in the Act that meters must be tested at least every seven years and at any other time when a complaint is made. The Chief Gas Examiner or any other person with the necessary authority can make the test. The time has now arrived for a general overhaul of the testing of all meters that were not tested during the war years.

I am concerned with a very important amendment, and one that also is in the interests of the consumers. During the period of the gas restrictions in Queensland it was found that the consumers' accounts were not less because of that fact: some were even higher. The Bill will prevent that sort of thing. Gas companies will now not be allowed to charge meter rents. The power to do so was not in the interests of the consumer.

In the past gas was tested at the inlet to the meter—before the gas went through it—and actually that did not give the correct pressure. This Bill provides for testing at the

outlet, and that will again be of considerable advantage to the consumer. It has been shown by gas examiners that the pressure has not been in accordance with the provisions of the Act, and after the passing of this measure it will be a simple matter to check up on these things. That is a very important provision and must give a measure of satisfaction to consumers.

At the present time each premises is regarded as one unit, and a meter is attached to it, but such premises may have been converted into a number of flats and the gas extended to the different flats. The flat occupiers had to place money in certain subsidiary meters, and this money was collected by the owner of the premises. It has been found that the owners of such premises have been obtaining and retaining large sums paid by way of refunds by gas companies. This money rightly belongs to the actual consumer. Under this Bill that anomaly will be eliminated and the consumer will pay only for the gas used.

There are many other important provisions in the measure, but I believe that those I have mentioned will accord greater protection to the consumer than he at present enjoys. I shall deal with the other provisions when the Bill is in Committee.

Mr. TURNER (Kelvin Grove) (11.55 a.m.): I welcome this Bill with great pleasure because of the dissatisfaction of gas consumers in my electorate. Our district was the first part of the metropolitan area to be served with a high-pressure system after it had been proved successful in Victoria.

Just after the recent strike I brought into the Chamber my own gas account. While gas was rationed I did my utmost to help by using a fire in the yard to save gas as much as possible, but my bill for that two months was only 1s. 8d. less than for the previous two months. On approaching the gas company I was told that the matter would be rectified during the next two months. The account for the following two months came in this week, and to my amazement it was 12s. 2d. more than it had ever been. A number of other people complained to me that their bills were higher. It was discovered that this was caused by the shutting off of the gas over night. I have a multi-point water heater, which has a small pilot jet burning continuously. Every morning we found this pilot jet out. I had a man come out to examine the heater, thinking something must be wrong with it, but he assured me that the heater was in perfect condition. The only remaining possibility was that the gas must have been cut off during the night. I made a complaint and the company assured me that it was not cut off. I then went to the department, which informed me that it was a breach of the Act to cut the gas off during the night, that the supply must be there for 24 hours of the day. It was then discovered that the meter was faulty, and a new one was put in, but still the pilot jet of the heater went out. It was then found that the governor was faulty and a new one was put in.

In my opinion the provision in the Bill should be even tighter than is proposed. Meters should be examined more regularly and governors attended to frequently. The man who came out to attend to the meter told my wife that the governor was the cause of the high consumption. My next-door neighbour complained only this morning that his governor was faulty, that it had blown, and the gas has been going straight into the air from the governor; and he is going to pay an enormous amount for gas he has not used. I sincerely hope this Bill will give relief in that direction.

The hon. member for Logan told us a good deal about the processes involved in the manufacture of gas, but my knowledge of pressures tells me that no matter what the quality of the gas may be or how much gas is obtained from a ton of coal, the gas is pumped from the retort into the gasometer, and the pressure is governed there. According to the quantity of gas pumped into the gasometer so the tank rises. It is floating in water, and the weight of the tank on the gas supplies the pressure to the mains. As the use of gas expands adjustments should be made to regulate the pressure. It is common knowledge that if you turn on all your water taps at the one time the pressure of each is reduced, no matter what the pressure at the head may be.

Likewise, until the gas companies can supply a greater head and give a greater pressure everybody will get a weak pressure. The companies have not made any adjustment in their tank pressure to meet the increased demand of consumers. I believe this Bill will make the gas companies sit up and take notice and see that gas consumers get a fair and reasonable service. If that service is not given to consumers I am sure people will replace gas with electricity.

I commend the introduction of the Bill and hope it will have the desired effect.

Motion (Mr. Bruce) agreed to.

Resolution reported.

FIRST READING.

Bill presented and, on the motion of Mr. Bruce, read a first time.

LOCAL GOVERNMENT ACTS AMENDMENT BILL (No. 2).

INTIATION.

Hon. H. A. BRUCE (The Tableland—Secretary for Public Works): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Local Government Acts, 1936 to 1946, in certain particulars, and to make special provision for the government of Thursday Island.”

Motion agreed to.

SUSPENSION OF STANDING ORDERS.

RECEPTION OF RESOLUTIONS: PASSAGE OF BILLS THROUGH ALL STAGES IN ONE DAY.

Hon. E. J. WALSH (Mirani—Minister for Transport): I move—

“That so much of the Standing Orders be suspended as would otherwise prevent the receiving of Resolutions from the Committees of Supply and Ways and Means on the same day as they shall have passed in those Committees, and the passing of Bills through all their stages in one day.”

Motion agreed to.

CASH ORDERS AND HIRE-PURCHASE AGREEMENTS REGULATION BILL.

SECOND READING.

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (12.5 p.m.): I move—

“That the Bill be now read a second time.”

No alteration has been made in the Bill since it was initiated on Wednesday last, and I take it that very little more can be said about it. As I explained before, it is a Bill to deal with the cash-order business, and the provisions of the Bill are the same as those contained in the National Security Regulations relating to cash orders throughout Australia, which regulations we are told are to come to an end at the end of December next.

The Bill provides that officers shall be appointed to control the administration of the Act relating to cash-order business, and the Minister may authorise such officers to act accordingly. It is also provided that a cash-order trader shall be required to pay a registration fee of £1 per annum before conducting any cash-order business.

It is also provided that cash orders may be issued only at the licensed office of the trader. Canvassing for cash orders is prohibited and power is taken to control the granting of cash loans. The Act prohibits the issuing of cash loans while cash orders are in operation. The Bill provides also for the presentation of cash orders for redemption and for the discount that shall be allowed upon redemption. It also provides that a husband shall not be liable for cash orders entered into by his wife unless he has given his written authority for it. Cash orders will be limited to a maximum of £10 and the maximum period of repayment will be 20 weeks, which is virtually five months.

The Bill also provides that amounts of cash orders not expended must be credited or paid to the holder of the cash order, and invalidates transactions in contravention of the Act.

The Bill provides for the keeping of records so that the department may know what is going on in connection with the business. It provides also for penalties for breaches of the Act—for a first offence a penalty not

exceeding £50, and for a second or subsequent offence a penalty of not less than £10 and not exceeding £100.

We are endeavouring to tighten up also the law relating to hire-purchase agreements. The Bill provides that there shall be an implied warranty or a guarantee that certain implements, chattels or goods are suitable for the performance of the work for which they are intended. The buyer of the implement will be protected against any hidden defects in the implement which hidden defect should reasonably be known to the vendor. It also provides that the owner or the agent selling the goods shall be responsible for any representations made in respect of the implements sold. The Bill also provides that there shall be access to records and information supplied so that the department will be in a position to know that the Act is being faithfully carried out. That briefly is an outline of the provisions of this Bill.

Mr. WANSTALL (Toowong) (12.10 p.m.): I have listened with interest to the speech of the Attorney-General on this very desirable piece of legislation. I want to say at the outset that the attitude of my party on this Bill was made abundantly clear by the hon. member for Logan on the introductory stage. It disclosed an attitude of liberality of thought and progressive outlook that I am sure astounded the Attorney-General, who is prone to think that he is dealing with people who are reactionary in their views.

One of my objections to this Bill is that it has some weaknesses that should have been buttressed up and strengthened so as to give to the unfortunate class of people who are forced to use cash orders more protection than is given them under this Bill.

In looking at the Bill I notice one principle to which the Minister has not made any pointed reference. It is that which gives him power to delegate his powers to his Under Secretary or to any officer of the Public Service set forth in the delegation. That is possibly necessary to some extent.

Mr. Aikens: Is that a general delegation or a delegation only in certain respects?

Mr. WANSTALL: The Minister may in writing delegate to his Under Secretary any of his powers under this Bill. The experience of such authority to delegate under the National Security Regulations is that the Minister gives a general delegation to the Under Secretary or other officer to whom he has the right to delegate, and then the delegate immediately proceeds to operate under all the authority and powers of the Minister. We must exercise caution in that respect. I cannot let the principle pass without drawing attention to the dangers inherent in it.

In the first place we as a Parliament have delegated to the Minister some responsibilities that rest upon our shoulders, but not content with delegating our responsibilities to the Minister we authorise the Minister further to delegate those powers to somebody who is

not even a member of the Legislature. Whilst that is by no means new in principle, and whilst it is quite common in its application and use, we must never lightly enter upon indiscriminate delegation in such a way. I make those comments in order to mark the occasion and make clear my protest against anything that may resemble an unconsidered approach to the question. I should like hon. members to realise what they are doing when they go two steps in delegating their powers, not to the Minister alone but from the Minister in turn to some officer of the Public Service. Such a system must be watched very carefully because it takes away from the autonomy of Parliament and the direct control that Parliament exercises over a Government.

Mr. Aikens: Do you believe it is necessary?

Mr. WANSTALL: I believe it is necessary to some extent. It is a necessary evil. But we must not become accustomed to doing it to such an extent that we put it into a Bill without noticing it. I urge the greatest care in the use of the power of sub-delegation.

The next principle on which I want to comment is that which gives to the Minister an unfettered discretion in the issue of licences to cash-order traders. The principle of licensing cash-order traders is of course acceptable to me without question. I am not protesting against the system of licensing; I am supporting it. I draw the attention of hon. members to the fact, however, that we are conferring on the Minister an unfettered discretion to refuse or grant such a licence. Not only are we giving the Minister such an unfettered discretion but we are providing no means of reviewing his decision once he has made it either for or against the applicant. That again cannot be done without a word of caution. During the war years the practice has become almost daily in operation the conferring upon Ministers of an unfettered discretion not only to grant or withhold but also to revoke. This principle does not include the discretion to revoke. It is unnecessary because the principle contained in the Bill, in conjunction with the earlier principle I was discussing, that the licences are to be renewed annually, makes it unnecessary. When a licence is to be renewed annually, there is no need to give to the Minister discretion to revoke, except for breaches, which is given under this principle.

Mr. Power: That is provided for.

Mr. WANSTALL: Yes, the Minister has discretion to revoke for a breach. I am talking about the general discretion to revoke a licence once it is given. That principle is not contained in the Bill and it is not necessary because the Minister will exercise his discretion from year to year; and if the cash-order trader acquires a reputation in the conduct of his business that makes it desirable that he should not continue in that business, although he does not actually commit breaches

of the Act, the Minister has enough power to deal with him by refusing to renew his licence when it falls due.

A Government Member: Do you not think that is necessary?

Mr. WANSTALL: I am not objecting to giving the Minister unfettered discretion, but I am not allowing it to pass without noticing it. We must be careful how far we delegate our duties and authorities to the Cabinet Ministers and to public servants.

Mr. Aikens: Do you think we should be able to review his discretionary power?

Mr. WANSTALL: We could do that by passing a motion of no confidence in him, because of a particular exercise of his discretion. I do not think it would be desirable to give Parliament itself the right to review the Minister's discretion but I think it would be desirable to give an applicant the right of appeal to a court of petty sessions from an adverse exercise of that discretion. The point is not particularly big and I am sure in the exercise of the discretion any Minister worthy of the confidence of Parliament would exercise the discretion reasonably and in practice very little difficulty would arise. But I do think the matter must be drawn to the attention of hon. members when they do confer on a Minister an unfettered discretion because of the importance of the principle at stake.

Mr. L. J. Barnes: You have no evidence that it is being abused.

Mr. WANSTALL: I am not suggesting that it is abused. I suggest that the wholesale and indiscriminate granting of unfettered discretion to Ministers is in itself bad in principle and must be used only where it is unavoidable, and where there can be no reasonable substitute for such conduct.

Mr. Turner: No decent Minister would do otherwise.

Mr. WANSTALL: That is quite true, but we must realise what we are doing, and not do these things merely from force of habit.

I want to pass on to another principle. This Bill does make a very desirable change in the methods of trading that can be legitimately used by cash-order traders, in that it prevents the engagement of canvassers for the purpose of inviting or inducing cash-order business. That is very good. I am sure all hon. members will agree that the Minister is right in prohibiting canvassing, but I do want to point out to hon. members, and to emphasise the point which I understand was made by the hon. member for Mundingburra in the initiatory stage, that there was nothing to stop the collectors who are employed to collect weekly instalments from doing a bit of canvassing on their daily rounds.

That is undoubtedly a danger. This legislature should take this opportunity of plugging up that gap in the structure while we have the opportunity and not wait until it becomes necessary, by reason of undesirable

practices by unscrupulous traders, to the sorrow and loss of unsuspecting people. The only prohibition contained in this principle is against employing a canvasser for the purpose of inducing. It would be quite legal for a cash-order trader to employ a collector for the purpose of collecting instalments and it would be quite legal for that collector to do canvassing on his rounds. The principle speaks of employing or engaging an agent or canvasser for the purpose of inviting or inducing. There is no complementary section making it illegal for anybody to induce in fact and that is what is required to tighten up the Bill—a provision making it illegal for anybody, irrespective of the purpose for which he is employed, enticing a person to take out a cash order. If that principle is put in the Act I feel it would have nothing but good results and would help in the achievement of the objective that the Attorney-General had in mind.

There has been discussion on the introductory stage as to whether the rights of a husband under this Bill extended to protection from the actions of a de-facto wife. I would point out in the first place that a man who has what is charitably called a de-facto wife is not liable for her debts. There is no need to say anything further on that point.

The next very important principle is one that requires that a cash-order trader shall not issue an order without a certificate from the applicant that he or she has no other cash order in existence. That is very desirable but again I have to draw the Attorney-General's attention to a serious defect—the impossibility that will be found in practice of complying with this provision or having it operate as a safeguard. All that is necessary is that the applicant shall certify in writing that he or she is not debarred from receiving a cash order. If there is nothing to rouse the suspicion of the trader to whom application is made he can issue a cash order and it is a valid cash order. If a person makes a false certification when applying for a cash order the cash order remains a perfectly legal and valid contract between the cash-order trader and the applicant. It is true that in making a false statement the applicant would commit an offence for which he renders himself liable for prosecution under the Act but that will never stop the pernicious system of multiple cash orders at which this principle is aimed. The idea is to prevent the use of multiple cash orders, the mounting and snowballing of debt on unfortunate families who are obliged to use cash orders because they cannot obtain personal credit owing to their positions.

Mr. Aikens: Some unscrupulous persons will not hesitate to sign a certificate if they need the money.

Mr. WANSTALL: Undoubtedly. It is only those people who think that their need is desperate who resort to this practice, and they are the very people who should be protected from the snowballing effect of multiple cash orders. That is the whole object of this principle and, having agreed

upon it, let us make this provision watertight, if that is possible. The only way to do it is to stipulate that unless the cash-order trader makes inquiries and puts himself in a position to find out whether there is another cash order in existence the contract will be invalidated.

In illustrating my suggestion, let me remind hon. members that the Bill contains another principle under which the cash-order trader must keep complete and up-to-the-minute records of cash orders issued, all payments made on them, and the present position under any cash order. All traders are licensed and it would be a simple thing for the Minister to circularise all other cash-order traders, who are licensed with him, immediately a new cash-order trader is licensed, so that every cash-order trader operating in the State would have a complete list of all the fellow cash-order traders who are in the business. It would then be a simple step to require that cash-order trader to make inquiries from his fellow cash-order traders—he knows their names and addresses because they are licensed and circularised to him—in the district in which the applicant resides.

Mr. Power: But suppose they have a cash order in Townsville and then come to Brisbane and get another?

Mr. WANSTALL: I appreciate that point. It is a weakness, and there are weaknesses in every suggestion made to cope with a problem such as this in which we are up against all the cunning and devious thinking of people who consider they need money desperately and who will go to any lengths to get it. I admit that it may be a hardship in some cases to compel the cash-order trader who carries on business in Townsville to make inquiries throughout the whole State, and I am not suggesting that we should go as far as that; I am suggesting that we could improve upon the present system greatly if we compelled a cash-order trader to make inquiries in the district in which the applicant lives.

Mr. Macdonald: The banks do that.

Mr. WANSTALL: That is so. The cash-order traders themselves, for their own protection, inquire in many cases from their competitors in business with whom they maintain friendly relations as to the credit of any applicant who may come to them. Why, then, should not they be compelled to check up in their own district where they carry on business and where the applicant resides with the other traders carrying on business in that district? Take the metropolitan area. All the cash-order traders carrying on business in the metropolitan area could, in a matter of minutes over the telephone, make inquiries from their fellow traders as to whether any other cash-orders were in existence. If they failed to do that, or if, having done it and ascertained there was a cash order in existence, they issued a new one, then the least that should be done to them is to invalidate the contract and let them lose the money.

That would be an improvement upon the present provision. Admittedly, it would not completely remove the trouble, but no system would because the ingenuity of man is always a little ahead of the certainty of the law. That has been proved in all avenues of commercial activity. As soon as a law is introduced the ingenuity of man finds some loophole or some way around it sooner or later, but this suggestion would improve the present system and I put it forward for the Minister's consideration, knowing that he really hopes to cure what he considers to be an evil and what all hon. members agree is an evil. Do not let us reject the suggestion because it is not perfect. I do not claim perfection for it when I put it forward. I say it is merely an improvement on the present system.

The next principle to which I wish to make reference is the pernicious system operating today under which an existing cash order can be capitalised for a new cash order of greater amount. Frequently when collectors are going on their rounds and calling on Mrs. Jones or Mrs. Smith for the next instalment, they often find that she is not able to meet the instalment that week. He says, "Very well, I will come round next week; be sure you have got it." He calls the following week and possibly the lady is again not in a position to meet the instalment. It is then that the bright collector says to her, "Don't worry, you owe me 16s. now, and I can show you how, instead of your paying me 16s., you can get another £3 or £4." The lady falls for the temptation. It is a capitalising of arrears of instalments into a brand new cash order which gives the lady more money to spend instead of a debt hanging over her head.

Mr. Power: Would that not be canvassing?

Mr. WANSTALL: I know it to be illegal to employ a canvasser, but there is nothing to stop a collector from canvassing, although employed as a collector. What is more, there is nothing to stop a lady from going into the cash-order trader and having the bright suggestion worked off on her in the cash-order company's office. The whole vicious circle begins again. She would be in arrears, and then there would be a new cash order, and she falls for the temptation of converting again, ultimately getting further and further into the mire.

Mr. Aikens: Capitalising indebtedness.

Mr. WANSTALL: That is what I have been saying. What woman—and I refer to women particularly because in matters of finance they are more open to inducement from a wily-tongued salesman than the man, who is in most cases more used to handling financial matters—

Mr. Aikens: Go to Albion Park tomorrow and see the male mugs.

Mr. WANSTALL: There will be thousands there, I know. So far as experience of the cash-order system goes I think the majority of clients are women and that is

why I make the point in relation to them. What person pressed for payment of a debt in those circumstances would be able to resist the temptation of getting rid of the worry and having a new lease of life conferred upon him by the pernicious system of capitalising arrears?

Mr. Moore: Would not the Bill prevent that? It would be canvassing.

Mr. WANSTALL: There is nothing to stop a collector from inducing or canvassing. Even so, the position could arise without anybody's canvassing, because the indebted person could go to the office of the cash-order company and make the approach himself or herself. The suggestion to capitalise could be made at the office, and the woman could fall and so the wheel would go on its merry run again. This Bill should provide against that. I make these suggestions in all seriousness.

It was my experience, particularly during the war years, in very many of the maintenance cases I handled professionally and in most of the divorce cases founded on desertion, that cash-order operations of wives caused domestic troubles with their husbands. The inability to meet instalments and pressing financial worries led to quarrels and tiffs and no end of matrimonial trouble. The system which we are guarding against has a twofold bad effect. We must tie up every loophole and loose end that occurs to our minds when considering the matter. I am putting before the Committee illustrations in connection with the cash-order business that have not been adequately dealt with in this Bill.

So far I have dealt with the cash-order provisions only. I have dealt with them one by one, from a purely factual point of view and with no attempt to make a flamboyant speech. I put the suggestions before the Minister in the hope that he will accept them as I offer them with a view to improving the Bill.

If I am wrong I shall be glad to be corrected. However, I do direct the Minister's earnest consideration to the special question of conversion or capitalising of arrears because I am convinced that there is nothing in the Bill to stop it.

There is a principle in the Bill dealing with hire-purchase agreements. We have had good legislation on that subject on our statute-book for 13 or 14 years and when it was introduced it was a necessary reform. However, in the course of years weaknesses have been discovered and power is now being taken to buttress those weaknesses and cure those defects. Particularly was it found that an unscrupulous hire-purchase salesman could with impunity make false representations to an unsuspecting victim—representations made by the hire-purchase representative, not by the seller of a particular chattel being hired—and there was no redress or no sufficient redress. There was redress in some cases but in many cases there was not a sufficiently clear right of action to enable the victim to recover the loss he had incurred. An attempt

is being made to deal with that weakness. I have considered the principle very carefully and again I ask the Minister to direct his attention to certain, shall I say, sub-principles—I cannot quote the paragraphs.

One of the principles is to exclude from the protection of a particular section anything that is sold under a trade name. I doubt the wisdom of that. I doubt whether it is wise to grant a general sweeping exemption to everything sold under a trade name. An article sold under a trade name may be just as cleverly misrepresented to a person who is not familiar with that chattel as an entirely unbranded article. There are many claims made for an article sold under a trade name—made without authority by the person selling it, not by the people manufacturing it—that are excessive and untrue. Has the Minister given sufficient consideration to that aspect of the matter in granting a general exemption for articles sold under trade names? I shall not say anything further about that; I simply put it forth for his consideration.

At 12.38 p.m.,

Mr. DEVRIES (Gregory) relieved Mr. Speaker in the chair.

Mr. WANSTALL: This principle deals also with another very important aspect of the subject, that is, that if the chattel has been let or sold under an agreement and if the purchaser or hirer has made known to the person making the sale or hiring the purpose for which the chattel is required so as to show that the hirer is relying on the good judgment of the person making the contract and it is in the ordinary course of business of that person to supply the chattel, there is an implied condition which gives the hirer or purchaser a certain very valuable right of action. That principle is designed to overcome the evil that I mentioned a moment ago whereby the salesman or the hire-purchase company would make a warranty as to the fitness of the article and that warranty would not operate against the person who actually sold it, that is, the owner of it, and there would be a loophole. However, I would point out that this safeguard is dependent upon this condition, that it is in the ordinary course of the business of the hirer to supply that article.

It is very difficult to deal with this principle as a principle without actually quoting the Bill. I want hon. members to bear with me in that regard if they find my remarks difficult to follow, without actual reference to the words. One difficulty is that it must be in the course of the business of the hiring company to supply that article. I doubt whether the supplying of an article of machinery or a tangible chattel is in the ordinary course of business of a money-lending company. That is a vital point. Unless it could be held that the supplying of a chattel was a part of the ordinary business of the company making the hiring agreement, this safeguard would not operate, and the protection desired would not be conferred on the unsuspecting hirer or purchaser. It would be

all right in the case of the owner supplying the goods, but as I pointed out, the goods are supplied by one person and the misrepresentation made by another. Very well, in those circumstances, where the goods are supplied by one person and the misrepresentation made by the other it may emerge clearly that the goods were not supplied by the person making the misrepresentation. I ask the Attorney-General to give consideration to that aspect of the problem and ask himself whether he has sufficiently stopped up the gap which he set out to stop up.

Mr. Maher: That is the third person.

Mr. WANSTALL: Yes, that is the third person. As I pointed out, unless the ordinary business of that third person is to supply the chattel there will be no safeguard. I doubt whether a money-lending company operating as a hire-purchase company can be said to be engaged in supplying the articles. It is doing the financing, not the supplying, of the articles. We must consider that principle very carefully when we come to the Committee stage. I shall then have an opportunity of dealing with it more precisely, when I can quote the actual words of the principle.

I do not propose at this stage to elaborate any further on the principles of the Bill. I do wish to commend the Bill, except where I have pointed out weaknesses. I wish to condemn those weaknesses of the Bill and inform hon. members that the principles of the Bill, so far as they go, are considered by members of my party to be very good and to be desirable. We are actuated by a desire only to improve it from the point of view of the persons who unfortunately are only too often on the receiving end of the stick instead of the holding end. Unfortunately there is a class of people who go to the money-lender to obtain credit for some article of household or personal use, or adornment, that they think they need. Those people need protection. This Bill is designed not to protect the cash-order company, or make it any easier for them, but to give more protection to those people I have mentioned. Realising that fact, and realising the need for it, my party is wholeheartedly behind it. I make these suggestions from the point of view only of improving the Bill and to enable it to give greater protection to the class of people it sets out to protect.

Mr. POWER (Baroona) (12.44 p.m.): I have listened to the remarks of the hon. member for Toowong, but despite all the legal talent he employed in analysing this Bill, with a view to finding out any weaknesses it may have, I do not agree with his remarks concerning the delegation by the Minister of certain powers to public servants. It is important that the Minister should have the right to delegate certain powers to any officer of his department or any public servant, otherwise he would be doing nothing else but investigating and seeing to it that the provisions of the Bill were being carried out. That is one of the functions of the Public Service. It certainly is not the function of the Minister. The Minister's function is to see that any decision made by him or his

Government is carried out. The Bill does not say that the Minister shall delegate certain powers to a public servant, but it says he may delegate any of his powers to a public servant.

Mr. Wanstall: I conceded that it was necessary.

Mr. POWER: The hon. member said he could see it was necessary. How are you going to overcome the situation if the Minister is not going to delegate certain powers to a public servant who, perhaps, will be administering the Act? Is the hon. member going to suggest that the Minister is going to spend the whole of his time administering one Act of his department? It is only reasonable and logical that the Minister should delegate those powers. The Minister is not going to delegate powers that he believes should be retained by him. I think the hon. member for Toowong need have no fear as to what the Minister will do in this matter.

The hon. member was very concerned also with the person who makes an application for a cash order, and he made the suggestion that the cash-order trader should be compelled to investigate whether any order had been issued to the applicant by any other cash-order trader in the State. I do not think we should impose that duty on the cash-order trader.

Mr. Wanstall: I did not say throughout the State.

Mr. POWER: Throughout the metropolitan area.

Mr. Wanstall: Where the applicant lives.

Mr. POWER: That would be no protection whatever because the investigation may take place within the area in which the applicant lives, but he may have had cash orders throughout the length and breadth of the State. I realise that the hon. member is trying to tighten up the Bill, and I believe that wherever possible there should be a tightening up; but I fail to see that the suggestion made by the hon. member is going to achieve his object.

Mr. Wanstall: It will improve it.

Mr. POWER: I do not think it will improve it either. No matter what you do, you will always have the dishonest person. As I pointed out previously, people will always endeavour to break the law to obtain something for themselves. If all sections were honest there would be no need for the hon. member's profession. I think adequate safeguards are contained in the Bill to deal with any person who commits any breach of the Act; therefore I do not think the suggestion of the hon. member is one that is worth any consideration at the present time.

The hon. member was concerned in regard to the powers given to the Minister to renew or cancel a licence. Provision is made in the Bill for the Minister to cancel a licence under certain conditions, and at the same time the Minister can refuse to renew a licence. Is it reasonable to assume that any Minister of the Crown is going to cancel a licence without having some very sound reason? Is it reasonable to assume the Minister will refuse to

renew the licence of an honest citizen without some sound reason? I think the fears of the hon. member for Toowong in that direction are unfounded.

Then we come to the remarks of the hon. member with regard to collectors acting as canvassers. The Bill provides that canvassing is prohibited.

Mr. Wanstall: No.

Mr. POWER: It does. It says that no canvasser shall be appointed. What do cash-order companies appoint canvassers for? To go round and kiss the baby? You appoint canvassers only to canvass. No-one will appoint a canvasser to sit in his office and not canvass. The Bill prevents the appointment of a canvasser, but you can appoint a collector.

Mr. Maher: No penalty is provided.

Mr. POWER: The penalty is that the licence of the cash-order trader can be cancelled.

Mr. Gledson: There are general penalties for breaches of the Act.

Mr. Wanstall: It is not a breach of the Act for a collector to canvass.

Mr. POWER: The cash-order trader can be dealt with under the general penalties provision and, moreover, his licence can be cancelled. It will be very difficult to police the Act sufficiently well to close up all the loopholes, but that difficulty is met in the administration of any Act. If a collector tells a story to Mary Jones and obtains an application for a cash order from her that order can be issued only at the licensed premises. If it is issued from any other place there is provision in the general penalties clause for dealing with the cash-order trader who does this and also if the collector canvasses for the order.

Mr. Wanstall: So if the applicant goes into the office and gets a new one, it is quite in order?

Mr. POWER: That is so. But how can anybody be prevented from breaking the law if he wishes to do so? No legislation will prevent people from breaking the law, but legislation can prescribe penalties for those who do break the law. One cannot very well prevent a man from entering a shop and stealing but he can be punished for committing the offence.

Mr. Wanstall: You cannot in this case.

Mr. POWER: Provision is made in the general penalties clauses, as the Minister has explained. We certainly cannot stop or prevent it but we can punish for it.

Another fear of the hon. member for Toowong is that the holder of a cash order may be in arrears in repayment and the collector may point out that as the debtor is owing so much on the present order he will, as it were, reverse the position and issue a fresh order for an amount in excess of the first order and thus the debtor will then be in credit. That would be canvassing and moreover, if a person has not the money

to pay the amount in arrears where on earth will he find the money to pay the deposit on the new order?

Mr. Wanstall interjected.

Mr. POWER: I am putting up an irrefutable case. If a person cannot meet his original order, where will he find the extra money to meet the new order? I have studied the Bill to the best of my ability and I do not think I am totally incapable of interpreting a Bill or without sufficient intelligence to follow the remarks of the Attorney-General, and while I agree that the hon. member for Toowong is honest in his desire to tighten up the Bill as much as possible he has not advanced one practical suggestion of which the Attorney-General could avail himself to tighten up the Bill. He has analysed it with his legal training—in fact, one would have thought that he was pleading a cause before a magistrate and the hon. member is entitled to his legal opinion but I am prepared to accept the opinion of the excellent Parliamentary Draftsman who drafted this Bill.

Mr. Wanstall: Did they tell you—

Mr. POWER: They never told me anything. I have read the Bill and I will not allow the hon. member to force his legal opinion down my throat. This matter has been fully considered by the Parliamentary Draftsman, whose duty it is to ensure that legislation brought before this House is drafted in such a way that it can be correctly understood and safely passed. For that reason I am prepared to accept the opinion of the Parliamentary Draftsman and the legal advisers of the Justice Department, but at the same time I allow the hon. member for Toowong the right to his own opinion, although I cannot possibly conceive how any of the suggestions made by him will be of any advantage to the Minister.

His last suggestion was amazing. He says that the canvasser can take debits from one side and place them on the credit side by issuing a further cash order. In the first place, I should like to point out to the hon. member that if a canvasser did that he would be committing a breach of the Act. I repeat that you cannot prevent a man from breaking the law but you can punish him for doing so. If a person cannot pay the arrears on an existing cash order, I fail to see how he can pay a deposit on a new order. This Bill has been brought forward after having been drawn up by the highly-qualified officials of the Government in a genuine attempt to regulate the cash-order business and at the same time give protection to both parties.

Mr. MAHER (West Moreton) (12.58 p.m.): This Bill is designed to protect the many people who use the credit system in order to obtain goods on what appear to be easy terms of payment. It is clearly an extension of the credit system that has apparently developed under modern conditions where business trading is active and brisk in the big retail houses of the cities, and where the retailer finds it profitable and desirable

to have a quick turnover of cash for his goods rather than incur the extra expense of maintaining a substantial staff to deal with the credit side of his establishment. From this has developed a cash-order system under which aggregations of private capital become available for the purpose of financing people who wish to buy goods from retailers on easy terms. The temptation is there for women to buy pretty frocks, coats and other things when perhaps they have not the ready money to expend, and so seek the aid of cash-order houses to acquire something they covet and are anxious to possess immediately. The retail trader finds it profitable to sell his goods for cash, even if he has to pay from 10 per cent. to 15 per cent. discount to the cash-order houses, in order to get the immediate cash turnover in preference to maintaining an expensive book-keeping system and taking the risk of carrying the many people who obtain credit from him.

At 2.15 p.m.,

Mr. SPEAKER resumed the chair.

Mr. MAHER: In all business operations credit has to be given in some form or other, and invariably those who seek credit have to pay something for the accommodation. Those who often advocate interest-free money do not take into account the fact that money is a commodity like other goods and services. Those who lend their money out reduce their own credit capacity to that extent and are entitled to some monetary reward in return, whether by cash-order business houses, farm-machinery houses, banks or big retail houses. Certainly we could not carry on the gigantic operations of trade and commerce without resorting to financial accommodation at some time or other, and credit houses have sprung into being to fill the need that exists in that respect. It is a source of great relief to big retail houses to fall back upon people who are prepared to advance customers or purchasers from a retail house in such a way that the retailer is able to get his money at once, turning the risk over to those who run credit establishments.

I am sure that in many of the country districts storekeepers who have to take big financial risks with customers would be glad to see an extension of a similar system. I remember that years ago in the Riverina wheat district of New South Wales—perhaps some 30 to 35 years ago, and I do not suppose the scene has changed a great deal since—the country storekeeper after the failure of the wheat harvest might be called upon to carry something like £100,000 through the inability of his customers to pay their way owing to the failure of the wheat harvest. Promissory notes would be taken from them and a rate of interest charged for the extension of the amount, and the storekeeper would have to fall back on a bank or wholesaler to help him weather the gale. It was a gigantic gamble based upon the success of the harvest. If the harvest came good the next year a great bulk of the money would be recouped

but some interest had to be paid by those who sought the accommodation, otherwise the whole structure would have collapsed.

The charge of 9d. in the £1 that has been fixed in this Bill for 20 weeks is equal to 10 per cent. per annum but the cash-order trader can charge also 10 per cent. to the seller of the goods. If that is so the cash-order trader gets 10 per cent. discount for the use of his money over an average period of 10 weeks and the person to whom the order is issued is usually required to pay by instalments. This discount in such circumstances, being drawn from the retailer on the one hand and the purchaser on the other, could be equal to interest of 50 per cent. per annum. It all depends on how long it takes the purchaser to repay the cash-order house the amount of the loan. That might appear to be an extraordinary rate of interest, but when you come to look into the risks involved, and remember that there is no security, naturally we have to concede that those who take these risks are entitled to a reasonable return for their money.

The same principle runs through the Act dealing with the control of money-lenders—where the security is weak, naturally those who take the risk expect a higher rate of interest, and so long as it does not border on usury and there is some effort by Parliament to control excessive rates of interest it seems that nothing can be done about it. The extraordinary thing is that so many people are willing to do business on these terms with money-lending institutions and cash-order houses and to pay what to the ordinary keen business-minded person are rates that border on the exorbitant. All we can do is to try as far as we can to check malpractices in this type of business.

So far as I can see the distributor of the goods that are wanted by the public generally holds the joker and the right and left bowers, if I may put it that way. If Parliament should check the rate of interest chargeable on the various commodities in urgent demand by the public, invariably the distributor can meet that situation by increasing the cash price of the commodities concerned. If, for example, Parliament decided that a flat rate of interest charged on the purchase of motor-cars and farm machinery was excessive and restricted the rate to a specified amount, there is nothing to stop the vendor of such goods from immediately increasing the cash selling price so as to attract to himself what he believes to be a fair rate for handling the risks incurred in the sale of those goods on terms. No matter what we may do to try to make the conditions watertight in the field of cash-order houses or trading houses that give credit, it is very difficult really to protect the public against interest charges. It has been well and truly said that it is possible to drive a wagon and horses through every Act of Parliament—that there are men who can always find some way round what Parliament decrees. So that all we can do is to try to set up a fair standard for observance of the law by those who are engaged in trade and industry who are obliged to give credit and

try to see, as far as we possibly can, that reasonable rates of interest are charged for the services rendered in this important respect.

The Bill contains many important principles, but I think it is a very genuine effort on the part of the Minister and the Government to try to control any possible abuse in connection with cash-order trading and hire-purchase agreements.

Although it might appear that there have been abuses and high interest rates have been charged on cash orders, and that abuses exist in the hire-purchase system, I feel bound to say in justice to those associated with the cash-order business and the big firms interested in letting their goods out on hire-purchase that good service is being rendered to many sections of the community by these business people. Naturally you can always point to abuses and some evidence of dishonesty on the part of some person connected with the most legitimate forms of trade. These businesses are not exempt from practices of that kind. It would be drawing the long bow to say that everybody associated with the lending of money in the cash-order business or selling goods under the hire-purchase system was dishonourable or unjust in his dealings with his fellow men.

I know that in the field of hire-purchase agreements many farmers would never have had an opportunity to become established if it were not for the credit facilities so easily accorded them under that system. I know of men who started off with only a team of horses but with a stout heart and a willingness to work they became share-farmers and under easy terms under the hire-purchase system were able to acquire the requisite machinery to put in a crop of wheat. Then when the season proved to be generous and the wheat was there to be harvested they were able to obtain on easy terms again the necessary harvesting machinery to take the wheat off. Once the wheat was sold they were able to redeem the promissory notes on the machinery concerned and pay the first year's instalments. Then in two or three years they were able to redeem their whole commitments. They then stood to own not only their horses but also their tilling and harvesting implements. Starting from that basis they were in four or five years, with subsequent profits, enabled to pay a deposit on some wheat country, get established and by industrious efforts over the years finally to clear off the obligations on the land they contracted to buy. If it were not for these hire-purchase facilities, even though it might be argued that the interest rates were high, these men would not have had the opportunity to make a start.

It is easy for a demagogue in this Parliament to decry the hire-purchase system and say that high interest rates are charged and so forth. We have to be fair enough to realise that the people who sell goods—motor-cars, farm implements, refrigerators, and all similar classes of goods—on the hire-purchase system are, as long as that business is in good hands and honestly conducted, entitled

to the protection of Parliament within reasonable and honest limits and, on the other hand, we should protect the other party, the man who buys the commodity under the term system, and see that he too gets a fair deal. We should hold a fair balance between both sections and as far as possible do justice to them both, because the system is here to stop.

What man in his experience of life has not come across young people with limited resources who want to get married and pay a deposit on a home, and to whom it becomes necessary—indeed it is absolutely essential—to have some easy system of paying off the furniture they buy? They have to pay for that consideration admittedly, but if it were not for the easy facility accorded to them in that way it would be very difficult for many young people on wages beginning married life to get properly established. The same thing applies to many other facilities, such as refrigerators which, on the lay-by system, they are able to buy out of current earnings with money that might otherwise have been foolishly expended on the pictures, races, or dogs. That money is usefully laid aside in order to discharge the obligation to the vendors of the furniture or refrigerator or other useful article. Supposing they do pay what Parliament might consider a little extra interest, at least it is going into a solid asset. That is far better than the spending that goes on at the week-end race-course, or mid-week for that matter, by thousands of people who waste their substance in foolishly trying to pick winners against the business system of the bookmakers.

The same thing applies in many other fields of activity. We have very little criticism to offer about these easy ways of wasting our substance on sporting facilities, but often a hue and cry is raised if an extra 2½ per cent. is asked by some trader in respect of some easy-term facility offered to the general public. Risks have to be taken by those who give terms, therefore they are entitled to a little extra consideration. Frequently dishonest people are met with and goods have to be repossessed; often they are badly damaged and have to be sold either in a reconditioned basis—which costs money—or at a loss because of the defects in the goods caused by use and abuse in the hands of careless and dishonest people. So that all that is an offset to these extra charges which may appear to many members not to be fair and just. I think our approach to the consideration of these matters should be to try to hold a fair balance.

I have no doubt that in the earlier development of the cash order system many abuses have crept in, and in the zest for business and keenness to make profits those connected with the cash-order houses have resorted to methods of attracting business that are not right; and to the extent that the Minister has addressed himself to the task of drafting the Bill to meet those abuses and irregularities he is to be commended. On the whole I am willing to accord to the Minister and the Government credit for a

good intention and concede that they have done their best to make the laws governing cash-order houses as near to watertight as it is possible for us to do. Perhaps in the Committee stage amendments may be submitted that will help to improve the Bill in order to give effect to what the Government wish to do.

There is one aspect of the Bill that appeals to me, and that is the attempt to prevent cash-order houses from canvassing for business. I think it is desirable to prevent canvassing for business. If people know of their existence, if they see their business houses advertised and they come to them of their own free will, it is all right; but the idea of sending a staff of canvassers round from door to door urging women to buy goods from the retail houses on the easy terms provided by the cash-order house does not seem right. We should endeavour to avoid that.

The hon. member for Toowong touched on an important point when he drew attention to an important weakness in the Bill by pointing out that it is directed against the cash-order house and there is nothing to prevent some independent person not at present established in the cash-order business from applying for a licence and of his own volition canvassing for this class of trade. The penalising effect of the principle referred to is directed against the employment of such men by cash-order houses, but there is nothing to stop the principal of the house or the licensed person from canvassing if he so desires. What is to prevent four or five men from getting together, each applying for a licence—and the fee is only £1—and each setting out to canvass the city from house to house, each acting on his own account, and as his own principal? There is no provision against that in this Bill. The provision is against the employment by a principal of some other person to canvass. The door is left wide open. Unless we are able to close the door by amendment, there is nothing to prevent canvassing by any licensed agent who is a principal of a cash-order house. That is the important point. It is generally agreed that canvassing for cash orders or loans is wrong in principle. We should take steps to control canvassers in all circumstances.

Mr. Power: We have to control the Queensland People's Party canvassers too.

Mr. MAHER: If the hon. member became dictator of this country he would control everybody, and freedom in this country would entirely disappear. I am very pleased that he does not possess the dictatorial power to control us all.

I can see clearly that need exists for limiting a husband's liability where his wife without his knowledge or consent gets in touch with a cash-order house and imposes a debt on him for which he is legally liable. It is important that the husband should be protected. There is a certain amount of cupidity in us all. I suppose it is part of human nature. Frequently we see a man or a woman become envious and very anxious

to possess something, and of course, if it is possible to obtain it by the payment of a small deposit of money, that person is even keener to do so.

If the wife, however, secretly enters into an obligation to obtain perhaps expensive things beyond the capacity of her husband to pay, and does it without his knowledge and consent, she is involving him in a financial responsibility that might even lead to his bankruptcy, as a remote instance, or if not bankruptcy at least a good deal of embarrassment. It is important that Parliament should issue a decree in that respect absolving the husband from liability unless he has given his written consent to his wife's purchasing the goods.

Provision is made for the licensing of cash-order traders on payment of a fee of £1 per annum, but I do not know whether, in addition to the fee, there is to be a limitation on the number of licences issued. I think that will lie in the Minister's complete discretion. I am not one of those who believe in limitations where openings occur for enterprising men to go into business. In other words, I do not believe in creating a monopoly for the limited few. A fee of £1 per annum for a licence is perhaps rather small, having regard to the lucrative nature of the business. I think we can come to the conclusion that the cash-order business draws its dividends from both the retailer and the buyer, and the business must necessarily be a very profitable one, having regard to the possibilities of interest earnings, which in certain instances run up to 50 per cent. on the investment, as I have illustrated already. No doubt that is a matter that will be at the Minister's discretion and he will exercise that discretion wisely.

Another important principle embodied in the Bill is that relating to the limitation on the amount of loan that may be made where any part of a cash order issued to a husband or wife remains unpaid. That seeks to prevent the obligations of any person of limited means from becoming too great, and it helps to regularise the business.

There is also a limitation on the total amount of current cash orders issued to a husband and wife. This limitation is fixed at £10, and the applicant is required to certify that the total of any dealings is not in excess of £10. That is an excellent provision because it limits the risk that applicants can take. Some people may become reckless and willing to accept liabilities that are altogether beyond their earning capacity, and might take them many years to repay, as well as leave them open to very heavy interest commitments.

The provisions dealing with cash orders and cash loans as contained in this Bill apparently are intended to take the place of the regulations under the National Security Act, which expires on 31 December.

The limitations on charges, discounts, and maximum amounts allowed in respect of cash orders are welcome. They appear to be the same as now usually charged, and are certainly liberal enough. Presumably the provisions of the Money Lenders Act will apply to cash loans and the only reason for

including them in this Bill is for the purpose of protecting the husband against cash loans as well as cash orders. The protection applies only where a current cash order is in existence.

A number of other principles have been dealt with in the debate, and the Bill is of such a nature that it calls for more effective debate and consideration in the Committee stages than we can give it at present. I can only say at this juncture that I welcome the Bill as an honest attempt to try to place certain limitations on the cash-order houses and upon some of the people who use that system. It is an effort generally to regularise the business and make for honest dealing between those who lend money for such purposes and those who need the accommodation.

Mr. HILEY (Logan) (2.47 p.m.): This Bill happens to accord in almost all its provisions with the recommendations of a board of inquiry appointed in 1941 by the Federal Government to inquire into the hire-purchase and cash-order system. The report of the committee is available in the Parliamentary Library, and I propose to furnish to the House some of the observations of that committee on facts that led that committee to make its recommendations.

One of the things this Bill seeks to regulate is the amount of discount that a cash-order trader can recover from the supplier of goods. At an earlier stage of the Bill some comment was made that, particularly during the days of the depression, a certain degree of extortion had been practised and some firms had touched 25 per cent. in their concessions to cash order houses to get business. The report of the committee to which I have referred says, in paragraph 24, that discounts in their experience varied from 10 per cent. to 20 per cent. It is clear on the record that some retail houses were willing to pay as much as 20 per cent. to cash-order traders to get business. According to the report the weighted average was about 10½ per cent., which shows that the cases in which cash-order traders were able to blackmail traders were relatively few.

The next statement in the report that came sharply to my attention was one which set out the average experience in relation to bad debts. I think hon. members will agree that that experience would be of tremendous interest in considering what would be the appropriate charges for cash-order companies to make. I think the House will be astonished to learn that in the majority of cases the cash-order trader showed a bad-debt loss of less than 1 per cent. on the total orders issued. These companies, instead of incurring extraordinary losses, made only losses that, on clear evidence obtained by this inquiry, were not as serious as hon. members might imagine. That, I think, would rebut any argument that might be advanced—I hope that it will not, and if it is that it will not be pressed—that the amended scale of charges that this Bill contemplates are not sufficiently high to permit cash-order companies to carry on successfully. What

other factors of operating costs there may be, the risks of bad debts are not a heavy deterrent.

As a matter of fact, it is interesting to note in Paragraph 2 the experience of Western Australia, where the Retail and Traders' Association until 1937 refused to touch cash orders. They simply solved their cash-order problems by saying, "You can issue them if you like but we as traders will not accept them." In 1937 they modified that attitude by creating a special division, the Retail Traders' Association, and orders were issued as domestic orders on each firm and negotiated through the special division. Consequently there was no semblance of what might be regarded as foreign capital in the cash-order business there. It is very interesting, too, to note that in Western Australia they had no discounts at all but instead they said to each constituent member of the Retail Traders' Association, "We will impose a levy on you to cover the cost of operating this section and that money will be proportionate to the quantity of business that you place." In actual experience this report says that the Retail Traders' Association of Western Australia was called upon to contribute 3 per cent. of the volume of the business. It is made clear that that figure may not be fully analogous to the 10 per cent. that is contemplated in the Bill. A little bit of business was done by the Retail Traders' Association with non-members for which the non-members were charged a commission, but that commission charged to them helped to lighten the burden put on the members. It was calculated that if a common levy had been imposed on members and non-members it would have worked out at 5.7 per cent. Therefore I suggest to hon. members that with that evidence before us from such an authoritative source we should not feel the least bit worried about the Brisbane cash-order traders having to carry on business with the amount mentioned in the Bill of 10 per cent. The experience in Western Australia suggests that a percentage lower than that would have been sufficient.

In fairness I should point out that the observation is made in the report that this figure of 5.7 per cent. can hardly be regarded as a general criterion of the cost of the cash-order business since the business being conducted at Perth was very selective. In other words, the retailers, not being in a position where they were seeking this cash-order business but were merely satisfying those of their customers who could not otherwise get the goods they wanted, could be very selective and so it would be hard to incur any loss. As members of the Retail Traders' Association were using their own money they could say, "We will not touch this account; let it go." The rate of 5.7 per cent. that was experienced in Perth could be slightly raised to accord with the actual experience here.

There are some further observations that would be of interest to this House. For instance, there is a table on page 8 of the report setting out the volume of business conducted by cash-order companies in this

State and they cover the years 1936 to 1940. In 1936 the cash-order business in Queensland amounted to £298,000. Then the figures move up to £330,000, £354,000, £366,000, and £384,000 in 1940.

There you have evidence of the slow but steady growth in the volume of cash-order business, but when I remind hon. members that there are in Queen Street alone two retail drapery houses that are doing a volume of business exceeding £1,000,000 per annum hon. members will conclude that the total volume of cash-order business as compared with the aggregate volume of retail business is but a small proportion of that amount.

In another part of the Federal committee's report the cash-order figures are analysed for the various States. It appears from that analysis that the total of the cash orders issued in Brisbane was twice that of Melbourne, and in Sydney twice that of Brisbane and four times that of Melbourne. It looks as if we were in the happy medium, being as we are only half as cash-order-conscious as Sydney and twice as cash-order-conscious as Melbourne.

Again, figures are supplied setting out the class of persons using cash orders. The analysis gives the wage level of families who use them. Now, 24 per cent. of the number of cases that were analysed were those of persons whose wage level was below £4 a week, 58 per cent. between £4 and £6 a week, and 8 per cent. above £6 a week. That rather gives some colour to the facts I stated on the initiation as to a number of individuals who used cash orders, but for the life of me I do not understand why they are under any economic pressure to use them. Those figures give some support to my comment.

Again, the report touches on a principle in the Bill that limits the maximum amount of a cash order. A great number of cases were tested to see what was the average use of cash orders by a family. Paragraph 61 of the report says that the average use of cash orders was about £13 per annum. It points out that that is about 5 per cent. of the annual income of a man earning £4 10s. a week. The report goes on to quote an argument that impresses me as being pretty use of words but no real justification for the existence of cash orders. I will quote it for what it is worth.

Paragraph 62 states—

"It was stated many times by various witnesses that the average housewife likes to budget her expenditure on clothing and household drapery on a weekly basis, and the cash order was the only safe method of doing it as the money was called for regularly each week, and so the allotment was automatic, whereas prior saving would not be so controlled."

It is a very pretty argument to say that a woman wants to buy, for example, a pair of blankets and who in her domestic budgeting has allowed 7s. 6d. a week for household drapery, prefers taking out a cash order for £5 than saving up £5 herself and spending it. They seem to me nice words but I question the logical value of the argument and I quote it for what it is worth as an observation of this Committee.

We come now to comment on what touches one of the most important principles in this Bill. The words are very emphatic. Paragraph 65 of the report reads—

“It does appear to the board that cash orders are oversold by enterprising representatives of the cash order traders. It was vigorously denied by all the cash order traders that they employed canvassers or salesmen, but they almost all employ teams of collectors and these collectors do, in the opinion of the board, ‘push the wares’ of the cash order traders, and make every effort once a customer is on their books to see that such customer becomes a perpetual user of cash orders. The collectors also have a keen eye and ear for new business in the areas in which they collect.”

Mr. Power: And get commission for doing it.

Mr. HILEY: That is so. I suggest that statement of opinion by this Committee, which made careful inquiry into this matter, should not escape our attention. Particularly does that observation lend colour to the doubt raised by the member for Toowong whether the clause that seeks to prohibit canvassing is sufficiently wide. It prevents the employment of a canvasser as such, but it appears to fail utterly to meet the position of a collector of instalments who may canvass on the side. On the evidence and opinion that is contained in this report I suggest that we should not fail to have regard to that possibility.

Paragraph 79 of the report deals with the earning capacity of cash-order companies. That is particularly important, as the principle of the Bill is to limit their reward. I think the House will be interested in the figures in this table. The paragraph refers to the accounts of cash-order traders and covers the return after paying all their working expenses and after providing for normal income tax, but not allowing for special war-time tax. It shows the percentage of their profits to the funds employed. Twenty-six out of 61—almost half—were able to earn over 10 per cent. on their capital, and 14 between $7\frac{1}{2}$ and 10 per cent., and 8 between 5 and $7\frac{1}{2}$ per cent., and 6 less than 5 per cent., and 7 showed a loss. So I think this House, in the light of those figures, will have little or no doubt in accepting the view that in the overall picture the cash-order trade has been quite a profitable field for investment.

Mr. Power: That will include discounts on the purchase of motor-cars.

Mr. HILEY: The committee took some pains to distinguish there, and the set of figures I quoted relates to cash-order profits as distinct from hire-purchase discount profits.

The committee set out in paragraph 123 of the report a number of recommendations, a great number of which find their way towards statutory enactment in the Bill before us. But there is one important recommendation that has not been followed, and it happens to be in keeping with the observation I made on the initiation of the Bill where I endeavoured to point out the danger of making it possible for a cash-order trader on the one hand and a retail seller of goods on

the other to reach surreptitious agreement and to arrange that the cash-order trader might divert more than the ordinary proportion of his orders to a particular draper and the draper in return would see that the cash-order operator would get a standing discount over the statutory limit. The committee foresaw that danger.

“Cash-order traders should not be permitted to limit the negotiability of their orders to specified retailers.”

Obviously the members of the committee were endeavouring, by providing that every order must be an open order, to leave it to the entire free will of the customer where he chose to negotiate that order. By so doing they were endeavouring to prevent for all time any danger of illicit transaction between the seller of the goods on the one hand and the cash-order trader on the other, to divert as much business as possible into their mutual hands with rewards greater than those contemplated under the law. I hope that even at this late stage the Attorney-General will not content himself with adopting most of the recommendations of this excellent report, but that he will go further and add the additional recommendation as well. If that was done I believe that it would prevent the possibility of the abuse to which I have made reference.

I have avoided going through the detailed provisions of the Bill but I have already clearly indicated my attitude towards what I regard as a very special move in the direction of social and economic reform. The principle I wish to deal with now is that which provides that instalments shall be payable at regular intervals. Where that principle is enunciated an exception is made in the case of agricultural implements and I take it the Attorney-General had in mind industries such as the sugar industry, in which there is an annual crop. In such circumstances obviously it is not a bit of use providing for monthly instalments. Regard must be paid to the time when the farmer will receive his return and the instalments are timed accordingly. That exception has been made very properly in the case of agricultural machinery.

Mr. Power: It does not apply only to the sugar industry.

Mr. HILEY: Any seasonal or periodical crop. I suggest that the principle of the exception that the Attorney-General has foreseen as to agricultural implements could very properly be extended to any other dealing by that particular type of customer. It is not the fact that an agricultural implement is the subject of the instrument that is the justification for these extraordinary terms but the fact that the customer is in receipt of a seasonal income, and the customer of that class who desires to buy a motor-truck or a private car is just as much entitled to receive the benefit of seasonal terms as if he were buying a plough or a tractor. I cannot distinguish between the two and I suggest that the Bill should not endeavour to distinguish between the permission accorded, quite clearly and properly, in the case of agricultural implements and something that

is not an agricultural implement which is equally clearly entitled to it. I commend that suggestion also to the consideration of the Attorney-General.

I repeat that as we are slowly inclining towards the better economic order that most thinking people are looking forward to today, I predict that the time will come when the money-lender will completely disappear, because his need will disappear, and the cash-order trader will disappear because the demand for cash orders will be gone. I suggest that rather than bemoan the passage of either of these phases of a disappearing economic system we should as thoughtful and liberal-minded people welcome the passing of both. The day will come, I hope, when cash orders and money-lenders will be written in the book of forgotten things, like child labour and other bad practices.

Hon. D. A. GLEDSON (Ipswich—Attorney-General): Mr. Speaker—

Mr. SPEAKER: The Attorney-General!

Mr. CHANDLER (Hamilton): Mr. Speaker—

Mr. SPEAKER: Order! I have already called the Attorney-General.

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (3.8 p.m.) (in reply): The Bill is one, as has been said by the hon. member for Logan, that can be better dealt with in detail in Committee than in the House. Of course, we can deal only with principles on the second reading. The hon. member for Toowong raised certain matters as to Parliament's delegating powers to the Minister and his being able in turn to delegate those powers to one of his officers. I would draw his attention to the fact that hon. members could not go round the State and administer this Bill. They could not supervise persons trading in cash orders or would-be applicants for cash orders. This work has to be done by an officer to whom particular powers are delegated.

The hon. member said also that the powers were given indiscriminately. They are not.

The powers delegated are to be specified in writing, and the Minister has the right under the Bill to cancel or withdraw those delegated powers at any time.

Another matter raised by the hon. member for Toowong, and I think the hon. member for Logan, was the question of allowing the collector to canvass. There is nothing in the Bill that allows the collector to canvass. If hon. members read the Bill they will see that it provides that the employee or agent of a cash-order trader shall not do certain things. A collector is an employee, and, that being so, he has no right under the Bill to do any canvassing.

Another suggestion was that not only should the person who certifies in writing that he or she does not hold another cash order or cash orders of an amount exceeding £10, including the one being applied for, but in fact does so, be looked on as being

dishonest, but that the cash-order trader who gives an order on that certificate should be held responsible for the false statement. I do not know where we should finish if we made others responsible for our sins. Each should be responsible for his own sins.

The other matters raised are really questions of detail and can be dealt with better in Committee.

Motion (Mr. Gledson) agreed to.

COMMITTEE.

(The Chairman of Committees, Mr. Mann, Brisbane, in the chair.)

Clauses 1 to 7, both inclusive; as read, agreed to.

Clause 8—Canvassing for cash orders, etc., prohibited—

Mr. HILEY (Logan) (3.15 p.m.): I move the following amendment—

“On page 3, line 30, before the word ‘employ’ insert the words ‘invite or induce’.”

The clause, as drafted, does prevent the cash-order operator from employing anyone as an agent or canvasser.

It does not prevent a person who is employed as a collector from canvassing nor does it prevent any other person from canvassing. The intention of this amendment is to go further than the mere employing of a canvasser and to stop any canvassing at all. The clause would read—

“Subject to the next succeeding subsection, a person shall not, without the consent in writing of the Minister, invite or induce, employ or engage any agent or canvasser”

Not only is the cash-order trader himself restrained but other persons are restrained from inviting or inducing. I submit that the Attorney-General left the Committee in no doubt as to his desire to limit this canvassing to the utmost, and therefore I think that the amendment will effect the commendable purpose he has in mind.

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (3.16 p.m.): I have no objection to accepting the amendment to clarify the matter.

Amendment (Mr. Hiley) agreed to.

Mr. NICKLIN (Murrumba—Leader of the Opposition) (3.17 p.m.): I really wish to make an inquiry of the Minister concerning the words, “without the consent in writing of the Minister.” Does that mean that the Minister might at some time allow the employment of a canvasser or agent? It was a matter that struck me as rather peculiar and I wondered whether that was the effect of the clause.

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (3.18 p.m.): I understand that these words were put in to provide for certain contingencies. They are in the Commonwealth Act and have been the subject of court rulings. The idea is to keep

the same wording as in the National Security Regulations. The words allow the Minister to prescribe what shall be done by the trader when a licence is being issued to him to carry on certain work.

Clause 8, as amended, agreed to.

Clauses 9 and 10, as read, agreed to.

Clause 11—Discount on redemption of cash order—

Mr. CHANDLER (Hamilton) (3.19 p.m.): I think the rate of discount allowed is higher than is necessary. A cash-order trader already receives $3\frac{1}{4}$ per cent. from the customer and then he is allowed to mulct the trader to the extent of a further 10 per cent. On simple figures it does not look so bad, but I think it would be an easy matter to present to this Committee a set of figures to show that the rate would still permit a cash-order trader a return of something in excess of 100 per cent. on the actual investment.

First of all, the trader under this Bill would not be called upon to make payment to the seller of the goods for an average of about four weeks after the order was issued. In that time he will have received four weekly payments over four weeks. In addition, instead of having to pay the full price of the goods he has to pay only that price less the 10-per-cent. discount, leaving 90 per cent., less one-fifth of the purchase price, which he has already collected over the period. So that his actual investment, his only initial investment, is 70 per cent., which he collects over 16 weeks from the point when he pays the trader. He is collecting weekly and actually only 70 per cent. of his money is out over a period of eight weeks. If you work that out on a basis of averages you will find that the gross return will probably not be less than 100 per cent. per annum, which I suggest is too high a rate.

Mr. Copley: And you should know.

Mr. CHANDLER: And it is because I know that I am expressing this opinion. There is no reason why I should not express an opinion on a matter of great public interest.

I think the traders should not be permitted to give a discount of any kind to a cash-order house. It has been said during the debate that cash-order companies have in the past held traders up to ransom and blackmail in the payment of discounts. This provision does do away with that but it does not alter the fact that if a department store is in the habit of accepting cash orders and paying 10 per cent. for them, and if we assume that half of its business is done in that way—during the depression certain stores in Brisbane did more than half their business on the cash-order basis—it follows that the total cost for the whole of its business is 5 per cent., which has to be added to the price if it is going to carry on its business profitably. I should like to see the provision for the payment of discount by traders to cash-order people wiped out altogether. However, I suggest to the

Minister that he reduce the rate of discount to half the rate prescribed in the Bill because the cash-order companies would still have sufficient with which to carry on.

Mr. COPLEY (Kurilpa) (3.23 p.m.): I was flabbergasted to hear the hon. member for Hamilton get up and make the speech that he did. Considering the history of the man I honestly think that what he said was just political hypocrisy; and I use the term advisedly. For the hon. member to get up and suggest that the Labour Party should do the things to cash-order companies and other people that he suggested should be done—honestly, I cannot believe that the man was honest in his statement.

Mr. Chandler: Will you support an amendment if I move it?

Mr. COPLEY: The hon. member knows that he is not game to move it.

Mr. Chandler: Will you support it?

Mr. COPLEY: I am not worrying about his history or anything else but it is delightful to think that the hon. member—

Mr. Maher: What has that got to do with the Bill?

Mr. COPLEY: A great deal. We have a man standing here today, one worth a quarter of a million, repossessing goods quite apart from cash orders and other things—

Mr. Maher: He has just as much right to do that as you have to charge 100 guineas on a brief.

Mr. COPLEY: The hon. member's hypocrisy in his representations on these interest rates is scandalous. I must express my indignation at his statements. You would think that the Queensland People's Party was here to look after the interests of the workers. As to the hon. member's suggestion to reduce the interest charge of 10 per cent. I want to say that I have statements, which if challenged I will place before the Committee, that 95 per cent. of the goods being purchased from the organisation run by the hon. member have been repossessed. It was not a question of 5 or 10 per cent. interest then. The statements he made here today are scandalous. I want to say further that this party on the cash-order business is all right. I do not want at this late hour of the discussion to make some extravagant statement about what cash orders have been given and the amount of interest paid under them by workers who have bought radios from allegedly reputable and some disreputable organisations in this town. There are three different classes of trading organisations, namely, reputable, allegedly reputable, and disreputable. I do not want to make any allegation or statement here, Mr. Mann, in consequence of which I may fall foul of you, but you can get a number of those classes under the cash-order system. It ill-becomes any hon. member to come here and make the statements that have been made when you consider our legislation, wherein a maximum interest rate of 10 per cent. is allowed, which

I think is a reasonable limit. The Attorney-General should do nothing else but stand on the statement he made. I do not think the hon. member who just resumed his seat was honest in the statement he made.

Mr. CHANDLER (Hamilton) (3.28 p.m.): I see no reason why the hon. member for Kurilpa—I suppose I am entitled to use the word “honourable”——

Mr. COPLEY: Mr. Mann, I rise to a point of order on a question of privilege. I also ask that the hon. member for Hamilton will take cognisance of what I say about being touchy. On the question of being addressed as “honourable” I would point out to the hon. member that I am entitled, by virtue of the fact that I am a member of this Legislative Assembly, to be addressed as “honourable” by hon. members when they are addressing the Chair. The hon. member’s remark was insulting to me and I ask that he withdraw. I would remind him, too, that I can be insulting to him.

The CHAIRMAN: Order! I would remind the hon. member for Hamilton that the hon. member for Kurilpa is quite entitled to be addressed as “honourable” in this Assembly; every hon. member in this Assembly must be addressed as “honourable member.” I do not want any hon. member casting a slur on the integrity of any hon. member.

Mr. CHANDLER: Thank you, Mr. Speaker. The hon. member for Kurilpa deliberately challenged my honesty. Not only did he challenge it, but virtually, although not actually, said that I was dishonest. I can tell that hon. member that my reputation as a trader can be investigated and I only hope his reputation——

The CHAIRMAN: Order!

Mr. CHANDLER: —— can stand investigation too.

The CHAIRMAN: Order!

Mr. CHANDLER: I also want to tell the hon. member for Kurilpa that I never had anything to do with cash orders and I hope on no occasion shall I do so. The system is exercising a pernicious influence on the traders of Brisbane. It is even deleterious to the people, not helpful; and not only to the people but to the traders also.

Mr. Power: You are a shareholder in a company that runs one.

Mr. CHANDLER: That is not correct.

Mr. Power: It is.

The CHAIRMAN: Order!

Mr. CHANDLER: If the hon. member will persist in saying it he will compel me to call him a liar.

The CHAIRMAN: Order! I ask the hon. member to withdraw that word “liar”! he is not allowed to use it.

Mr. CHANDLER: Mr. Mann——

The CHAIRMAN: When I ask the hon. member to do something I expect him to obey my order.

Mr. CHANDLER: I have not applied the word “liar.” I said that if he persisted in saying it he would compel me to do so. I did not call him a liar.

The CHAIRMAN: I am sorry. I thought that the hon. member called him a liar.

Mr. CHANDLER: The situation in this Assembly is such that when certain members of the Labour Party are bereft of decent argument the only thing they can do is to attack the individual; and because I and my colleagues are in the House with certain ideas that are far more progressive—(Government laughter)—than anything they have——

Mr. Power: What about the Comforts Fund?

Mr. CHANDLER: What about it?

Mr. Power: You got your expenses out of it.

The CHAIRMAN: Order I should like hon. members on my right to allow the hon. member to make his speech without interruption.

Mr. CHANDLER: I repeat that the amount prescribed in this clause is, in my opinion, excessive. I think there would be no injury to the cash-order companies or to any reputable traders if it was reduced. I do not think any discount should be permitted because I think the people who derive the benefit from cash orders should pay the full cost, as the people engaged in the hire-purchase business do.

A Government Member: Would you give discount to the cash purchaser?

Mr. CHANDLER: I do not mind discount to the cash purchaser but it is wrong to give discount at the end of 30 days to a purchaser and allow a cash purchaser to pay full price. It is a fact that the cash-order system, because of the discount allowed by traders and demanded by the cash-order company, is having the effect of raising the cost of living to all the other people in the community. That is the part I object to. The hon. members who have interrupted me so readily, a few years ago were themselves paying more in their cash purchases for goods than they need have paid because of the influence of this system I have referred to. If we do as I think we should do and either eliminate it altogether or compel those people who make use of the system to pay for it or reduce it very substantially, it would make a very material difference to those people who are more prudent and thoughtful and who husband their resources. It would make a substantial difference to the cost of goods. (Government interjections.) I commend that suggestion to the Minister.

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (3.34 p.m.): This clause deals with two groups of traders, the cash-order trader and the retail supplier of goods. The person who gets the cash order is not covered by it. This is a question between the cash-order trader and the retail supplier of goods. Hitherto the cash-order trader and the retail supplier of goods have been able to come to whatever agreement they liked as to discount on the goods. This clause seeks to limit the amount the cash-order trader can receive as discount from the retail supplier of the goods.

We provide that it shall not exceed 10 per cent. if the cash order is redeemed within 14 days of the end of the month, or 5 per cent. if it is redeemed after that. The person who receives the order to get the goods from the retailer pays his 9d. in the £1 to the cash-order trader. That is all he is required to pay, and as far as he is concerned he is finished. The clause deals with a contract or arrangement between the trader and the retail supplier of the goods. The hon. member for Logan read from a report in which the matter was fully dealt with. To keep the interest down to 9d. in the £1 to the person who requires to get a cash order, the cash-order traders were allowed to charge up to 10 per cent. discount. That prevents the person who requires the cash order from paying excessive interest. It is kept down to 9d. in the £1 over a period of 20 weeks. So far as I can see there is nothing wrong with the clause. It is a limitation that was previously made under the National Security Regulations, and the maximum is 10 per cent. Arrangements can be made between the trader and the retail supplier for less than 10 per cent., but for not more than that. This is in conformity with the National Security Regulations, which worked very well. It keeps down the interest to the person who is compelled to take out a cash order.

Mr. PATERSON (Bowen) (3.38 p.m.): I support the remarks made by the hon. member for Hamilton, and will move a definite amendment. I left the matter open till now, thinking that the hon. member might move an amendment. Seeing that he first raised the matter I did not wish to take from him the right to carry his argument to its conclusion. I move the following amendment:—

“On page 4, line 28, omit the word—
‘ten,’

and insert in lieu thereof the word—
‘two.’”

I believe the stand taken by the hon. member for Hamilton this afternoon has been very right and correct, and I regret—and I say this very advisedly—that any hon. member in this Chamber at any time should have to resort to personal abuse of another member to try to defeat a proposal that he puts forward. I have no time for the politics of the hon. member for Hamilton—no more than I suppose he has for mine—but at least if an hon. member rises and puts forward a suggestion it should be discussed on its merits

and on its merits alone. That is the proper method by which we should discuss every proposal put before us.

What did the hon. member for Hamilton suggest? He merely suggested that this Committee should not pass any legislation that allows blackmailers to be paid a premium for their blackmail. Other hon. members have already risen and openly stated that cash-order traders do blackmail retail firms, and if this Committee passes this clause as it stands it is granting a 10-per-cent. premium to them for their blackmail. We are encouraging it by allowing such a high rate of interest as 10 per cent. It would be different if we were allowing 10 per cent. to the purchaser of the goods—if we were allowing the purchaser of the goods to redeem his order and get 10 per cent—but we are not.

The Attorney-General has just pointed out that this clause deals with a matter between the cash-order trader and the retail supplier of the goods. It has no connection with the relation between the purchaser of the goods and the cash-order trader, or between the purchaser of the goods and the retailer. If it did affect the position of the purchaser of the goods and gave him more favourable treatment, I should wholeheartedly support the clause as it stands, but it does not; it actually gives the cash-order trader extraordinarily favourable treatment. It says to him, “You can charge the purchaser 3½ per cent. for your loan.” He gets his 3½ per cent. In addition, it says, “If you can put it over the trader, you can get 10 per cent. discount because you discount the cash order with the retail trader.” It is true, as the Attorney-General says, that this is a matter between the retail supplier of the goods and the cash-order trader, and the retail supplier may not agree to pay the 10 per cent., but every hon. member in this Chamber knows as a matter of cold fact that frequently the cash-order trader can get the retailer by the throat to such an extent that he can force the 10 per cent. or force the amount that the law allows him out of the retailer because the retailer is anxious to get the business. He is in the position of being able to say to the retailer, “If you will not pay me 10 per cent. I will put the business in the hands of a retailer who will pay 10 per cent.,” and that is a very powerful weapon to put into the hands of the cash-order trader.

I am moving my amendment to limit the amount of discount that the cash-order trader can get from any retail trader to 2 per cent. I am sorry that the hon. member for Hamilton did not actually formulate his demand into an amendment. As he has not done so I am doing it.

Mr. AIKENS (Mundingburra) (3.43 p.m.): I support the amendment. I do not think it is right to allow these people to get 10 per cent. I do not know much about the intricate details of the retail trade in the various establishments throughout Brisbane, but I have yet to meet the retailer who is prepared to give the 10 per cent. out of his own pocket. That being so, what I assume to be the position is that when a person goes

to a cash-order trader and gets a cash order for £1 from that trader on the firm of, say, Jones & Company, he takes the cash order along to Jones & Company, who know already that they have to pay 10 per cent. discount on that cash order for £1 to the cash-order traders, consequently, in order to protect their own pocket and their own profit, they see to it that the unfortunate person does not get £1 worth of goods for the £1 cash order, and they either put up the price of the goods they supply under the cash order or supply an inferior type of goods or lower-priced goods and charge the higher price for them.

If we are going to limit the operations of the pernicious cash-order system we must not only make it just a dead-line of profit so far as the profit between the cash-order trader and the victim is concerned, but we must make a dead-line of profit as between the cash-order trader and the firm on which the cash order is issued. For those reasons I intend to support the amendment moved by the hon. member for Bowen.

If it is good to allow a cash-order trader to charge a person only 3½ per cent., why should it be right for him to charge the retailer 10 per cent. discount on the same cash order?

Mr. Pie: Because one is flat, going on.

Mr. AIKENS: It does not matter. I cannot work figures quickly in my head, as the hon. member for Bowen or the hon. member for Logan can. If you care to work it out over a long string of decimals and on the basis of compound interest instead of simple interest perhaps you may prove that the 10 per cent. in the long run merely equals 3½ per cent. I, however, within my limited financial ability cannot see why the cash-order firm should be limited to 3½ per cent. on the issue of a cash order but allowed to go to 10 per cent. when it is discounted with the retailer. The person to whom the cash order is issued takes it along to the retail store, hands it over, and gets "touched" in respect of the goods supplied to him by the store under the cash order because the firm knows he is the unfortunate victim of a cash-order firm. The Minister allows the firm to be "touched" by the cash-order people to the extent of 10 per cent.

Mr. MOORE (Merthyr) (3.46 p.m.): I oppose the amendment and am surprised that the hon. member for Bowen is lining up with the wealthy financial retailers. I have listened attentively to the discussion on this phase of the Bill and I do not know why, if the arrangement between the cash-order people and the retailing firm is so pernicious, the retailing firm is a party to it. Evidently it is a party to it because it suits it to be a party.

Mr. Chandler: Because it is blackmailed into it.

Mr. MOORE: I should not think that, particularly in the city of Brisbane. I should imagine that the financial interests were very strong and loyal to one another. Take the firms of T. C. Beirne (Pty.) Ltd.,

McWhirters Ltd., Allan & Stark Ltd., Finney, Isles & Co. Ltd., McDonnell & East Ltd. Do you mean to tell me, Mr. Mann, that they would accommodate these cash-order people by way of discount if it did not suit them to do so. I can see nothing in the amendment. I am not concerned about the wealthy firms. This amendment is merely moved to relieve the position affecting two wealthy sections of the community and I cannot see anything in it to benefit the people who buy cash orders. I do not think there is any need for legislation to protect wealthy interests one against another.

Mr. L. J. BARNES (Cairns) (3.49 p.m.): I have always been an advocate for low interest rates on short-term loans and I propose to support the amendment moved by the hon. member for Bowen.

I do not agree with the hon. member who just resumed his seat, who says that the retailers are a party to it. Why need the retailers be a party to it when this legislation protects them? If we agree in this Committee that the retailer may pay the cash-order company 10 per cent. the retailer can pass it on to the public. Why should he protest? He is being protected under the Bill and, what is more, it is only catering for the big business houses that can afford to pass 10 per cent. on to the public at a later date.

Mr. Aikens: If we reduce it to 2 per cent. the public might get the benefit of the extra 8 per cent.

Mr. L. J. BARNES: If all business was done on a cash-order basis then the public generally would have to pay 10 per cent. more for its goods.

No big firms in Queensland are earning a 10-per-cent. net profit—as a matter of fact, they are lucky if they get a net profit of 1 per cent. or 2 per cent. on turnover. If all the business was done on a cash-order basis, the general public would be required to pay approximately 10 per cent. more for their goods than they pay to-day. The cash-order companies cannot have it both ways—3½ per cent. interest from the holder of the cash order and 10 per cent. from the retailer. If there is any risk, and the transaction is not an offence against morality, then pay a certain amount of interest. That rate is being prescribed. The borrower will pay a rate of interest extending over 20 weeks or whatever is the term of the cash order. I cannot see any reason why the Attorney-General should not accept the amendment.

Mr. HILEY (Logan) (3.52 p.m.): I confess that I view the amendment with a good deal of grim humour. I do not propose to spend a great deal of time on some of its implications but I want to give hon. members some of my observations. If the amendment is carried, it will mean the end of the cash-order business in this State, because on the figures that I gave earlier it would be utterly impossible to carry on a cash-order business if the only source of its income was the 9d. in the £1 that it charged to its customers, I have made it clear to the Committee that I

should not shed any tears if the cash-order business disappeared entirely from the economic life of the State, but let the Committee be clear on the point. If it desires to put an end for ever to the cash-order business, then pass the amendment. That will be the end of it—"make no error," as the saying is. No cash-order business will be carried on simply on the 9d. in the £1, and having passed the amendment, we need not waste any more time with the rest of the Bill. Having strangled the octopus to death there is no need to set about chopping off its tentacles.

Mr. Aikens: I wondered whether you would have the perspicacity to see that; I am pleased that you have.

Mr. HILEY: If the Committee does not think that our community has reached the stage of social and economic development at which it should strip itself completely of the festering sore of cash orders, then the right approach to the matter is to measure as carefully as possible the minimum that should be given to it to give it a chance of working, and stop at that. If, on the other hand, we have reached the conclusion that this community should for ever put an end to the cash-order business, then take the bold decision in one jump. That is the issue that faces us, but by no stretch of the imagination can it be suggested that cash-order businesses can be carried on simply with the 9d. in the £1.

Mr. Aikens: Plus the 2 per cent.

Mr. HILEY: Yes, plus the 2 per cent. That is the issue that faces us, and it is such an important issue of Government policy that the Attorney-General should tell the Committee whether at this stage the Government are prepared to knock the cash-order business on the head or are going to make it possible for it barely to carry on under restricting legislation. That is the issue that faces us.

Mr. HAYES (Nundah) (3.54 p.m.): I cannot understand the arguments that have been advanced by hon. members opposite concerning the 10 per cent. required of retail houses. It is argued that the retail houses do not want the business of the cash-order firms, yet they are giving them a discount of 10 per cent. I cannot understand that argument.

Mr. Aikens: Do you not realise that many of the retail houses have been black-mailed into giving that discount?

Mr. HAYES: No. I can remember that some years ago a big retail house in the Valley, McWhirters Ltd., was operating its own cash-order business.

At the same time this firm was accepting orders from cash-order companies. I do not know whether it is now operating its own cash-order business. The whole question is this: if an individual wanted a cash order and a cash-order company considered him worthy of credit it issued it to him on whatever firm he wished to trade with. This Bill provides that such a cash-order company shall

charge only 9d. in the £1 for the period of the credit—namely, 20 weeks. The total interest charged amounts to 7s. 6d., or 3½ per cent. I have only mentioned these facts in reply to the arguments of hon. members opposite. As I worked in several retail houses, I can claim to have some experience of their business. At all times I found them fair in the cash-order business. The prices of their goods are the same to the cash, credit, or cash-order customer. Any statement to the contrary is simply an Aunt Sally raised in order that it can be knocked down again. The reputable retail firms that accept cash orders charge those customers only the same price for the goods purchased as they charge any other customer. We still have cash-order companies doing business with retail houses. It is not the cash-order companies that seek out retail firms for business; it is the retail houses that approach the cash-order companies for their business.

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (3.57 p.m.): I cannot add anything to the arguments used by the hon. member for Logan with respect to this amendment. No cash-order firm would be able to carry on as it is doing at the present time, issuing cash orders and then collecting from the persons to whom they are issued, on 9d. in the £1 plus a maximum of 2 per cent. I can assure the Committee that I have no intention of accepting the amendment. When the Government find that the people are in a position to do without cash orders they will take steps to abolish the system. They will not need any urge from Big Business.

Mr. CHANDLER (Hamilton) (3.59 p.m.): I entirely agree with the amendment and propose to support it. I anticipate that it will be defeated, therefore I foreshadow that I shall move a further amendment which will limit the interest rate to 5 per cent. instead of 10 per cent. Anyone who cares to work out the increase will say that a cash-order company will be so restricted by an interest rate of 5 per cent., plus a further 3¼ per cent. from the purchaser of the cash order, that it will not be able to carry on. It should be the purpose of this Committee to make the cash-order business as difficult as possible. All of us must agree, however necessary some people may consider it, that the cash-order business as a whole is an excrescence on our social system.

As my colleague reminds me, the cash-order business lives entirely off the poor. I go further, and point out that cash-order traders are complete parasites on the community. They serve no useful purpose; they do not produce anything; they merely come along and take advantage of the impecuniosity of certain people in order to make their profits. If we make this business less profitable there will be less inducement for them to spend huge sums in advertising or circularising or in all the other ways by which cash-order traders can boost that form of business.

I suggest that not only would an amendment such as I foreshadowed serve a useful purpose to the community, but it would also

serve a very useful purpose to the trade; because it is a fact in the past cash-order traders have been the biggest professional blackmailers that this country has known. I myself have had demands for the payment of not less than 30 per cent. discount from cash-order companies. Fortunately I was in a position to be able to refuse to pay such extortionate rates; but I lost business.

It is all very well for members on the opposite side to say that the retailers do not have to pay the discount unless they wish. I point out that in a bad period—and bad periods come along; today we are living in a period of prosperity, but we may not always be living in a period of prosperity—when the retailer is in such a situation that the cash-order trader can come along and say, "If you don't pay me discount I will take all the business to your competitor next door," I put it to you that is a great temptation, and that he is a very strong man—and what is more, a very financial man—who is able to stand up against the pressure.

The situation the retailer was forced into during the period between 1932 and 1935 was this: if he met the rapacity of the demands of the cash-order company he probably went broke, and if he refused to meet their rapacity he lost the business and he probably went broke just the same. Actually he found himself between two stools, or between the two millstones. I do suggest that if the Minister will favourably consider this, if not the amount in the amendment at least a lesser amount than is provided in the Bill, it will be an advantage. It should be the aim of this Assembly to curb this trade to the very greatest extent possible if, as the hon. member for Logan says, we are not prepared to abolish it altogether. It may be that the public of Queensland have become so inured to this system that they feel they cannot do without it. At least we should make it so that it is as little profitable as possible; and thereby lessen the inducement for cash-order traders to go out and induce unfortunate women to invest in cash orders for goods that frequently are worn out, or have become completely out of date or unfashionable, before they are paid for.

Mr. PIE (Windsor) (4.4 p.m.): I want to clarify the position. I have had considerable experience of cash orders because at one period I was associated with a business more than half of whose trade was in cash orders, particularly in the depression. Candidly, I do not like cash orders. Because of this facility I think most people are inclined to spend beyond their means.

I gave the Chamber my view on the matter on the initiation of the Bill. I do not think it is right that we should knowingly put people out of business. The amendment moved by the hon. member for Bowen will definitely put cash-order traders right out of business.

Mr. Aikens: You do not believe they are a parasite?

Mr. PIE: I agree with that view but what I should like to see done is, with the concurrence of the hon. member for Bowen, to try this

out with 5 per cent. I agree that 10 per cent. is too high but I do not wish knowingly to put any firm out of business. The figures submitted by the hon. member for Logan prove that the del-credere risk is only 1 per cent. in cash-order business, and with the overall position as it is I say quite definitely that 10 per cent. is far too high. If the hon. member for Bowen would agree to alter his amendment to 5 per cent., it would be a different story altogether. I would not knowingly put any firm that was giving service to the community out of business. If we are going to put these firms out I will not be a party to it. I will not be a party to prevent anyone from making a living and I say very definitely that on the figures placed before the Committee so ably by the hon. member for Logan 10 per cent. discount is far too high. It is more than they are entitled to on their trading risk. I was astounded to find today that 1 per cent. was the only del-credere risk that was accepted by cash-order firms.

Mr. Aikens: The overall risk?

Mr. PIE: The overall risk. It shows very clearly that cash-order firms making advances to people have a very good security. If it was not so, their del-credere risk would be much higher. I think 10 per cent. is too high but I also think 2 per cent. too low. We should strike a rate of 5 per cent. and if the hon. member for Bowen will alter his amendment accordingly I will support him, but I cannot support his amendment in its present form, which would put firms out of business.

Mr. POWER (Baroona) (4.8 p.m.): Listening to the hon. member for Hamilton one would think he had an interest in the person who has to obtain the cash order but the one desire of that hon. member is to push the cash-order trader out of business so that he and the people whom he represents can make greater profits in another direction.

If the amendment is carried, what will be the effect? It will mean that the cash-order trader will have to go out of business altogether and that will inflict a tremendous hardship on the unfortunate worker and his wife who are compelled through economic circumstances to use these orders. That is exactly what the amendment means. If this business is eliminated, what will happen? The hire-purchase system will increase and it will mean increased business under the hire-purchase system for firms run by the hon. member for Hamilton and men of his kind represented by the Opposition today.

Mr. TURNER (Kelvin Grove) (4.9 p.m.): After the hon. member for Logan had explained the whole position I was amazed at the hon. members for Bowen and Mundingburra in moving such an amendment. Had they moved that the rate of interest to the borrower be reduced from 3½ per cent. to 2 per cent. I should have been inclined to support them. The borrower is the person who is entitled to the lowest possible rate of interest but they leave him to carry the rate of 3½ per cent. and they ask the trader's rate of interest to be reduced to 2 per cent. I am not concerned about either the cash-order

man or the trader. I would wipe them out of existence completely, but I understand there are some people in the community who cannot make ends meet without the help of cash orders. It is all hooey for the hon. member for Hamilton to say that the cost of goods to the consumer will be increased if we leave it at 10 per cent.

Mr. L. J. Barnes: Do you not think the Government should go into this type of business?

Mr. TURNER: We are discussing the Bill before the Committee. I would wipe them out completely but if we cannot do that I would have them controlled by the Government.

After having heard the very explicit explanation of the hon. member for Logan I cannot understand why the traders have not banded together and cut out this blackmailer, as he has been called.

Mr. Hiley: Some of them did.

Mr. TURNER: I am concerned about the man who is being charged 3½ per cent. If this charge was reduced to 2 per cent. I should support it.

Mr. PATERSON (Bowen) (4.11 p.m.): I think the hon. member for Cairns hit the nail right on the head when he pointed out that if the cash-order trader was to be allowed his 10 per cent. discount then obviously the retailer must make it up somewhere. The cash-order trader is not in business for fun. He is not in business for the benefit of the people to whom he lends money, he is not in business for the benefit of the retail trader; he is in business solely for his own benefit. The retail trader is in the same position, and if the retail trader has to allow 10 per cent. discount to the cash-order trader, then obviously he has to make it up somewhere, and he does so by a general increase in his prices.

Mr. Hiley: They only take orders in the high-margin departments.

Mr. PATERSON: Nevertheless, the retail trader has to make his overall profit. He wants a certain rate of profit over the whole of his business and if his rate of profit comes down in the high-margin departments obviously he has to make it up in the low-margin departments, which makes it worse still.

Those hon. members who have spoken claim to have no love for the cash-order trader. There does not seem to be any dispute about that; no-one claims to be a friend of the cash-order trader. If we claim not to be his friend, then why should we be worrying about him? The hon. member for Logan has suggested that if the rate is reduced to 2 per cent. we shall drive the cash-order trader out of business. I do not know whether we should, but if the rate is reduced to 2 per cent. he is still left with 5½ per cent. He charges the purchaser 3½ per cent., and if my amendment is carried he will be allowed 2

per cent discount from the retail trader, so that his total profit will be 5½ per cent. Surely that is sufficient!

Even if it does drive him out of business, as the hon. member for Cairns interjected so pertinently to the last hon. member who spoke, it would be the best way in which to force the Government into the business, and that is obviously the only solution. Either the State or the Commonwealth Government or, if you wish it, a combination of both, should enter into this business to give cheap loans to people who need them.

But above all, there is a final solution and it is this: it is a scandal to think that we have to meet in this Parliament and pass legislation based on the assumption that there are people who are so broke that they need this system. It is a scandal and a disgrace and it does not say much for our legislation or our Industrial Court awards in this State or in this Commonwealth. It is time wages were raised so that people will not be compelled to resort to these blackmailers and borrow money to buy the ordinary necessities of life.

Mr. COPLEY (Kurilpa) (4.14 p.m.): I hope the day is not far distant when wages and continuous hours and months of employment will make it unnecessary for men to have to go to the cash-order trader. Like other hon. members, I am opposed to the system of cash orders and I hope the day is not far distant when cash orders and those three balls that hang outside certain shops are eliminated entirely from our economy.

We must realise, however, that through lack of employment, sickness and other causes, because of the inadequate payment they are receiving in return for their labour, the workers are forced to take out cash orders. I know one man who had to take out a cash order to buy a layette. At the end of the term, when his wife was going to hospital, I think £1 was still owing. And I should hate to show the hon. members of this Committee letters written to him by the cash-order house. There was sickness in the family—amongst the children—when he had to meet this £1.

I was interested to hear the hon. member for Windsor. I realise that he is in a cleft stick this afternoon.

Mr. Pie interjected.

Mr. COPLEY: Oh yes, he is. As an individual who has had to use cash orders or as one who was associated with the cash-order traders, he is in the position to-day of saying, as did another member of his party, who may be the next leader, that he would like to see cash orders abolished. We on this side of the Committee have long memories, and we know of individuals connected with the three-ball industry, the same thing in effect as the cash-order business. I think there was a deputy mayor by the name of Tait who was in the money-lending business. I was one of the prime movers in this Chamber for the reduction of interest rates

charged by money-lenders and under cash-order systems. I complained and I brought scandalous cases before this Committee. The whole of the discussion this afternoon has turned on the question of 10 per cent. It is a scandalous amount to be paid. But when we were allowing money-lenders to charge 20 per cent. there was no squeal from the anti-Labour forces.

Mr. Pie interjected.

Mr. COPLEY: If the hon. member wants to cut it down to 2 per cent., where is the margin for private enterprise? In one breath the hon. member for Windsor is advocating private enterprise and saying that private enterprise has certain rights, but with a margin of 2 per cent. it could not possibly carry on and that is where the sting is. Hon. members of that party want to amend the Bill from the point of view of political propaganda and vote-catching. If we can stand money-lenders charging 20 per cent., we can stand this 10 per cent. The Labour Party is an evolutionary party.

Mr. Pie: I thought you said revolutionary.

Mr. Chandler: Neverlutionary.

Mr. COPLEY: The hon. member will not be here long. I remember the time when a certain gentleman was running round the streets of Ithaca with a horse and cart and now he is able to sign his name for a quarter of a million. I do not appreciate having anybody coming into this Committee and lecturing us on what should be done for the working man.

As I was saying, this is an evolutionary party. Let us consider the history of the case. We have a genuine case, and I think a reasonable one, on the question of the 10 per cent. I do not want this Committee to think that the Labour Party has a monopoly so far as the wiping out of cash orders is concerned. I think the use of cash orders is necessary to meet essential cases, and I ask the Committee to agree to the proposal.

Mr. L. J. BARNES (Cairns) (4.20 p.m.): We are reasonably unanimous that 99.9 per cent. of the cash-order firms are racketeers and usurers to the highest degree and I see no reason why we should waste the time of Parliament in protecting them. I believe in the biblical philosophy of Christ who hunted the usurers from the temple. If we carry the amendment, the worst that could happen, according to the hon. member for Logan, is that we should drive them out of business altogether.

Mr. Power: Is there not also a further biblical philosophy, something like, "Do unto others as you would that they should do unto you"?

Mr. L. J. BARNES: Let me retort to that philosophy by quoting the philosophy of an ex-Premier of this State who said, "Let us do unto ourselves first." No Government should want to protect usurers. If I go to T. C. Beirne & Coy., in the Valley, and buy goods to the value of £100 a month, do I get a 10-per-cent. discount? No. But

some big monopoly for whom we are catering in passing this legislation and having a turnover of £500 a month could go to T. C. Beirne and get a discount of 10 per cent. And we are passing legislation to make sure that he does get it.

What is the difference between that and a brewery that says to a big publican, "You can have 500 cases of beer at 12s. a dozen," and to the small buyer, "You can have a case of beer at 15s. a dozen"? That would be catering for the big monopoly so as to put the small man out of business. The same applies here. If what the hon. member for Logan says is correct, that an interest rate of 3½ per cent. by itself is not enough and they should get 4 per cent. or 4½ per cent., then deal with it in the proper place. Let us give them a proper rate so long as an investigation is made to determine what it should be—we cannot rely on the say-so of the hon. member for Logan alone. In the past cash-order houses wasted an enormous amount of money in advertising and canvassing but to-day, after certain restrictions have been imposed upon them, there is not so much Press advertising and probably not so much money is wasted in that way.

By supporting the amendment then, according to the hon. member for Logan, we should be doing only what Christ did when he hunted the usurers out of the temple. I suggest to the Government that they talk right to the Commonwealth Government, and whether it be the Agricultural Bank or the Commonwealth Bank, let them come in quickly with their financial aid and help the poor, not exploit them.

Mr. AIKENS (Mundingburra) (4.23 p.m.): This debate has developed into what might be termed a political and verbal phantasmagoria—that is, one of those things you dream about and never expect to meet in real life. Here we have the amusing situation that every hon. member in the Chamber admits that the cash-order people are blackmailers, thieves, crooks, robbers, that they are a parasitical growth, yet not one hon. member is prepared to excise that parasitical growth from the tree of the community.

We have another astonishing state of affairs. On the Opposition side of the Chamber we have the political representatives of Big Business, as exemplified in the cash-order people, the big retail traders, and by everyone else in the community who lives by the exploitation of the working men and women in this community. These people, through the political representatives of the big traders and the political representatives of the cash-order people, tell us in their own words that 10 per cent. is too much. They admit, through their political representatives, that 10 per cent. is too much. Surely then we can accept the assurance of the political representatives of the cash-order people and the retail traders that 10 per cent. is too much?

And amazingly enough, we have the alleged representatives of the victims of the cash-order people standing up here and declaring that 10 per cent. must be allowed in order that these parasites might continue to flourish

and prosper. Is it not an amazing state of affairs when the friends of the cash-order people tell us that 10 per cent. is too much and the alleged friends of the victims of the cash-order people tell us that 10 per cent. is too little? I am prepared—that is why I am supporting the amendment—to accept the assurance of the cash-order people and retail traders that 10 per cent. is too much.

I am even prepared to accept the word of the hon. member for Windsor that 5 per cent. would give them a comfortable living. I am not going to support the proposal to make the interest rate 5 per cent. at this stage, because the hon. member for Windsor assures us that 5 per cent. would give these people a comfortable living. I see no reason why the Government should guarantee the cash-order people a comfortable living. The cash-order people should be compelled to operate under such a system only by allowing them to live from hand to mouth and day to day, in the same manner as their victims, who are exploited and sucked bone-dry by them. I see no reason why we should legislate to give the cash-order people any better standard of living than we give their victims.

Question—That the word proposed to be omitted from clause 11 (Mr. Paterson's amendment) stand part of the clause—put; and the Committee divided—

AYES, 36.

Mr. Bruce	Mr. Jones
" Clark	" Keyatta
" Collins	" Larcombe
" Copley	" Luckins
" Davis	" Macdonald
" Decker	" Maher
" Devries	" Moore
" Donald	" Nicklin
" Dunstan	" O'Shea
" Farrell	" Pie
" Foley	" Power
" Gair	" Smith
" Gledson	" Turner
" Gunn	" Walsh
" Hanlon	" Williams
" Hanson	
" Hayes	<i>Tellers:</i>
" Healy	" Graham
" Hiley	" Ingram

NOES, 5.

Mr. Barnes, L. J.	<i>Tellers:</i>
" Marriott	Mr. Aikens
" Paterson	" Chandler

Resolved in the affirmative.

Mr. CHANDLER (Hamilton) (4.33 p.m.): I move the following amendment:—

“On page 4, line 28, omit the word—
‘ten’

and insert in lieu thereof the word—
‘five’.”

The CHAIRMAN: I wish to point out that the Committee has just carried an amendment that “ten” shall stand part of the clause, so the amendment is out of order.

Mr. Aikens: Can we not move another amendment?

The CHAIRMAN: Order! The hon. member has asked me a question and if he gives me an opportunity to give him an answer he will get one. I want to inform

the Committee that the effect of the vote just taken is that the word “ten” stands; it was carried by 36 to 5.

Clause 11, as read, agreed to.

Clause 12—Husbands not liable to repay cash orders and cash loans in certain cases—as read, agreed to.

Clause 13—Cash orders in excess of £10 not to be issued—

Mr. HILEY (Logan) (4.34 p.m.): I regret that I have not had time to distribute copies of the amendment to members of the Committee. I move the following amendment:—

“On page 4, line 41, insert the following paragraph:—

‘A cash-order trader shall not issue to any person a cash order which is limited in its negotiability.’”

The purpose of that amendment is to put an end to any secret arrangement between a cash-order trader on the one hand and a seller of goods on the other. Where the order is open obviously such an arrangement cannot be possible and the customer can determine where that order is to be negotiated. If on the other hand the trader issues an order which is confined to a particular firm it will be obvious to the Committee that there you have the background for such a secret arrangement.

I remind the Committee that the provision encouraging the open negotiability was one of the strong recommendations of the Federal board of inquiry, which was appointed for the purpose of controlling cash-order practice. I commend the amendment to the consideration of the Attorney-General and of the Committee.

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (4.36 p.m.): I have no intention whatever of accepting the amendment. A report was submitted to the Federal Government and they went into the whole matter. They had opinion of counsel. The drafting was done there. They found by experience that they were not able to limit it in that way. They were against it, and to introduce it here would virtually take away the effect of the Bill. To include this amendment in this clause would widen the principles of the Bill, and the principles have been determined already by the House on the second reading. This is not one of the principles in the Bill brought before the House at the second reading and affirmed there.

Mr. PIE (Windsor) (4.37 p.m.): The issue raised by the hon. member for Logan is very important, and an analysis of the amendment will disclose that it will take part of the cash-order trader's power from him. For instance, a cash-order firm could issue an order with instructions to the applicant that the order was valid only on such-and-such a firm. If there were competitors of that firm that the cash-order trader did not like he could push them right out of business by limiting the negotiability of the order to his favoured retailer. The principles outlined by the hon. member for Logan are sound, and I am surprised at the Minister's not accepting this amendment.

Mr. AIKENS (Mundingburra) (4.38 p.m.): I stress the position of the cash-order firm at present as being that when it finds itself doing quite a lot of business and issuing a number of orders it is in possession of a strong and vicious financial weapon. It goes to a firm, for example McWhirters. The name of that firm has been mentioned in the debate and I will use it in a hypothetical sense. I have no intention of contending that McWhirters do this sort of thing. However, we will say that the cash-order people go to McWhirters and say that they will give them their cash-order business for a certain type of commodity if McWhirters grant them 10 per cent.—that is the limitation imposed by the Bill—in addition to the 10 per cent., which is the legal amount, they must give them another 5 per cent. under the lap. If McWhirters will not do that the cash-order people could go over to T. C. Beirnes to see whether they will do this. If T. C. Beirnes will not do it the cash-order people then hawk their cash-order business from firm to firm until they get one that is willing to break the law and give them more than the legal limitation imposed by the Bill. In other words, they use their business purely and simply as a means of blackmail.

Mr. Turner: Do you not think McWhirters would report the matter?

Mr. AIKENS: I was particularly careful to point out that no personal implication was attached to McWhirters. They are one of the very few firms in Brisbane whose name I happen to know—not that I have done business with them. I could have said Jones or Smith or Brown and no-one attaches any significance to the fact that the Secretary for Public Lands is named Jones.

It is a well-known fact in the business section of the community that the cash-order people do use their business as an instrument of blackmail and they are able to use their business as an instrument of blackmail simply because of the legislative protection given to them by the clause that the hon. member for Logan seeks to amend. A cash-order trader may issue an order on one firm and that firm may be one that is willing to grant the trader not only the legal limit allowed under the Bill but something under the cash as well. If the cash-order issued by the cash-order firm is negotiable anywhere, then the cash-order traders cannot use it as an instrument of blackmail because there may be 40 firms in Brisbane who will accept cash orders issued by Jones & Co. If the amendment suggested by the hon. member for Logan is carried, the cash orders issued by Jones & Co. will be negotiable at any one of the 40 firms in Brisbane, and it is not likely that the whole 40 firms will band together and allow themselves to be blackmailed in this respect, but they can be separated and blackmailed individually as at present. The cash-order system believes in a Napoleonic dictum, "Divide and conquer." If the cash-order people were drawing up this Bill themselves they would insist upon the very clause that is being insisted upon by the Attorney-General. They would insist that cash orders could be negotiated only at one particular firm

because they know that once they have the power to say, "You can negotiate this cash-order only at one particular firm," they can use it as a weapon of blackmail, and that is the reason why I support the amendment.

Amendment (Mr. Hiley) negatived.

Clause 13, as read, agreed to.

Clause 14—Cash loans not to be made in certain cases—

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (4.43 p.m.): I move the following amendment:—

"On page 5, after line 13, insert the following paragraph:—

'The provisions of this section shall be read and construed with, and so as not to limit the operation and effect of the Money Lenders Acts, 1916 to 1946.'

At present the clause reads—

"A cash-order trader shall not make a cash loan to any person where any amount remains unpaid under any cash order previously issued by that cash-order trader to that person, or to his wife or her husband, as the case may be."

Loans are controlled by the Money Lenders Act, therefore, any loans issued by the trader must be advanced under the provisions of that Act, and this amendment is included to avoid any confusion as to the legislation governing these matters.

Amendment agreed to.

Clause 14, as amended, agreed to.

Clauses 15 to 21, both inclusive, as read, agreed to.

Clause 22—New section 7A inserted; Implied conditions as to fitness—

Mr. HILEY (Logan) (4.46 p.m.): I have an amendment to this clause. I had originally given notice to the Attorney-General of two amendments but I do not propose to move the first one I mentioned to him. It suggested some redundancy in the use of the words, "as the case might be."

The amendment I wish to submit to the Committee is that which would provide for the omission of the words contained in lines 19 to 23, both inclusive, on page 7. I would point out that this clause endeavours to protect purchasers of goods from warranties and representations implied in the purchase. The main purpose of the clause is that if goods are let or sold under a hire-purchase agreement there is deemed to be a representation that the goods are suitable for the purpose for which the chattel is required. I am in accord with that principle. On the initiatory stage the line of my comment was that under no possible circumstances should a man who was forced to buy goods on time payment be in a worse position than the man who was buying for cash over the counter. To argue such a thing would be putting a penalty on poverty, and surely we will not do that.

I ask the Committee to look at the proviso to that clause because it says—

"Provided that in the case of the letting or sale under a hire-purchase agreement of a specified chattel under its patent or trade

name the provisions of this subsection do not impose an implied condition as to its fitness for any particular purpose."

Now, as I understand it, the effect is that if a hire-purchase agreement is entered into in respect of a motor-car the implied condition in terms of this section is that it will do the work you would ordinarily expect a motor-car to do. If the motor-car you buy is a Ford motor-car and you buy it under the trade name the vendor is freed of all responsibility for the implied condition of performance of the Ford motor-car. I do not think that that was intended.

It may be that I have entirely misconstrued the purpose of the proviso but it seems to introduce an undesirable exception. I cannot see why goods without a trade name or which are not patented articles should be subject to a condition from which the patented article or the article sold under a trade name is excused. I commend the amendment to the consideration of the Attorney-General and I move—

"On page 7, lines 19 to 23, omit the proviso—

'Provided that in the case of the letting or sale under a hire-purchase agreement of a specified chattel under its patent or trade name the provisions of this subsection do not impose an implied condition as to its fitness for any particular purpose.'"

Hon. D. A. GLEDSON (Ipswich—Attorney-General) (4.49 p.m.): The wording referred to came from the National Security Regulations. I do not think that the proviso adds to the protection of the man buying goods and I have no objection to accepting the amendment.

Amendment (Mr. Hiley) agreed to.

Clause 22, as amended, agreed to.

Clauses 23 and 24, as read, agreed to.

Clause 25—New sections 9A and 9B inserted; Minimum deposits and maximum periods of hiring—

Mr. HILEY (Logan) (4.57 p.m.): I move the following amendment:—

"On page 8, line 56, after the word 'implement' insert the words—

'or the goods the subject of which are let or sold to a person deriving his livelihood from primary production otherwise than as an employee.'"

The purpose of the amendment is to meet the contingency in Queensland of a man who derives his income from the proceeds of a seasonal crop. The Attorney-General has introduced the principle as regards agricultural implements. Take for example a sugar farmer who buys a tractor on time payment. He should not be under the obligation of paying for the tractor by instalments at rigid intervals, but rather an exception should be deliberately made in such a case so that the farmer shall be able to make the payments in accordance with his expectancy of the proceeds of his crop. That distinction is deliberately made so as to remove the accidental difficulty associated with the time factor in the pay-

ment of instalments, so that a man who has instalments to meet will find it easy to meet them, knowing that his commitments will fall due at stated intervals. As the Attorney-General has recognised this commendable principle in regard to agricultural implements, some regard should also be had to the seasonal receipt of the income of a purchaser who might be a farmer. For that reason I commend the amendment to his consideration.

Amendment (Mr. Hiley) negatived.

Clause 25, as read, agreed to.

Clauses 26 to 32, both inclusive, as read, agreed to.

Bill reported with amendments.

The House adjourned at 4.55 p.m.