

Legislative Council,

Wednesday, 20th December, 1933.

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

ASSENT TO BILL.

Message from the Lieut.-Governor received and read notifying assent to the Fremantle City Council Lands Act Amendment Bill.

QUESTION—AGRICULTURAL BANK ROYAL COMMISSION.

Hon. H. SEDDON asked the Chief Secretary: 1, What has been the cost to date, including expenses, of the Royal Commission inquiring into the Agricultural Bank? 2, What is the total estimated cost that the inquiry, when completed, will involve?

The CHIEF SECRETARY replied: 1, £625. 2, Approximately £1,400.

BILL—LOAN, £3,946,000.

Second Reading.

Debate resumed from the 15th December.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [4.38]: Except where circumstances otherwise demand, I will deal in bulk with the speeches on the second reading, as nearly all the criticism was based on the same impressions. As members know, the amount raised under a Loan Bill is not necessarily the amount which is spent in any year. As a matter of fact, the measure does not give authority to spend a single sixpence. It merely gives power to borrow the money when it is required.

Last year's Bill was for an amount of £2,176,000, but the amount actually used was

in excess of that sum. It totalled £3,383,000 made up thus:—

	£
Loan expenditure	2,218,000
Revenue deficit	865,000
Trust funds being Treasury bills approved by Loan Council for replenishment of Trust accounts	300,000
	<hr/> £3,383,000

In addition, the Commonwealth granted £145,000 for special winter relief for the unemployed. This year it is anticipated that the total amount we shall use will be—

	£
Loan Works	2,750,000
Revenue Deficit	750,000
	<hr/> £3,500,000

The amount is practically the same as that for last year. We must have authority to raise money before it can be appropriated for use. A number of authorities are depleted and so replenishment must take place. Borrowing to meet deficits is unavoidable.

No one can maintain that the position of the States has improved to such an extent that deficits can be reduced to a figure much below that of 1932-33. The fact that it was unreasonable to expect us to do so was recognised by the Loan Council. It is something to its credit that Western Australia was the only State in the Commonwealth which submitted estimates to the June meeting of the Loan Council showing a reduction on last year's results. We did better than any of the others. The serious position of the States has been the subject of considerable discussion, and a meeting will be held early in the new year to inquire into the relationship of the States to the Commonwealth under the Constitution.

Members are well aware that the originators of the Premiers' Plan stressed the probability of the Commonwealth receiving the greatest benefit. The results achieved in the two completed years amply bear that out. It must be remembered that the Australian Loan conversion did not benefit this State to the extent that it benefited the Commonwealth and the other States. The greater portion of our debt is overseas; hence the relief enjoyed by us was comparatively slight.

At the June Conference, the State Premiers agreed unanimously that there were two ways only of holding the position. One was by the Commonwealth evacuating a field of taxation such as Income Tax or Sales Tax. The other was by the absorption of unemployed in works of some kind. The Commonwealth would not consider the taxation proposal and the Premiers had no choice but to press for increased loan money—either that, or see famine stalking the land. The condition of the unemployed throughout Australia demanded immediate action in order to effect an improvement.

The same, or worse, conditions apply to other parts of the world, and, amidst the maze of theories for improvement, only one suggestion meets with anything approaching universal approval and that is national work. National work cannot be financed from revenue. Adherents to the principle of national work do not suggest that the undertakings should be self-supporting. They do not even suggest that they should be directly reproductive. Australia has adopted a works programme, and in the main, the works listed by this State are directly reproductive.

Taking the biggest section of the Loan Bill viz., Water Supply and Sewerage, £997,000, the original cost of the Goldfields Water Supply main has been repaid from sinking fund. The capital has been wiped out. Replacement is, therefore, a proper charge to loan, and is unquestionably reproductive expenditure. The interest and sinking fund will be met. Of that there is no doubt. Metropolitan Water Supply, Sewerage and Drainage Department operations call for £425,000. Included in this sum is provision for part of the cost of the Canning reservoir, and sewerage extensions and drainage works in areas which will be rated. Interest and sinking fund are assured. They will be found by the property owners who are to be served; so that no one can cavil at the expenditure. The amount of £390,000 for water supply for towns and agricultural districts covers the completion of the Collie River irrigation scheme, the Harvey drainage and irrigation scheme, the Collie new water supply, and similar works, all of which are revenue-producers.

The assistance being given to the mining industry may not show such direct results, but the possibilities of the scheme are obvious. Mining is our one bright spot, and the wealth being produced is of incalculable benefit to the community as a whole. Mining, in fact, will for many years be of great advantage to the State and productive of much prosperity. Under Development of Agriculture, the extension of the Midland abattoirs is a directly productive work. This much-needed public utility cannot be further delayed. It must be proceeded with immediately. The advance to the Agricultural Bank is much the same as it has been in recent years, and for the same purpose, namely the assistance of the wheat-growing industry. Item 20 covers the requirements of land settlement schemes inaugurated by the previous Government. The stage of development reached demands that the schemes shall be carried to completion. Good work has been done in reforestation and in the generation of pine forests. The continuance of activities in this direction at the present time is one which may be regarded as of the first importance. We are building up a great asset for the future. The present generation should not be asked to tax itself to do so.

It has been suggested that many of these works should be carried on from revenue funds. This has not been the case in the past, and funds could not now be found to do so. It has been suggested, also, that the whole cost of maintaining unemployed is a Revenue charge. In normal times that is so, but unfortunately the times are out of joint. It is reasonable in present circumstances that when useful work is done the money should come out of Loan. What would happen if we withdrew the men engaged on works and put them back on sustenance? We should get nothing in return for the relief they received.

At present we have approximately 10,000 men, previously unemployed, earning an average weekly wage of £2 16s. The average sustenance rate is £1 5s. The real cost of wages is therefore £1 11s. If we close down the works, these 10,000 men would cost £12,500 per week for sustenance, or £650,000 per year, which, added to the present charge against Revenue of £350,000, would make a total of £1,000,000. But the cost would be more than that.

Members will understand that the extra amount earned in wages must be maintaining other persons in industry. That is a factor which has not been taken into consideration. Every hundred employed men are, by their spending power, providing work for others. The aggregate sum of the difference between wages and sustenance is 10,000 men at £1 11s. per week—£800,000 per annum. That £800,000 is put into circulation, and gives a flip to employment in various channels. It is safe to say that it provides work for another 2,000 local people. Cessation of relief works would throw these additional persons out of employment, and add another £2,500 per week to sustenance costs; that is, £130,000 a year. And this is not taking into account the fate of the 10,000 men. It would mean a total increase in the deficit of £780,000, without taking into consideration any allied effects upon the Budget which such an action would cause. If the trouble stopped there, the position might not be so bad; but the moral effect would be such that no Government in Australia could accept the responsibility.

Regarding the proposal for a national superannuation fund, which it is said would avoid the use of Loan money, it was stated that the interest from a fund of £1,200 would provide £1 per week for a man aged 65 and wife aged 60. We have to provide for 16,000 people, and my advice—and it comes from a competent authority—is that in order to do that, a fund of £20,000,000 would be needed, and that the interest on this huge sum would then provide only £1 per week for each person. It is, therefore, safe to say that even if such a fund had been created, it could never have been strong enough to meet the demands caused through the depression. In England there is a National Insurance Fund, and during recent years loans have had to be raised to make good shortages in the fund. I believe one loan was for the amount of £300,000,000.

Hon. H. Seddon: That fund pays for unemployment.

The CHIEF SECRETARY: And this proposal is to provide employment. Is there any difference, I ask, between raising loans to meet shortages in an insurance fund, and the method at present employed by Australia? I firmly believe that the use of Loan

funds as set out in the Government proposals is the only present way of alleviating our troubles.

There is an inference that engineers are given a blank cheque to carry out relief works. This is not the case. There is no ground for such an imputation. Control of estimates and expenditure is more rigid than it has ever been. The Treasury inform me that jobs are being completed at under estimated cost, and Ministers agree that fair value is being received for the wage expenditure. It is suggested that surpluses earned by departments, such as Forestry and the Fremantle Harbour Trust, should be reserved for their own expenses. Departments, however, cannot be maintained as separate water-tight compartments. Each must be viewed as part of a whole. Fees earned by one go to the common fund to meet the expenses of others which cannot earn a surplus. Any other method would mean increasing taxation to cover the cost of social services, etc. The surplus of the Forests Department is quoted as £53,039. That figure, however, does not take into consideration transfers from Revenue to the reforestation fund, nor the Conservator's salary. The aggregate of these two items is £18,816, which should be deducted from the figure £53,039. Neither does that figure take into consideration interest on Loan Funds provided for forestry work. I hope the Bill will be placed on the statute-book, and I hope there will be no attempt, by running it to a division, to indicate that any hon. member has a lack of confidence in the administration of the Government, who are doing all they possibly can to meet the exceptional circumstances with which Western Australia has been afflicted.

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

Ayes	..	..	..	17
Noes	..	..	..	6
Majority for	..	..	..	11

AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. J. Cornall	Hon. Sir C. Nathan
Hon. J. M. Drew	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. E. Rose
Hon. G. Fraser	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. C. H. Wittenoom
Hon. W. H. Kitson	Hon. T. Moore
Hon. J. M. Macfarlane	(Teller.)

NOSS.

Hon. E. H. Harris
Hon. J. J. Holmes
Hon. J. Nicholson

Hon. H. Seddon
Hon. A. Thomson
Hon. V. Hamersley
(Teller.)

Question thus passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair, the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Power to raise money for certain purposes:

Hon. H. SEDDON: The concluding remarks of the Chief Secretary, in replying to the debate, require an answer. I thought I made it perfectly clear in my second reading speech that I spoke against the general principle of borrowing, and pointed out that we seemed to have reached the stage when the impression was gained that we could not continue without borrowing at all. The Chief Secretary stressed the awkward fix the State would be in if we were to stop borrowing and we had to provide funds for employment purposes from other sources. My answer to his contention is that those factors will still be apparent when the investors realise how seriously the finances are affected. I will quote from the returns submitted to Parliament by the Premier when he delivered his Budget Speech. The return dealing with loan authorisations and flotations show that the authorisations to the 30th June, 1933, amounted to £97,885,189 whereas the total flotations aggregated £98,059,619. I am aware that the actual indebtedness did not reach that amount because it was reduced by payments to the sinking fund. The fact remains, however, that the actual net indebtedness to the 30th June, 1933, was £82,168,148. That is a serious burden for 420,000 people to shoulder. It is not necessary for me to labour the point. I desire to quote those figures as a reminder in view of the prospect of raising further loan funds, particularly as the Chief Secretary said that the policy to-day was one of providing national work in which the governing factor would not necessarily be that the undertakings were directly reproductive. That is a distinct swing round from the undertaking given in 1930 by the Pre-

miers of the various States that no loans would be floated for other than reproductive works. Under Clause 2 we are asked to agree to the raising of £3,946,000. I have already pointed out the seriousness of the burden on the people and as a result of the passage of the Bill we will increase that burden whereas it has been repeatedly stated that the financial load was already one that the people could not carry.

The CHIEF SECRETARY: I quite understand why Mr. Seddon should pursue this course. It has been pursued by him and some other members. Although he may have been justified in the past, I cannot concede that he is justified now, particularly in view of the special circumstances confronting the Government. If he is justified, he has given no grounds for his contention, nor has he suggested an alternative. The hon. member submitted a scheme that officers in authority inform me is not sound. Even if it were sound, they advise that it could not be given effect to at the present time. I think even Mr. Seddon will admit that fact. Unless we are able to borrow money, what attitude must we adopt? By what means could we provide work for the unemployed? Borrow no more money, but sit still and then the country would be red ripe for revolution. That would be the result. That would not suit Mr. Seddon or anyone else in this Chamber, or the vast majority of the people outside.

Hon. H. SEDDON: I will answer the Chief Secretary by asking him a question: What will happen when we are refused any more money?

The CHAIRMAN: The object of the clause is to authorise the raising of a loan of £3,496,000. Is it the intention of any hon. member to move for the reduction of that amount? Under the Constitution, the Legislative Council cannot amend such a Bill.

Hon. J. M. MACFARLANE: I did not vote with Mr. Seddon in opposition to the second reading of the Bill, although I have a good deal of sympathy with his remarks. For several years past, Governments have had to borrow money and a check has had to be put on that tendency to the extreme limit. I hope the present Government will realise the necessity for limiting borrowing despite the explanation tendered by the Chief Secretary. I am with him in his contention

that the Government must find employment for people, but I trust that they will be engaged on reproductive work. The fact is that our credit is still in the balance, and great care must be exercised in the expenditure of borrowed money. We should not lose our heads and borrow simply because we desire to do so and to make ourselves popular with the people. The State should get down to a sound financial basis and assure that money borrowed shall be repaid and that work undertaken shall be reproductive. I desire to give the Government an opportunity to develop their ideas and translate their policy into works, which speak louder than words, but I am fearful of borrowing that is allowed to go unrestrained.

Hon. V. HAMERSLEY: The small vote in opposition to the second reading of the Bill was rather astonishing. Many of the farmers are unable to secure labour to take off the harvest, the excuse being that the men will not be able to get back on to sustenance if they take work on the farms. Loan funds are to be used for purposes entirely the reverse of reproductive returns. So long as we continue borrowing and spending money freely, we shall never emerge from our present difficult situation. It has been said truly that our largest industry is that of borrowing. But, as Mr. Seddon remarked, what will happen when we cannot borrow any further funds? A serious position will be created. Many of our people have had to face the music because they could not borrow, and by putting their shoulders to the wheel, they have got along without money. While they are endeavouring to hold up against adverse conditions, they have the spectacle of money being squandered and men refusing to accept work. It is useless claiming that we have turned the corner, for I cannot see that we have done so.

Hon. J. J. HOLMES: If what the Chief Secretary said is correct, we have either to borrow or to face red revolution. Apparently he views the position from a different angle because I do not think Australians are revolutionary. If they are, as sure as the sun rises and sets, we shall have to cease borrowing and then presumably the Chief Secretary's prediction will be fulfilled. When we started to borrow money to pay interest and sinking fund charges, as well as working expenses, I said that we were heading

for bankruptcy. We have been heading in that direction ever since. Now there is a new scheme and we are to borrow to pay for repairs to, and maintenance of, our railways and other works that have been allowed to go to pieces. It is said that the money will be repaid out of revenue over a period of years, but I do not know when that period will commence and whether it will be before or after the revolution. We have broken every financial agreement entered into. The ink has not been dry before we have run away from it. Let me instance the financial agreement entered into between the Commonwealth and the States. Under that agreement money was to be borrowed for deficit purposes, and a four per cent sinking fund was to be provided. The financial authority said that if we were allotted this money with which to finance our deficits, we would have to pay 4 per cent. to sinking fund. Have we paid in that 4 per cent. sinking fund? No! We have dodged it by saying we have not yet borrowed the money; that we have obtained it on short-dated Treasury bills. That is not playing the game. The end must come, and the Premier sees it; but he does not cover it up with the cry of red revolution. He says the reason for this big floating debt is that they could not borrow money either at Home or here, and so they had to get the Commonwealth Bank to come to their rescue. But what is going to happen when the Commonwealth Bank cannot carry them any farther? Every time we borrow we have to pay for this extravagance. Mr. Macfarlane is entirely with us in the demand that borrowing should cease, but a few minutes before making that statement he was clearly on the other side. This borrowing is likely to go on and on, and presently we shall come to a dead end, which will put a lot of people in their places, but which I refuse to believe will be the forerunner of red revolution.

The CHAIRMAN: The scope of the discussion must be narrowed. If members think the amount proposed to be borrowed is too much, they can move that it be reduced, but it is of no use discussing general principles in Committee.

Hon. J. J. Holmes: Surely the minority can express their views. What they want is to wipe out borrowing altogether.

Hon. J. NICHOLSON: I voted against the second reading, partly on account of some remarks made by the Minister, who declared that the regrading of railways constituted reproductive work in that it would enable train-loads to be increased. In my opinion the regrading of a railway is maintenance, and should be provided out of the earnings of the railway.

The CHAIRMAN: What is the hon. member discussing—the Bill or Clause 2?

Hon. J. NICHOLSON: Clause 2, which deals with works referred to in the First Schedule. In my view a reproductive work is—

Hon. J. J. Holmes: The regrading of a railway may be considered reproductive work.

Hon. J. NICHOLSON: Regarded in the true sense, a reproductive work will earn sufficient to pay working expenses, interest and sinking fund.

Hon. Sir Charles Nathan: Is there such a work in this State?

Hon. J. NICHOLSON: So much could not be expected from the construction of certain railways we have recently authorised. I am merely giving my reasons for having voted against the second reading.

The CHAIRMAN: The hon. member should have given those reasons before the second reading was taken to the vote.

Clause put and passed.

Clauses 3 to 6—agreed to.

First Schedule—agreed to.

Second Schedule:

Hon. H. SEDDON: Some time ago the point was taken that occasionally money was raised for certain purposes as, for instance, the building of a railway, and that the railway was never built, and the money was devoted to some other object. The Committee in passing this Second Schedule will be carrying on that practice of taking money raised for a specific purpose and devoting it to another purpose. That process has been condemned as being thoroughly unsound.

The CHIEF SECRETARY: In this schedule we have surplus amounts from the construction of the Lake Grace-Karl-garin railway and the Meekatharra-Wiluna railway. The money raised was in excess of what was required, leaving £20,000 to be re-appropriated from the cost of the Lake

Grace-Karl-garin line, and £53,000 from the construction of the Meekatharra-Wiluna line. That money is to be used as stated in the Third Schedule.

Hon. H. SEDDON: Will the Chief Secretary tell us what was the original estimate, and how much was raised for the purpose of these two railways, together with the actual cost thereof? I think it will be found that these sums have to be re-appropriated because the money raised was greatly in excess of a reasonable estimate. I do not wish to embarrass the Chief Secretary, but merely to point to the system of finance which year after year has been condoned by members of Parliament. Careful investigation would show that we have been quite regardless of sound financial principles when works were being constructed.

The CHIEF SECRETARY: When I introduced the Bill I asked members if they required any information to specify it, and that then I would be only too willing to supply it. I am not, however, a walking encyclopaedia. I have a fair idea of the cost, but I am not going to make any statement without having the correct figures from the Treasury. Those figures would have been supplied if my invitation had been accepted.

Hon. J. J. HOLMES: Quoting from memory, the Denmark extension which has been under construction for a long time, was estimated to cost £300,000. A sum of £650,000 has been spent and the work is not yet completed. I find in the schedule that another £20,000 is to be spent on this work. Where did the extra £350,000 plus the £20,000 come from?

The Chief Secretary: That is a very unfair question to ask.

Hon. J. J. HOLMES: I do not expect the Chief Secretary to reply off-hand, but my object was to draw attention to the juggling of figures that has gone on to such an extent that we never know where we are.

Schedule put and passed.

Third Schedule, Preamble—agreed to.

Bill reported without amendment, and the report adopted.

Third Reading.

Bill read a third time and passed.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [5.35] in moving the second reading said: Of all the emergency legislation passed by our Parliaments I think the Act this Bill seeks to amend is perhaps the most important and far-reaching. Supporters of the present Government, when that measure was being enacted, protested most strongly against certain features embodied in it, but I regret to say our protestations were of no avail.

Hon. E. H. Harris: They are protesting again now.

The HONORARY MINISTER: Our attitude is not altered in regard to the principles enunciated on that occasion. I therefore regret it is necessary to have to introduce a measure which seeks Parliamentary approval of a continuance of it.

Hon. H. Seddon: Do you not think that the original Bill was introduced because of the necessity for it?

The HONORARY MINISTER: It was claimed at the time it was not necessary to introduce certain features in the Bill under which we have had to suffer for two or three years. I repeat that I regret it is necessary to seek Parliamentary approval for a continuance of some of the features of the Act even in a much modified form. We are endeavouring, as far as the finances of the State will allow, to give relief to certain sections of the community who are most sorely in need of it, and it is the intention of the Government as opportunity offers to endeavour to give relief to those people who have suffered and are still suffering, as a result of the imposition of this particular Act. Members will be just as pleased as the Government will be, if we can reach that period within a limited time, say within the next year or two. I do believe that members of this House, notwithstanding their expressions of opinion during the last month or two, will agree that when the time arrives when we can allow emergency legislation of this kind to lapse, the better will it be for everybody. The sole difference of opinion, however, is as to whether the time has arrived. Consequently I say that the Government are standing up to the principles they

have enunciated in the past, standing up to the policy they placed before the people of the State, that as opportunity offered every endeavour would be made to relieve all sections of the community of the burdens placed upon them by means of this legislation.

Hon. E. H. H. Hall: Including primary producers?

The HONORARY MINISTER: We are not unmindful of our obligations to every section of the community, and I do not know that it is necessary for me to go into detail as to what we may be prepared to do respecting any particular section. I do think, however, that the actions of the Government up to date, indicate that they are desirous of giving relief wherever it is possible for them to do so, again with the qualification, according to the financial position of the State. It is well known that when this legislation was passed, strong exception was taken to those sections of the Act which affected the decisions of the Arbitration Court. We have always argued that there should be no interference, political or otherwise with the operation of the Arbitration Court, and in accordance with those views the Bill seeks to repeal that section of the Act which trespasses on the powers of the Arbitration Court in regard to the fixing of wages in industry. It will be remembered that when the Act we are now seeking to amend was before this Chamber, supporters of the present Government in no unmistakable terms took up the attitude that I have just mentioned. They opposed with all the force at their command any interference with the wages of employees as fixed by the Arbitration Court, and the arguments we used then can be applied just as strongly to-day. We said that one-sided action of that kind was repugnant to anyone who had regard for the principles of arbitration, and I think I am in order when I say that I can imagine the kind of reception any proposal would receive in this Chamber which had for its object the dictating to the Arbitration Court that the basic wage, or the wages to be paid in any particular industry should be increased, say by 10 per cent., on account of the prosperity of the State, or the prosperity of the particular industry. Members would be perfectly justified in objecting to a proposal of the kind. They would be as justified in a protest of the kind as were the workers in protesting when the measure was first placed on the statute-book, and as

justified as are the Government to-day in seeking to repeal that section and place those men who are subject to variations of the basic wage, or to decisions of the Arbitration Court—with a few exceptions—outside the scope of the Act. As regards other Government workers, including the civil servants, railway employees, teachers and so forth, we are endeavouring by means of this Bill to place those on the lower rungs of the ladder in a similar position to the workers who are subject to Arbitration Court decisions. To do that the Bill provides that all officers who were receiving up to and including £293 per annum on the 30th June, 1930, shall be excluded from the provisions of the Act. As we are not in a position to repeal some of the sections of the Act in their entirety or allow them to lapse, quite a number of anomalies will be created, and provision is made to rectify those anomalies by ministerial action.

Hon. J. Nicholson: I think the minimum salary under the Act was £185, and that no other exemption was granted.

The HONORARY MINISTER: Yes, no reduction was made in salaries below £185. There seems to be little opposition in these days to the argument that we used on the previous occasion that we cannot expect any real return to prosperity unless we restore to the great majority of the people their purchasing power.

Hon. J. J. Holmes: Where are we going to get the money?

The HONORARY MINISTER: The money will be found. This Bill will restore to a large number of people some of the purchasing power they lost as a result of the passing of the Act.

Hon. J. M. Macfarlane: And others will lose theirs altogether.

The HONORARY MINISTER: The hon. member has no grounds for that statement.

Hon. J. M. Macfarlane: I have.

The HONORARY MINISTER: If I may use the argument employed by the Chief Secretary on another Bill, this action by the Government will provide employment for a number of men.

Hon. E. H. H. Hall: I am very glad to hear it.

The HONORARY MINISTER: The amount involved under the Bill will be money that will be spent almost to the last penny by the recipients of the increased wages.

It will be much different from some of the concessions granted by the Federal Government in recent months, when large sums of money were put into the pockets of individuals who were not prepared to put it into circulation immediately. In almost every instance the persons who will benefit under this Bill will find something to do with the few shillings weekly that the measure will give to them. I do not think that statement can be denied.

Member: No question about it.

The HONORARY MINISTER: The people on the lower rungs of the ladder have experienced a lean period for some years, and they would need considerably more money than they are likely to get under this measure in order to place themselves in the position they occupied previous to the Act coming into operation. It is proposed to add a new subsection to Section 7 of the Act, which provides for a reduction of all salaries by certain percentages. Subclause 2 (a) specifically mentions the railway, tramway, and electricity branches, and the reason for mentioning those employees is that their salaries—excluding those of heads and sub-heads—are subject to fluctuation in accordance with basic wage declarations. It is proposed to deal with those officers who come within what is commonly known as the automatic ranges, namely up to £293 per annum. Relief will be granted to those employees to the extent of the difference between the total reduction in the male adult basic wage since the 30th June, 1930, and the amount of the percentage reduction under the Act. That will affect chiefly the Public Service and the teaching staff, particularly on the goldfields, where the basic wage has not dropped to the extent it has fallen in the metropolitan area.

Hon. H. Seddon: Do you say it will afford relief to those people?

The HONORARY MINISTER: Yes.

Hon. H. Seddon: To civil servants and teachers?

The HONORARY MINISTER: Yes; I shall give details presently. Since the 30th June, 1930, the basic wage has fallen by £46 per annum within the South-West Land Division and by £20 per annum in other parts of the State, including, of course, the goldfields area. Let me explain that the male adult basic wage has been adopted because it would be illogical to grant a

female officer on the same salary as a male officer on the 30th June, 1930, a higher salary than would be paid to the male officer. The female basic wage in the South-West Land Division has fallen by approximately £25 per annum as compared with £46 for the male. If a female officer was receiving £250 per annum in a similar position to a

male officer, it would not be fair to give her the benefit of the reduction in the female basic wage of £25 as against giving the male officer a reduction of £46. Let me give particulars to show how the increases will operate. Officers under the Public Service Act will be affected as follows:—

Salary at 30th June, 1930.	Reclassification 1931.	Salary under Financial Emergency Act.	Under Bill on present Basic Wages.			
			Metropolitan and South-West Division.	Elsewhere (Goldfields, etc.).	Increases—	
					Metropolitan and South-West	Elsewhere (Goldfields, etc.).
£	£	£	£	£	£	£
324	305	250	250	268	...	9
312	290	250	250	268	...	18
300	280	240	242	268	2	28
288	270	230	242	268	12	38
276	260	221	230	256	9	35
264	250	211	218	244	7	33
252	240	205	206	232	1	27
240	225	197	197	220	...	23
228	215	187	187	208	...	21
216	205	185 *	185 *	196	...	11

* Adult male minimum under Financial Emergency Act, 1931.

Hon. J. Cornell: That means that all the young fellows will not get an increase. Is Kellerberrin in the South-West Division?

The HONORARY MINISTER: I cannot say.

Hon. J. Cornell: The young fellows there will get nothing.

The HONORARY MINISTER: If Kellerberrin is in the South-West Division they will get nothing; but if they are outside, they will get the increases I have indicated.

Hon. R. G. Moore: Are these increases for school teachers as well as for members of the civil service?

The HONORARY MINISTER: The same method will be applied to all. I have submitted these figures to give members an idea of how the increases under the Bill will operate. They will also indicate the anomalies which are likely to arise as a result of some persons having been given an increase which will bring them up to a level with, and in some cases take them a little beyond, the salaries that are being received by men who are on a higher scale. These are anomalies that it will be necessary to correct, and the Government take power in the Bill to adjust things of that kind.

Hon. J. Cornell: Assume that an officer was 21 in 1931, and that he has since become married. He should have some consideration.

The HONORARY MINISTER: It is all according to the classification. The question of whether an officer is married or not has not been taken into consideration. If we commenced to make distinctions of that kind, we would create a larger number of anomalies than we are likely to have under the Bill.

Hon. E. H. Harris: Are they increases to cover all employees of the other services, or just members of the civil service?

The HONORARY MINISTER: The increases affect officers of the Public Service.

Hon. E. H. Harris: Only those?

The HONORARY MINISTER: Yes, but other sections are arranged on the same basis.

Hon. E. H. Harris: Every one?

The HONORARY MINISTER: As far as I know.

Hon. E. H. Harris: I wonder at the protests that have been made.

The HONORARY MINISTER: I do not desire to read out all the figures I have.

Hon. E. H. Harris: I want to know the departments that will be covered by the Bill. Will it affect the Water Supply Department, school teachers and so on?

The HONORARY MINISTER: Some of the employees of the Water Supply Department come under an Arbitration Court

award, and they will be affected by the award.

Hon. E. H. Harris: What about the employees of the School of Mines?

The HONORARY MINISTER: If the hon. member desires information upon any section of employees, I shall be only too pleased to secure it for him. I am not a walking encyclopaedia. I have here a schedule of the increases that are being provided by officers of the railway service. Apparently they are on a separate classification, in that their annual salaries do not coincide exactly with the annual salaries in the Public Service. A railway officer on £253 a year on the 30th June, 1930, under the Financial Emergency Act was reduced to £205, but under the Bill he will receive an increase of £2 if in the metropolitan area or south-west land division, but if on the goldfields, apparently he will receive no increase. There is really no officer on that rate. An officer receiving £223 on June 30th, 1930, will receive no increase if in the metropolitan area, but an increase of £1 elsewhere, that is in addition to the recent relief that has been extended to persons on the goldfields. An officer receiving £248 on the 30th June, 1930, will receive no increase if in the metropolitan area, but one of £3 if on the goldfields. An officer receiving £263 in 1930 and £234 now will receive no increase in the metropolitan area or south-west division, but will get an increase of £9 if on the goldfields. These figures show how the Bill will operate in that respect.

Hon. E. H. Harris: Apparently there is to be no restoration of the goldfields allowance for any of them.

Hon. J. J. Holmes: Was that promised?

The HONORARY MINISTER: There are two provisos to Clause 2. The first is to ensure that no officer shall suffer a reduction in his present salary by reason of the operation of the new subsection. An adult male officer whose salary at the 30th June, 1930, was £216, and who was not subject to the basic wage adjustment, cannot be reduced under the Financial Emergency Act to below £185. Whereas a reduction of 18 per cent. would have brought him to £177, a reduction of £46 under the proposed method would bring him to £170, but he will, under this proviso, retain his rate of £185 per annum. The

second proviso is to prevent the new method of applying the basic wage from giving an officer a salary in excess of his classification or normal rate. An officer on the goldfields whose salary on the 30th June, 1930, was £288 will, under the Bill, get a salary of £268, whereas his classification maximum is £270. It is obvious that a slight rise in the basic wage for the goldfields area would place him on a higher salary than he would have received if the Act had never been in operation, were it not for the proviso now proposed. These anomalies have given us a lot of food for thought, because of our desire to do a fair thing by all concerned.

Hon. J. Nicholson: And have led to a lot of trouble.

The HONORARY MINISTER: There are so many sections of Government employees working in different parts of the State, and classified at salaries which do not exactly approximate other sections, that many difficulties have arisen. A good deal of time has had to be spent in making calculations to arrive as nearly as possible at what the effect of the Bill would be.

Hon. J. Nicholson: Do you not think it would have been better to leave things as they are rather than risk all this?

The HONORARY MINISTER: I think we are justified in endeavouring to give effect to what was promised. I do not suppose we shall give satisfaction to all.

Hon. J. Nicholson: You have created a lot of discontent.

The HONORARY MINISTER: It would be beyond the financial resources of the Government to give satisfaction to all. Other people have expressed the same opinion, but we hold a contrary view.

Hon. C. F. Baxter: You have altered your mind very considerably.

Hon. E. H. H. Hall: This is to fulfil an electioneering promise?

Hon. E. H. Harris: It is due to pressure from the right quarter.

Hon. J. Cornell: Can the Honorary Minister say why the State taxpayer is given a lesser easement than the Federal taxpayer?

The HONORARY MINISTER: We have nothing to do with the Federal Public Service. They have different maxima and minima. They have to apply to different authorities for the fixation of different classifications. We cannot help that.

Hon. J. Cornell: They had the same percentage reduction as the State civil servants

until the last session of the Federal Parliament, and now they have had their restorations and the State officers have not had any.

The HONORARY MINISTER: That is easy to understand if we take into consideration the financial resources of the Federal Government.

Hon. J. Cornell: Why did the Prime Minister give you another £100,000?

The HONORARY MINISTER: Not for that. Paragraph (b) of Clause 2 provides for all wages employees, whose rates are normally subject to basic wage fluctuations, being excluded from the Act. As a result of the basic wage being below the amount prescribed in Subsection 6 of Section 7, within the south-west land division, all employees in that area on the basic wage, and all with margins up to and including 9s. a week, which were subject to basic wage declarations, will for the time being, be removed from the operations of the Financial Emergency Act. If the amendments in this Bill become operative, they will remove for all time these people from the operations of the Act. I wish to point out the difference that this clause will make to people who come within the scope of the clause. I propose to refer to those workers who are at present receiving 9s. and more above the basic wage. Those who are receiving less than 8s. above the basic wage are not at present covered by the Act. The man who was receiving a weekly margin of 9s. on the 6th July, 1930, and whose wage under the Financial Emergency Act was £3 18s. 7d., will not be affected by the Bill. The person whose margin was 10s. a week will receive an increase of 8d. per week. In the case of margins of 11s. per week over the basic wage the increase will be 1s. 8d. If the margin is 15s. the increase will be 2s. 8d., if it is £1 the increase will be 3s. 8d., and if the margin is 24s. a week the increase will be 4s. 5d.

Sitting suspended from 6.15 to 7.30 p.m.

The HONORARY MINISTER: Before tea I was dealing with paragraph (b) of Clause 2, whereby it is provided that wages employees of the Government shall be exempt from the operation of the Financial Emergency Act. The clause also provides that members of the police force who are commissioned officers shall be placed on the

same footing as public servants, teachers, and railway officers. The police, as hon. members are aware, are subject to an Arbitration Court award. The reason for the specific mention of police officers in this Bill is the scale of salaries which they receive. For example, commissioned officers receive annual salaries, under the award, ranging from £480 to £600. It is considered utterly illogical to reduce these highly paid officers by only £46, whilst officials in the Public Service, receiving, say, £600 at the 30th June, 1930, would continue to lose £120 per annum—or, in other words, to give police officers a benefit of over £70 per annum.

Hon. J. Nicholson: How has that disparity arisen?

The HONORARY MINISTER: Under the Financial Emergency Act a police officer receiving an annual salary of £600 has been reduced; but he receives the £600 as the result of an Arbitration Court award. If this clause is agreed to without the proviso, he will be taken outside the scope of the Act, and therefore be reduced only by the total amount of the reduction in the basic wage since 1930. That would mean that his salary of £600 would be reduced by only £46, whereas officials in the Public Service on £600 would be reduced by £120 under the Financial Emergency Act.

Hon. J. J. Holmes: The net result will be that the commissioned officer will get £10 a year more than the non-commissioned officer.

The HONORARY MINISTER: That might be so in regard to some non-commissioned officers, but such cases would be exceptional. The rankings of the police force are treated as wages men subject to basic wage fluctuations, in accordance with Clause 2; but the commissioned officers of the force are appointed by the Governor, while all other rankings are appointed by the Commissioner. Clause 2 also provides machinery for the purpose of avoiding anomalies, some of which I have already mentioned. The clause means that partial relief will be afforded to certain officers in grades immediately above the section up to £293 per annum on similar lines to those of the second proviso to Section 7 of the principal Act. For example, an officer on £300 in June of 1930 and reduced under the Financial Emergency Act to £240, would under this Bill be raised to £242 in order to obviate the

anomaly of that officer receiving £2 less than one originally on a rate £12 lower. That is another of the anomalies which have been created by this legislation, and which we are desirous of obviating as far as possible. Owing to the lesser fall in the basic wage on the goldfields, it will be necessary to adjust a few other higher grades on somewhat similar lines. The Bill provides that an officer drawing a higher salary than another officer who might be just outside the scope of the Bill, shall not be reduced below the salary normally paid to an officer receiving the lower amount. Clause 3 contains a proviso having for its object the removal of an anomaly arising through the literal interpretation of Section 8 of the principal Act, whereby it would be possible for an officer to obtain a higher pension than would have been possible had the Financial Emergency Act never come into existence. The Bill suggests a similar provision with regard to salaries. Again let me point out that it would be quite illogical to grant any officer an increased salary simply by reason of the Financial Emergency Act, the object of which is to reduce emoluments rather than increase them. The proviso to Section 8 of the principal Act, which I have just mentioned, is intended to ensure that an officer retiring during the currency of the Act, and entitled to a pension, shall not suffer a dual reduction by having his pension calculated on his Financial Emergency Act salary, with the reduction of 18 per cent. or 20 per cent., as the case might be, applied to the result. Pensions are to be calculated on the basis prescribed in the Superannuation Act, taking into account the officer's normal salary and then applying the percentage of reduction. I think it will be agreed that that is only fair. If a pension was to be based on the lower salary, the original salary reduced by 18 or 20 per cent., the officer would suffer an injustice. Another proviso to Clause 3 deals with pensions. It appears in the Bill as a result, I believe, of strong representations made on behalf of various pensioners, particularly those on low annual amounts. Representations have been made that some relief should be granted to them, and this proviso gives the Government discretionary power in such cases. The Bill provides that each case for relief shall be investigated on its merits. Naturally, it is impossible to say just how the arrangement will work out. I understand that some pensioners are receiv-

ing very small amounts indeed, whereas others are receiving fairly considerable amounts; and the same action cannot be taken in all cases. It may be of interest to hon. members to know that our annual expenditure on pensions is approximately £80,000. Clause 4 is a most important provision. It repeals the whole of Part V. of the principal Act. That part deals with persons in private employment, and repeals all orders issued by the Arbitration Court in pursuance or on account of the part in question. I have already remarked that we have always contended that this part of the Financial Emergency Act is not in accordance with the Premiers' Plan. I think most people now admit that this is so. Western Australia is the only State of the Commonwealth which introduced legislation to do what is done by that part of the Act. Clause 4 will definitely place outside the scope of the Act all persons who are subject to Arbitration Court awards and decisions and who are in private employment. The difference that it will make to those persons is not as great to-day as it would have been, say, 12 months ago, owing to the fact that the basic wage has been reduced during the last year or two to such an extent that the great majority of those who are subject to Arbitration Court awards are now outside the scope of the Financial Emergency Act. But if the basic wage was to increase to any extent, they would automatically come within the scope of the Financial Emergency Act again unless this clause is agreed to. Let me also say that there is no chance of wages employees of the Government, and officers in Government employment who are being given relief by the Bill, again coming within the scope of the Financial Emergency Act. They are taken clean away from it. If the cost of living or the basic wage should decrease as compared with the present figures, members of the Public Service and allied services will not be affected by that reduction; but should the basic wage increase, they will receive the benefit of such increase. I repeat, however, that they will not again come within the scope of the Financial Emergency Act. I think I have explained fairly fully the various provisions of the Bill. I have shown how they will affect many sections of employees, and I desire to inform the House that the total cost of this measure to the Government, inclusive of relief already given to employees on the goldfields, will be approximately £90,000.

Hon. J. J. Holmes: Does that expenditure of £90,000 cover the unexpired portion of the financial year?

The HONORARY MINISTER: No, I had not finished my explanation. There are certain anomalies to which I have already alluded, and it is impossible for the Government to submit an accurate estimate; but it is considered that under all the headings referred to the amount involved annually will be about £110,000. That will include relief already given to certain persons on the goldfields.

Hon. Sir Charles Nathan: What would the amount be without the relief to those individuals on the fields?

The HONORARY MINISTER: It is calculated that the relief to the goldfields workers will run into between £18,000 and £20,000, but the relief under that heading will be for eight months, whereas that to be accorded to other persons will apply for a period of six months only. It is estimated, as accurately as it is possible to do so, that it will cost the Government approximately £50,000 for the balance of the financial year. The expenditure may approach £60,000 with the inclusion of the money involved in the correction of anomalies we desire to deal with. I am not in possession of information regarding all the fine points that may be raised regarding the Bill, but I shall be only too pleased to furnish any details that I have, if desired by members. I move—

That the Bill be now read a second time.

HON. C. F. BAXTER (East) [7.49]: Every member will agree with the Honorary Minister in his statement that some of the amendments embodied in the Bill are important and far-reaching. In my opinion, the Government have over-reached themselves with some of them. The importance that attaches to the Bill is that the Government intend to reduce the percentage deductions that were made under the Financial Emergency Act in respect of those in receipt of salaries not exceeding £293 per annum. Further than that, they intend to restore the position entirely of those who are engaged in private enterprise. Under the Financial Emergency Act, percentage reductions ranged from 18 to 22½ per cent., and under that heading there was a saving

to the Treasurer of £500,000 per annum. That relief represented the saving factor in the financial position of the State. During the short period the present Government have been in power, we have heard from them unceasingly about the difficult financial position. Only a month or two ago we dealt with the Financial Emergency Tax Bill, and the point was stressed that the Government had to have every possible penny to enable them to carry on. It was agreed by the representatives of the several Australian States, together with the Commonwealth, that over a period of years an effort should be made to gradually balance the budget. What has been done in that direction? The budget position this year is much the same as it was last year. Does not the emergency position still obtain? Now we find that one small section of the civil service is to be relieved because, forsooth, of the improved financial position! Who dare say that the present outlook is improved? Who dare say that the financial position of Australia has improved? Are things so bright that at this stage we can commence to restore wages? How many sections of the community are there who are enjoying even within 30 per cent. of the wages they received prior to the advent of the depression? The Government could have, and should have, done with less money. Earlier in this sitting, some members voiced their opinions regarding loan expenditure. The State is gradually increasing borrowings under that heading. If we are to increase loan expenditure in order to augment the salaries and wages paid by the Government to their employees, how can we hope to continue under such conditions. I am afraid that before the end of the present financial year, the Government will discover that what they have been saying all along regarding the financial position will prove to be correct. It is remarkable that we should have heard up to the present nothing but references to the difficult position of the Treasurer, and yet we are now asked to return £110,000 to a section of the civil servants and other workers, although the general position of the community is worse than before.

Hon. G. Fraser: I heard you make the statement that you would rather private individuals had the money than the Government.

Hon. C. F. BAXTER: I repeat what I have said formerly, that money in the hands of private individuals is much preferable to money in the hands of any Government. Money in the hands of a Government seldom, if ever, returns interest, whereas in the hands of private enterprise it is productive of revenue that enables the State to carry on. People have got into the habit of investing in internal loans because that relieves them of worry, but that system means removing money from the channels of private enterprise and thus tends to deplete the revenue available to the Treasury.

Hon. J. M. Macfarlane: And any money placed in the hands of the Government will be spent as fast as it is made available.

Hon. C. F. BAXTER: That is so. On the other hand, I know that members of the Government said they would deal with this Act if returned to power. That fact was placed before the public in no uncertain terms. The Government have control of the finances, and must accept the responsibility. I do not intend to oppose the first part of the Bill that will enable the Government to restore the financial emergency cuts to a section of the civil service, but, in my opinion, that action should have applied throughout the service. It is patent that the Government have not lived up to their undertaking in that respect.

Hon. J. J. Holmes: Are you going to be a party to handing out £110,000?

Hon. C. F. BAXTER: I do not see how this House can do anything else. The Government received a decided mandate from the people to introduce this legislation. There is no mistake about that. Here is the statement made by the Premier on the 3rd March last—

The provisions of the Financial Emergency Act, which had the effect of lowering salaries and wages, would not be re-enacted if Labour were returned to office, but those which provided for a reduction in interest would be re-enacted.

Hon. J. Cornell: But that had general application.

Hon. C. F. BAXTER: That is so.

Hon. J. Cornell: The Bill limits the Government's action to a small section.

Hon. C. F. BAXTER: I agree that the Premier has not lived up to his promise. There was no hope of his doing so. No one could have been so ignorant as to have suggested it to be otherwise. In November, 1932, Hon. A. McCallum, who, as Minister for Works, sponsored this Bill in another place, said—

We have denounced this Act ever since it was placed on the statute book, and I give the Minister in charge an undertaking now, that if at the next election we are returned to the Treasury Bench, he will never be able to charge us with not denouncing the measure before we got into office, and repealing it when we did get into office; because one of the first things we will do when we get into power after the next general election will be to repeal this legislation. There is no doubt about that.

Hon. J. M. Macfarlane: And the Government are not repealing it.

Hon. C. F. BAXTER: And Mr. McCallum and other members of the Government must have known at the time that there was no chance of repealing it.

Hon. J. J. Holmes: Mr. Collier is the Treasurer and he did not introduce this legislation. Mr. McCallum introduced it for some reason.

Hon. C. F. BAXTER: And the same position has cropped up here. The Leader of the House did not introduce the Bill. I appreciate Mr. Drew's good sense in not doing so.

The Honorary Minister: What is the inference?

Hon. G. W. Miles: That he leaves all the dirty work for you to do.

The PRESIDENT: Order!

Hon. C. F. BAXTER: I have stated my attitude toward the first part of the Bill. It is quite a different matter when I consider the proposal to repeal Part V. of the Act. The clause is along lines that will be detrimental to the State.

Hon. J. Cornell: I think that is the only part of the Bill that is any good, in that it does not differentiate.

Hon. C. F. BAXTER: It does not differentiate within the State, but it does differentiate decidedly outside the State. If we agree to that part of the Bill how will it be possible for our people to compete with outsiders?

Hon. G. W. Miles: It will create more unemployment.

Hon. C. F. BAXTER: It will deliver a terrific blow at our industries, and that fact cannot be gainsaid.

Hon. E. H. Harris: And this legislation is introduced at a time when the Government are asking people to support local industry.

Hon. C. F. BAXTER: Members of the present Government are constantly urging the people to support local products. In season and out of season Labour members, when in Opposition, declared that it was essential to have one Minister who could devote the whole of his time to matters relating to unemployment.

Hon. E. H. Gray: And we have such a Minister, who is doing good work.

Hon. C. F. BAXTER: I am pleased to hear that. What is the good work he is doing?

Hon. G. Fraser: It would take too long to tell.

Hon. C. F. BAXTER: He is engaged in booming local production and we commend him for it.

Hon. F. H. Harris: And then the Government introduce legislation that will hamper local production!

Hon. C. F. BAXTER: Although the Government are booming local products, if there is anything that will kill local production it is the action contemplated in the repeal of Part V. of the Act. There has been remarkable progress made in various avenues of private employment, which has served to relieve the unemployed situation and take a load off the Government's shoulders. We are all pleased to see that.

Hon. Sir Charles Nathan: Thanks to loan money.

Hon. C. F. BAXTER: But if the increases which will be the result of the passing of the Bill are placed on private enterprise, where are to get to? It will mean that many industries will not be able to continue. Consequently there will be reduction of staffs, and all the displaced men will go back on to the Government's hands. That is something we do not want. The Financial Emergency Act was introduced by the Government which I represented in this House. The vital part of the position under the Bill is that the present Federal basic wage, which operates in States in which a lot of our pro-

ducers have to compete, is at an advantage of 10 per cent.

Hon. J. J. Holmes: The Federal basic wage is 10 per cent. less than ours?

Hon. C. F. BAXTER: There has been a 10 per cent. reduction in the Federal basic wage. Take as an instance the ordinary stove commonly used in country districts. The stove manufactured in Perth, compared with that manufactured in Adelaide, costs just the same to land in Katanning as does the Adelaide stove. Now if this proposed increase is allowed, how are the Perth firms to sell their goods in Katanning or any other centre? They will be quite out of court. And that applies right through industry. But there is more than that in it. This means an increase in the cost of living. We cannot get away from that fact. Also there has been a big fillip given to the building trade. The Bill will prejudicially affect the building trade. That is where the shoe pinches. In one industrial union there are 1,700 members, and I do not think any one of them will be found to be on the basic wage; probably all of them are on a margin.

Hon. J. Cornell: Which union is that?

Hon. C. F. BAXTER: The engineers'. Mr. Holmes asked about the basic wage. Let me give the position in each State. It will be found to be as follows:—

COMPARATIVE STATEMENT SHOWING EXISTING BASIC WAGE IN EACH STATE AND FEDERAL BASIC EQUIVALENT AS LATELY ADOPTED BY FEDERAL COURT IN USE OF ALL ITEMS TABLED AS AT 30th SEPTEMBER, 1933.

Name of State.	Governed by:	Existing State Base.	Nett. Federal Base, after 10 % deduction.	Difference between Bases.
Queensland	Industrial Court	£ s. d. 3 14 0	£ s. d. 2 19 4	s. d. 14
New South Wales	Industrial Commission	3 8 6	3 6 10	1 8
South Australia	Wages Board	3 3 0	2 19 8	3 4
Western Australia	State Arbitration Act	3 0 3	3 0 0	9 3

Victoria, with its wages boards, does not trouble about its own basic wage, but adopts that of the Commonwealth. So Victoria is operating on a basic wage of £3 2s. 8d. as against the Western Australian basic wage of £3 9s. 3d. Thus we see how unfortunate is the position of Western Australia. Let us endeavour to analyse the position. On the 30th June, 1930, the State basic

wage was £4 7s., while the Federal basic wage for Perth was £4 2s. 3d., or a difference to the disadvantage of Western Australia of 4s. 9d. In February, 1931, the State basic wage was £4 6s. The Federal 10 per cent. cut in wages in numerous awards was granted. With that cut of 10 per cent. the Federal basic wage was £3 6s. 3d., or a difference of 19s. 9d. against Western Australia. In March of 1931 the State basic wage was reduced by the Court of Arbitration on account of the reduced cost of living to £3 18s., while the Federal basic wage, less the 10 per cent. cut, was £3 6s. 3d., or a difference of 11s. 9d. against Western Australia. In August, 1931, the State Government passed the Financial Emergency Act giving employers power to apply to the Court of Arbitration for reductions in wages from 18 per cent. to 20 per cent. as at 30th June, 1930. Numerous applications for relief were lodged by employers, and there were lengthy hearings before the Court of Arbitration, which made exhaustive inquiries in each instance, and balance sheets, trading and profit and loss accounts were demanded by the court in each case. The court made its first order under the Act on the 6th October, 1931, eight months after the position which I have explained. Where the 18 per cent. relief was granted, the State basic wage was reduced to £3 11s. 4d., while the Federal basic wage, less 10 per cent., for Perth at that date was £3 2s. 3d., or a difference against Western Australia of 9s. 1d.

Hon. J. Cornell: Can the hon. member give the percentages as between the Federal and State awards?

Hon. C. F. BAXTER: No. Where 20 per cent. relief was granted, the State basic wage was reduced to £3 9s. 7d., while the Federal basic wage, less 10 per cent., for Perth at that date was £3 2s. 3d., or a difference of 7s. 4d. against Western Australia. The Federal basic wage for Perth has continued falling ever since and to-day, that is December, 1933, the following position obtains:—

(a) Workers still under the Financial Emergency Act, rates of wages—

	£	s.	d.
Basic wage	3	9	7
Federal basic wage for Perth (less 10 per cent.)	3	0	0
	0	9	7

(b) Workers who were previously under the Financial Emergency Act but who are now no longer under that Act owing to cost of living having reduced the State basic wage—

	£	s.	d.
Basic wage	3	9	3
Federal basic wage for Perth (less 10 per cent.)	3	0	0
	0	9	3

It will thus be seen that we have been at a disadvantage right through. If the Bill be agreed to, it will add to this disadvantage. Take the following example:—

	£	s.	d.
Fully skilled tradesmen.			
Ordinary rate payable—			
Basic wage	3	9	3
Margin	1	4	0
	£4	13	3
Financial emergency rate	4	8	10
Increase	0	4	5

Perhaps it will be as well to take the various margins over the basic wage, starting at the 10s. margin as follows:—

Margin over the basic wage. Increase per week.

10s. margin will mean	0s. 8d.
12s. 6d. margin will mean	2s. 2d.
15s. 0d. margin will mean	2s. 8d.
17s. 6d. margin will mean	3s. 2d.
20s. 0d. margin will mean	3s. 8d.
22s. 6d. margin will mean	4s. 2d.
25s. 0d. margin will mean	4s. 8d.

Hon. J. M. Macfarlane: That will be the increase per week?

Hon. C. F. BAXTER: Yes, on the margin. It may be said that most of the employees are on the basic wage; but that is not so, not by a long way. Take, for instance, those engaged in food manufacture. They are not on the basic wage. Then there are the engineers, moulders and boilermakers with a union membership of 1,700. Then there are the furniture workers and sawmill and timber yard employees. In this section, to one firm alone it will mean an increase of £2,000 in wages. Then there are the brick yard employees, the case and box makers, the fibrous plaster workers, the clothing trades, hospital employees, sheet metal workers and stove makers, wire workers and municipal workers. It will mean £3,000 more in wages for the municipality of Perth to provide. Then there are bootmakers, shop assistants, storemen, packers, clerical workers, carters and drivers,

the building traders, coach-builders and saddle and leather workers. All those are engaged to a large extent in carrying on the industries in which the Government fondly imagine all the unemployed are to be absorbed. The Minister for Employment claims that there has been such an advance made in the demand for our local products that it has provided work for 400 persons who were previously on the dole. If true that is a good thing, but I am afraid it will not last. However, that is by the way.

Hon. J. J. Holmes: Did you include saw-millers in that list?

Hon. C. F. BAXTER: Yes. To one firm alone it will mean £2,000 per annum in additional wages if this amendment be agreed to. That is what is going to happen. Are we at all sure that this State will ever be in a position to revert to the wages of former times? Who can be sure of it? There is no country I know of that since the war has not installed machinery for the manufacture of textiles, motor cars and everything else in order to compete with other countries. Even a country like Brazil that previously did not bother about manufacturing is operating in a big way turning out textiles and other articles and competing with other manufacturing countries. If we are to survive, we shall have to alter our ways. This is not a time when we can afford to make advances in wages that will necessitate the finding of extra money—a very difficult matter. It will be a suicidal policy if we do not allow Part V. of the Act to remain.

Hon. J. Cornell: Charge it up to the mining industry.

Hon. J. J. Holmes: It is time that that industry paid a little!

Hon. C. F. BAXTER: Yes, the time will come, and not far hence, when there will be a tax on gold mining.

Hon. C. B. Williams: What a wonderful thing that the industry did not reduce wages.

Hon. C. F. BAXTER: Wonderful! Yet we find on the Estimates another sum of £110,000 for the development of mining. How are we going to get it back? Most of the goldfields trade is not being done in Western Australia.

Hon. C. B. Williams: Where would Western Australia be to-day without the gold mining industry?

Hon. C. F. BAXTER: The State is not benefitting much because the people of the

goldfields are purchasing from the Eastern States.

Hon. C. B. Williams: Why talk nonsense? The PRESIDENT: Order!

Hon. C. F. BAXTER: I think I shall have some converts to my way of thinking before many years have passed.

Hon. J. Cornell: Give us secession! The PRESIDENT: Order!

Hon. C. F. BAXTER: I want members to realise the dangerous position in which we shall be placing local industries. To them we have to look to help save the position. There has been a revival, but that to a large extent has been due to the loyalty of the people. Their loyalty, however, will not be carried to the extent of paying shillings extra for an article locally made. We must not trespass upon their loyalty to that degree. If Part V. of the Act is repealed, our industries will not be able to compete with those of the Eastern States which enjoy tremendous advantages. I hope members will support me in deleting the proposal to repeal Part V. With that reservation. I shall support the second reading.

HON. C. B. WILLIAMS (South) [8.19]: I find myself in a very peculiar position. When Mr. Baxter was Leader of the House and introduced the original measure, I opposed it *holus bolus*, and I oppose this Bill as far as I can, though I have to vote for it. I regret, as I regretted then, that while a member of the Labour Party—

Hon. G. Fraser: You do not regret being a member of the Labour Party, surely!

Hon. C. B. WILLIAMS: No.

Hon. E. H. Harris: You are regretting the machine-made policy?

The PRESIDENT: Order! I ask members to allow Mr. Williams to proceed.

Hon. C. B. WILLIAMS: I do not regret being a member of the Labour Party, because I know of no other party that has made so much progress or is likely to make equal progress in the future. When the Premiers' Plan was adopted, I had no say in it. I did not agree with it; I did not support any part of it, or anyone who had anything to do with it. I opposed it tooth and nail, and as far as possible I oppose this measure, but I shall have to vote for it because I am tied. I maintain that the Labour Party should never have adopted the Premiers' Plan. Those who espoused it were defeated. Mr. Lang was defeated in

New South Wales. He was supposed to have subscribed to the Premiers' Plan, but he did not put it into operation.

Hon. R. G. Moore: How many Labour Premiers were present at the conference that adopted the Premiers' Plan?

Hon. C. B. WILLIAMS: Probably the hon. member knows.

Hon. E. H. Harris: The majority of them were Labour Premiers. That is enough.

Hon. C. B. WILLIAMS: The hon. member does not often tell stories and probably I ought to believe him, but I refuse to do so on this occasion. What he said was not a fact. The position is quite clear. The conference was attended by a number of alleged Labour men.

Hon. J. M. Macfarlane: Quite a difference?

Hon. W. J. Mann: That is a "roughie."

Hon. C. B. WILLIAMS: The Premier of South Australia was allegedly a Labour man and we all know what happened to him in the matter of his Labour associations. Victoria also had as Premier at that time an allegedly Labour man and we know what happened to him. We also know the Labour Leader of the Commonwealth. Those men were absolutely disgraced, and we know their fate at the hands of the electors, 90 per cent. of whom were workers. I am not linking myself with men of that description. I claim to be as good a Labour man as is anyone in Western Australia; I do not say better. I left a position at £9 a week to take a seat in Parliament at £50 a month, and the pay is now down to £36 or £37 a month and not through any mistake on my part. I did not vote for any reduction of salary to members and would never do so unless compelled. We are all more or less slaves. Mr. Baxter put up a plea for Western Australia, but what brought him to this State? What brought you to this State, Mr. President?

Hon. J. Cornell: A boat.

Hon. C. B. WILLIAMS: Most of us came steerage at four guineas a pop from Victoria. But what was our object in coming here? Western Australia offered something that Victoria could not offer. I regard with scorn the utterances of some members when drawing comparisons between Western Australia and the Eastern States. I started work in the mines before

I was 16 years of age at 27s. 6d. a week, but even then on the Kalgoorlie goldfields men were getting 11s. per day or £3 6s. a week. That is what brought me to Western Australia. I was receiving £2 a week after I had been five years at work in the new Red, White and Blue mine at Bendigo. It was murder. I had a good position for my ability as a miner, but there was no wages board award in Victoria at the time. I landed in Boulder and got a job at 11s. per day as soon as I landed. That was a difference of about 5s. per day in the value of my labour in Western Australia as compared with Victoria. What is the position to-day. We have a Financial Emergency Act placed on the statute-book by a Nationalist Government and the Labour Government are about to perpetuate it to some extent. They have reduced the burden somewhat, but they have not given back to me the £3 per week deducted from my salary as a member of this House. If there is any chance of getting that back, I shall have it, but unfortunately I see no chance of getting it.

Hon. W. J. Mann: Do you believe in retrospective legislation?

Hon. C. B. WILLIAMS: I should like that restoration of salary made retrospective. I may not be returned at the next elections, and the back pay would be handy as a retiring allowance. The lowest rate of wage paid on the Kalgoorlie mines is £4 6s. a week and that could be earned by a boy 16 years of age. You, Mr. President, have travelled the world. Did you, in your travels, find an equally prosperous place? Is it not a most prosperous place? What is the explanation of Kalgoorlie's prosperity? It is that the people have £4 6s. or more per week to spend. They have not been cut down to wages of £3 17s. 6d. or to sustenance of 30s. a week. They have the money to spend, and they have faith that next week they will collect another £4 6s. to spend. Our trouble is that we obey the dictates of Mr. Baxter and men like him who believe in cutting down the workers' wages, and consequently the people have no faith in the future. The people who are earning have not sufficient faith in the future to induce them to spend their money. Even the man who supplies goods has no faith that the customer will return next week with the cash for goods supplied. The result is that business is stagnant. I am in a quan-

dary over this Bill. I opposed the original measure, but I shall certainly have to vote for this Bill. If I do not vote for it, I may be expelled, but I shall support it with ill-grace. I am faced with the fact that I live on the goldfields and there is a certain amount of benefit to be derived by people of the goldfields who are in work. I have been meeting men from the fields who are down for a fortnight's holiday. They have worked hard during the last 12 months and have probably taken five years off their lives, but they are getting good money for their work. I admit that gold is bringing 100 per cent. above the standard value. Twenty-five years ago gold here was worth only the same as in Bendigo, though I had an idea that the Bendigo gold was worth more. There, however, men received wages of only 4s. 6d. to 7s. 6d. per day or 8s. 4d. if working in a shaft. In Western Australia the minimum was 11s. per day, while a man on piece work could earn £2 a day. Quite a number of men on the Golden Mile are earning £40 a fortnight. The result of that is reflected in the building of 500 houses in Kalgoorlie and Boulder during the last two years. Those houses would be of an average value of £300 or £400, whereas those built 30 or 40 years ago, if offered for sale a couple of years back, would not have brought more than £120. That is due to the high wages paid on the fields and the faith of the people in the future.

Hon. J. M. Macfarlane: The increased value of gold has nothing to do with it?

Hon. C. B. WILLIAMS: I have already said that when I came to this State my pay increased from 6s. 8d. to 11s. per day.

Hon. G. W. Miles: You were paid that much. Did you earn it?

Hon. C. B. WILLIAMS: I occupied the job as long as I cared to stay, so evidently I earned the pay. The position was different then from what it is now. Instead of the pay on the surface being 10s. 9d. a day, it is now £4 6s. per week, and underground it is £4 9s. as a minimum. After 25 years the wages in Kalgoorlie have gone up 23s. a week. Western Australia in the early days was recognised as the State where the highest wages in Australia were being paid. It was that era of prosperity which induced us to come here. Now Mr. Baxter compares Victoria with this State. The mining industry in

Western Australia has now survived that of Bendigo, where it has been dead for the last 20 years. Gold to-day is worth approximately twice as much as it was worth in normal times. Low wages do not make for prosperity. After two years in Western Australia, I was able to take a three months trip to Victoria. When I was working at Bendigo I was only able to go to Melbourne once, although the fare was 7s. or 8s. One-third of my constituents consist of farmers, whose representatives here are low wage advocates. Mr. Baxter represents other low wage advocates, the lowest type of man who works for nothing. The farmer has a mill-stone round his neck every day that he grows a bushel of wheat. Even a member of the unemployed gets sustenance of 30s. a week, but the low wage advocate gets nothing. There is no more down-trodden person in Australia than the wheat-grower. The man who has to go to the Labour Bureau for work is a moneyed gentleman compared with a farmer. His representatives in this Chamber preach the gospel of bringing down costs, instead of the gospel of putting up prices. If members of this Chamber were to be entertained by the Government in Kalgoorlie and Boulder for a week, they would return to their duties with a different vision. They would say that the more money we can spend, the more employment we will create. The Collier Government have proved this, and have found more money for the unemployed than has any other Government.

Hon. G. W. Miles: They have borrowed more.

Hon. C. B. WILLIAMS: I do not care where they get it, but they have not gone along in the stereotyped way followed by the Nationalist Government. I could tell the hon. member how to raise more money, but it would be useless for me to do so.

Hon. J. J. Holmes: Try me.

Hon. C. B. WILLIAMS: I would not waste my breath on Mr. Holmes. The Labour Party knows how to get money. Western Australia has been hamstrung by the Loan Council, which was supported by Mr. Holmes. I was pushed into supporting it myself by my leader. The more obstacles that are placed in the way of a politician, the better he likes it. It may be said that if we could get Mr. Holmes, Mr. Miles and Mr. Hamersley out of the way, we would make progress with our legislation.

The PRESIDENT: I must ask the hon. member to connect his remarks with the Bill.

Hon. C. B. WILLIAMS: The more the Government are hamstrung, the better do those members like it. Were it not for this Chamber, no doubt this Bill would go through quite easily. If I had my way, I would like to see it thrown out.

Hon. G. W. Miles: What about doing it?

Hon. C. B. WILLIAMS: I would vote for that. I would also vote for a Bill to cut down the salaries of judges and Ministers. The Labour Party does not seek for a reduction in anything. I do not want to be blamed by my electors, whom I have to face in May next. I stand where I stood 12 months ago. The Collier Government have gone a long way to help those who are in distress. I have a letter here from one of my constituents, a Mr. T. Green.

The PRESIDENT: I hope it has a bearing on the matter before the Chair.

Hon. C. B. WILLIAMS: Yes. It is written from Esperance, and dated the 18th December of this year, and is as follows—

A meeting of combined unions was held at Esperance on Sunday, 17th December, 1933. The following protest was moved:—"To protest against the black line drawn by the Labour Cabinet at Dowak to exempt all men south of the Dowak from the increase of wages granted to goldfields men. We strongly protest against same. This area has been included in the goldfields area for the past 40 years and we look upon the action of Cabinet as a direct victimisation of the workers concerned. The cost of living in Esperance is 20 per cent. greater than at Kalgoorlie, and 25 per cent. greater at Salmon Gums than at Kalgoorlie. The Arbitration Court awarded the men at Salmon Gums 2s. 11d. per week more than Kalgoorlie to compensate for regional disabilities and extra cost of living. Also the Commissioner allowed all men in this district Kalgoorlie as their market town. We are concerned and astounded at the action of a Labour Government in drawing this black line and by no stretch of imagination can they class this as the South-West division. We hope this line will at once be abolished. An early reply will be appreciated."

It was this letter that brought me to my feet. Mr. Green is working on the railways. Surely consideration is due to men who are not on the basic wage. These men would be getting about £3 15s. 6d. a week. Dowak is about 120 miles from Esperance, and residents have to get their goods from Kalgoorlie. I hardly know where I stand on this matter. I have always recognised there is such a thing as hypocrisy in politics.

Sometimes we have to fight members of our own party. By this Bill it is intended to draw a line at Dowak so that people on the other side of it will not be brought within the goldfields area, and will therefore suffer reductions in their wages. I hardly know what to do. My main argument is to invite the Jeremiahs to spend a fortnight at Kalgoorlie, where wages are high and prosperity, consequently, is great. As I interjected to Mr. Baxter, at Kalgoorlie there are over 3,000 men working in the mines, and the lowest wage paid there is £4 6s., while some men earn £20 or £30 a week, these being the piece-workers whom hon. members of this Chamber like so much. Again, take Wiluna. I mentioned two years ago that when the reduction in the goldfields basic wage took place, the Kalgoorlie Chamber of Mines decided to reduce the pay from £4 6s. to £3 17s. I know that, because I was acting secretary of the A.W.U. at the time, and I received a letter to that effect from the secretary of the Kalgoorlie Chamber of Mines. Wiluna was then in its infancy. The workers there said, "Not on your life! We will not accept any reduction of wages. If any reduction is attempted, we are finished." In their case the wage was £4 18s., or 12s. above the Kalgoorlie rate. In fact, I believe the basic wage at Wiluna is £4 18s. now. The Wiluna workers threatened to pull out if any reduction of their wages was attempted. The Wiluna directors in London had sufficient sense to cable to the management here that under no circumstances were wages to be reduced. Accordingly, the Wiluna mines went on working. The price of gold went up, and the Wiluna mines went ahead. The development since then has been such as to ensure the continuance of those mines, no matter what the price of gold may be.

Hon. C. F. Baxter: And we were hoping to finish this session on Friday night!

Hon. C. B. WILLIAMS: If every member was as little talkative as I am, the session would have finished long ago. It is only when I hear balderdash put up that I ever talk at all. Wiluna employs upwards of 1,000 men in its mines. A new city has been created in Western Australia as a result. I believe that in three or four years' time Wiluna will employ 3,000 men, thus solving the unemployed difficulty.

Hon. C. F. Baxter: Can you connect those statements with the Bill?

Hon. C. B. WILLIAMS: I have already done so. I am not responsible if the hon. member interjecting wants to go out to the waterbag or to have a smoke. You low-wage advocates, you representatives of the farmers who are the lowest-paying people in the world—

Hon. C. F. Baxter: You are representing farmers.

Hon. C. B. WILLIAMS: I represent a third of them, and I will tell them what mugs they have representing them in Parliament, outside myself.

Hon. J. J. Holmes: Is not the explanation that gold has increased in value and that wheat has lost half its value?

Hon. C. B. WILLIAMS: Wheat was just as low in price when I came to this country, and gold was £4 per ounce then. Gold mining admittedly is showing a profit. Where did we get to during the three years of the last Government with reduced wages? Hon. members of this Chamber supported this legislation 12 months ago. Has Western Australia progressed in the meantime? The people said that the last Government were not worth anything. The last Government sustained the most utter defeat, a defeat even worse than that suffered by the Scullin Government. Why? Because the people did not agree with the policy of reducing wages. They did not agree that that policy had benefited this country at all. The present Government, coming in with a different policy, have done their best to employ everyone who can possibly be employed and to pay him as near the basic wage as possible, with the idea that the more men employed on reasonable wages, the greater the number of people who will be employed as a result. I have to vote for the Bill, but I do not like it at all. Perhaps I should say that I like it as far as it goes, but that it does not go far enough. I hope the Honorary Minister, when replying to the debate, will tell me why the poor fellows at Dowak, who are so far away from the rest of the world, do not benefit under the Bill. I support the measure only so far as I must.

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

BILL—PURCHASERS' PROTECTION.

Second Reading.

Debate resumed from the 15th December.

THE HONORARY MINISTER (Hon. W. H. Kitson—West—in reply) [8.53]: Several points were raised on the second reading of the Bill, but in view of the fact that the measure really consists of the recommendation of a Royal Commission, as attended by a select committee of another place, I shall not reply to those points at present. I shall be prepared to discuss them on the various clauses during the Committee stage. As regards amendments suggested by various hon. members during the second reading stage, I hope to be able in Committee to supply information which will satisfy those hon. members.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Operation:

Hon. J. NICHOLSON: I am not sure that Section 11, as mentioned in the clause, is correct.

The HONORARY MINISTER: I move an amendment—

That after the words "provisions of," in line 1, there be inserted "Section eleven and."

Amendment put and passed.

The HONORARY MINISTER: I move a further amendment—

That the word "eleven," in line 2, be struck out, and "twelve" inserted in lieu.

These amendments, which appear on the Notice Paper, will meet the difficulty to which Mr. Nicholson draws attention.

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

Clause 3—Interpretation:

Hon. J. NICHOLSON: I move an amendment—

That the following be inserted before the definition of "Deposit":—" 'Contract' wherever herein used shall mean a contract for the sale and purchase of subdivisinal land."

The HONORARY MINISTER: I cannot see much objection to the amendment.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That after "land" in line 4 of the definition of "Sale," the following words be inserted:—"or the resale of any lot in any subdivision or part of subdivisional land."

The HONORARY MINISTER: Will Mr. Nicholson explain the necessity for the amendment? It seems to me redundant.

Hon. J. NICHOLSON: If the definition of "sale" is left as it stands, it will mean that when a resale of a subdivisional lot takes place, the provisions of the Act will apply, and that is not intended. That is clear because of the definition of "subdivisional land."

The HONORARY MINISTER: Mr. Nicholson's contention might be all right if it were to apply only to an individual sale of a single lot, but if the amendment be agreed to, it would apply to the sale of subdivisional lots in a big estate purchased by an individual or a company from another owner. The resale of a block by an individual would not come within the scope of the legislation.

Hon. J. Nicholson: Without the amendment the resales by individuals will be brought within the scope of the Bill.

The HONORARY MINISTER: If a person were to buy a large estate, subdivide it and sell the blocks, why should he not be subject to the legislation as much as the man who owned the estate before it was purchased for subdivision? I do not know how the measure could be limited to the individual sale of a block and not have it made applicable to larger estates. I desire to make as much progress as possible with the Bill and if the hon. member allows the clause to go, he can give the matter further consideration and, if regarded as necessary, he can move for the recommitment of the Bill later on.

Hon. H. SEDDON: Mr. Nicholson should inform the Committee exactly what his amendment means. It is not clear whether it applies to land sold at auction or otherwise.

Hon. J. NICHOLSON: The resale could be either by auction or by contract. The Auctioneers, Land and Estate Agents'

Association desire an amendment along these lines.

Hon. R. G. MOORE: If the amendment be agreed to, it will provide a loophole by which a person can buy land, subdivide it and sell the lots one at a time, thereby evading the provisions of the legislation. Suppose I buy a single block of land and want to re-sell it, I can do so without any interference from the Bill. But if the proposed proviso be inserted, a man might buy up a whole area of land and sell it out a block at a time, escaping by that amendment.

The HONORARY MINISTER: If subdivided land is sold by auction, it does not come within the scope of the Bill. That is specifically provided for. The Bill does not include a sale by auction of sub-divisional land.

Hon. J. J. Holmes: But what if you want to re-sell it?

The HONORARY MINISTER: It is all right; it will not come under the Bill. But the amendment would allow those who have bought an area of subdivisional land to dispose of all the allotments singly and claim exemption from the measure. There is another amendment, to be moved at a later stage, which would cover all that the hon. member is desirous of doing.

Hon. J. M. Macfarlane: What is that amendment?

The HONORARY MINISTER: It is on the Notice Paper in the name of Mr. Piesse.

Hon. J. Nicholson: That again refers to sale by auction.

The HONORARY MINISTER: But I am alluding to the other portion of it, which covers the hon. member's amendment.

Hon. J. Nicholson: And you will be agreeable to that.

The HONORARY MINISTER: Yes.

Hon. J. NICHOLSON: Very well; I will withdraw my amendment.

Amendment, by leave, withdrawn.

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

That all words after "means" in line 1 of the definition of "subdivisional land" be struck out and the following inserted in lieu:—"Vacant land which has been subdivided into lots for the purpose of sale in lots. A lot shall be deemed to be vacant if no dwelling, shop or factory be erected thereon."

The HONORARY MINISTER: The term is not an easy one to define. I understand there was a number of suggested variations during the passage of the Bill through another place, and eventually the select committee in another place recommended the definition in the Bill. I am advised that the amendment before the Committee is not as favourable to the land agents as the definition in the Bill, which I strongly urge the Committee to accept.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 4—agreed to.

Clause 5—Purchaser allowed time after making contract to inspect land and repudiate contract:

Hon. J. NICHOLSON: I move an amendment—

That after "purchaser" in line 1 of Sub-clause 2 the words, "within the said period of seven days" be inserted.

This is merely to clarify the position.

Amendment put and passed.

Hon. T. MOORE: I know an instance where a firm has sold a block of land to an unfortunate purchaser who has paid the smallest possible deposit, and is certainly not the owner of the land. He has since told the firm that he could not meet his obligation to them, notwithstanding which the firm, to evade taxation, have left the block in his name, in consequence of which he gets the land tax assessment and is expected to pay the tax.

Hon. J. Nicholson: He has only to notify the department that he is not the owner of the block.

Hon. T. MOORE: Will the clause give relief to that man, who is not the owner of the block and does not want the block? He can go on paying land tax for the company for years, but will never own the block.

Clause, as previously amended, put and passed.

Clause 6—Purchaser allowed time to examine vendor's title. Vendor to procure assent of mortgagee or encumbrancer:

Hon. J. NICHOLSON: I move an amendment—

That after "may" the words "by notice in writing delivered to the vendor within the said last-mentioned period" be inserted.

Amendment put and passed.

Hon. C. H. WITTENOOM: I move an amendment—

That the following words be added to Sub-clause 1:—"unless the mortgage contains a clause whereby the mortgagee has agreed to release any lot or lots comprised in or covered by the said mortgage on payment of a specified sum in respect of each lot."

Without this condition the mortgagee would be able to dictate the terms on which consent would be given. He might insist upon the payment of the whole of the mortgage money or of a certain part of it, which would not be quite fair. It would obviously inflict great hardship on the vendor. The purchaser should require only a reasonable assurance that he could get the title to the land on payment of a specified sum in respect of his lot.

The HONORARY MINISTER: I hope the amendment will not be pressed. The Bill is designed to give a purchaser of subdivisinal land an opportunity to investigate the vendor's title. If the title is not in order the purchaser is to have an opportunity to retire from the contract. I am afraid that the amendment would provide a loophole. The Crown Solicitor has supplied a statement which is enlightening, and which will recall incidents of difficulties experienced by people through not being able to secure a title for land for which they had legitimately paid. It reads—

I might explain that in connection with the recent subdivisinal trouble with various vendors and companies operating in this State during the boom period, it was found that the vendor very often had no title at all to the land he was selling, and frequently he had what might be termed a shadow of a title in the shape of an option, or the vendor might be selling merely as an agent for the true owner, although in fact he purported to sell as the actual owner. This clause will enable the purchaser to require the vendor to put his title in order.

A mortgage over land which is being sold is a factor which must be taken into account. On entering into contracts it is quite reasonable to ask the vendor to obtain the mortgagee's consent. If the mortgagee does not give his consent at the time of the sale, it is quite possible that when called upon to do so later, he may refuse. For instance, the ven-

dor may be behindhand with his mortgage, and the mortgagee is hardly likely at that juncture to permit a slice of his security to be cut off in order to give effect to a sale which has been made by the mortgagor.

A notable instance of the difficulty that may occur with the mortgagee may be cited in the case which occurred some years ago when a whole district—Gosnells—was thrown into confusion over the actions of a man named Andrews, who disposed of a particularly large estate in small allotments. The interest of the vendor, Andrews, was subject to a mortgage to the Western Australian Bank. He became in default to the bank, and when the purchasers required their titles from Andrews, notwithstanding the fact that they had paid off and faithfully fulfilled their contracts, they were unable to get a clearance and get their particular lands transferred to them.

Hon. J. Nicholson: That is quite true.

The HONORARY MINISTER: There have been other instances. The statement of the Crown Solicitor is so serious that members should hesitate before accepting the amendment.

Hon. H. V. PIESSE: When purchasing land subject to a mortgage, an arrangement may be made that the money received is paid to the mortgagee and to the credit of the particular block. Then when the whole of the money is paid, the title is available. Would the amendment interfere with an arrangement of that kind?

The HONORARY MINISTER: I cannot answer Mr. Piesse's question. There would be no risk in dealing with a man of Mr. Piesse's reputation, but there have been instances of unscrupulous persons operating, and I would hesitate to provide any loophole for them. Before to-morrow I shall consider the amendment further, but at present I cannot agree to accept it.

Amendment put and negatived.

Hon. J. NICHOLSON: I move an amendment—

That before "period" in line 1 of Sub-clause 3, the words "last mentioned" be inserted.

This will make it clear that the 14-day and not the 7-day period is referred to.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That in line 2 of Sub-clause 3 the word "aforesaid" be struck out.

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

Clause 7:

Hon. C. H. WITTENOOM: I move an amendment—

That in line 3 "on" be struck out, and the words "within seven days after" inserted in lieu.

People often desire to buy land but have not the money with which to pay the deposit. A reasonable time should be allowed in which to pay the deposit.

The HONORARY MINISTER: I oppose the amendment. The clause is designed to prevent contracts being entered into by improvident and such like persons. Much trouble over the sale of subdivisional land has been due to the fact that people have signed contracts and have undertaken to pay money within a certain period, and have not been able to pay. In this case if a person is not possessed of the necessary deposit, why should not the contract stand over for a few days?

Amendment put and negatived.

Clause put and passed.

Clause 8:

Hon. C. H. WITTENOOM: I move an amendment—

That all the words after "sale" in line 10 and down to and including "1913" in line 15, be struck out.

The clause provides for attestations being made by certain duly authorised persons. It should be sufficient if the contract is witnessed by an ordinary person, provided the sum involved does not exceed £200.

The HONORARY MINISTER: I cannot accept the amendment. Section 145 of the Transfer of Land Act, 1893, states that amongst persons authorised to attest instruments are, the Commissioner or Registrar, or any assistant-registrar, a justice of the peace, a notary public, legal practitioner, commissioner of affidavits, commissioner of declarations, clerk of the local court, clerk of petty sessions, town clerks, secretaries of road boards, electoral registrars, postmasters, and numerous others. That selection should be wide enough for anyone. If the amendment were carried certain individuals might be retained by land agents simply for the purpose of witnessing these documents.

Hon. J. NICHOLSON: The clause goes too far. No document is more sacred or important than a will, and yet any person of

full age may witness the signature to a will. The qualifications read by the Honorary Minister are of persons required for the execution of a document under the Transfer of Land Act. It is competent for any witness, who does not possess these qualifications to attest any document under the Transfer of Land Act, but he has to attend again before a solicitor or some other authorised person, and acknowledge that it is his signature. He can also attest an execution of a contract involving £100,000 without being a qualified person within the meaning of the Act. It is farcical, in a case such as the attestations of the signature of a party to an agreement of sale, that all these qualifications should be insisted upon. I do not see that the clause will constitute any protection to a purchaser.

Hon. H. V. PIESSE: I support the amendment for the reasons outlined by Mr. Nicholson. Hundreds of bills of sale are signed by ordinary witnesses, who have to swear an affidavit before a justice of the peace. That should be sufficient in this case.

Hon. C. H. WITTENOOM: In South Australia qualified witnesses are not required except in the case of a contract involving more than £500, when two witnesses must attest a signature.

Amendment stated and a division called for.

The CHAIRMAN: I give my vote with the Noes.

Division resulted as follows:—

Ayes	..	..	..	..	11
Noes	..	..	..	..	10

Majority for 1

AYES.

Hon. L. B. Bolton	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. E. Rose
Hon. E. H. Hall	Hon. H. Seddon
Hon. V. Hamersley	Hon. A. Thomson
Hon. J. M. Macfarlane	Hon. C. H. Wittenoom
Hon. J. Nicholson	(Teller.)

NOES.

Hon. J. Cornell	Hon. J. J. Holmes
Hon. J. M. Drew	Hon. W. H. Kilsen
Hon. G. Fraser	Hon. R. G. Moore
Hon. E. H. Gray	Hon. T. Moore
Hon. E. H. Harris	Hon. C. B. Williams
	(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

Clause 9—Contracts by married women:

Hon. C. H. WITTENOOM: The clause should be struck out. My chief complaint against it is that it is absolutely unnecessary. I will not say it represents a stigma on married women, but it is something of that nature. It intimates that married women are entirely unable to contract for themselves. A vendor who fears that opposition may come from the husband is not likely to attempt business, since one cannot get blood out of a stone.

Hon. R. G. MOORE: I support the clause. Under it the vendor will take care, when dealing with a married woman, to see that the husband knows what is being done. My experience of land agents is that they will sell under any conditions whatever and will say anything to a prospective purchaser. The only fault of this Bill is that it has come about 40 years too late. It should deal with other things besides land and shares. The vendor who is above board will want the husband to know what is being done. Many silly women can be talked round by canvassers.

Hon. J. J. Holmes: And silly men too.

Hon. R. G. MOORE: Go-getters travelling from door to door induce people to sign agreements for the purchase of things they cannot afford.

Hon. G. FRASER: I hope the clause will pass. Mr. Wittenoom cannot have had the experience of hawkers which is possessed by people in the suburbs. If it is necessary to protect the man against the go-getter, is it not far more necessary to protect him against persuasions used on his wife by the go-getter?

Hon. H. V. PIESSE: I support the clause, but intend later to move for deletion of part of it. Wives get carried away, and, without the knowledge of their husbands, enter into contracts for the purchase of worthless land.

Hon. J. NICHOLSON: I am astounded at the introduction of this clause. It is not many years, at least in this State, since married women were emancipated by the Married Women's Property Act from disqualification and bondage. Our Act was passed in 1892, and conferred upon the married woman rights similar to those possessed by the single woman. The clause is a reflection upon the married woman as compared with the single woman. I fail to see that the latter is any more proof against the go-getter's blandishments than is the former.

It seems so absolutely incongruous in view of the commendation of Parliamentarians when the Married Women's Property Act was introduced years ago.

Hon. J. J. Holmes: Have you read Sub-clause 4?

Hon. J. NICHOLSON: Yes.

Hon. J. J. Holmes: Then you do not understand it.

Hon. J. NICHOLSON: I do. If one of these wonderful go-getters should call on a lady who represented herself as a widow and it was subsequently found that she was really a married woman, I do not know how the unfortunate man would get on. It should be made compulsory for the woman to produce her marriage certificate and all the evidence necessary to prove that she was married, and that the man of the house was her husband. That is essential because the man in the house might merely be the lodger! The clause is absolutely preposterous in the light of legislation passed years ago. It will tend to whittle away the rights of women.

Hon. R. G. MOORE: There is nothing in the clause to suggest the whittling away of the rights of married women. The arguments used by Mr. Nicholson were the most farcical I have ever heard. A married woman can buy land, provided the transaction is ratified by her husband. A husband is responsible for the debts of his wife. If it were not so, the clause would be unnecessary.

Clause put and passed.

Clause 10—agreed to.

Clause 11:

Hon. C. H. WITTENOOM: I move an amendment—

That in lines 3 and 4 the words "the provisions of the preceding section and" be struck out.

The amendment will remove the retrospective application of the measure. It is a bad principle to interfere with existing contracts. Such a course would prove harmful to the community as a whole.

The HONORARY MINISTER: The object of the clause is to give protection to those who entered into contracts before the commencement of the Act, against the sale of their houses and chattels to satisfy the

demands made upon them by vendors of land. The court is given discretion.

Hon. J. Nicholson: But it really relates to past contracts and is therefore retrospective in its application.

The HONORARY MINISTER: It applies only where the seller of the land endeavours to dispose of the house and chattels of a person who has bought land from him, in order to satisfy his claim. It will give the right of appeal to the court, which will decide whether such an extreme action can be taken by the vendor.

Hon. J. NICHOLSON: The clause really does not mean what the Honorary Minister suggests. He has overlooked the fact that Clause 10 says nothing about chattels; that will be found in Clause 12. Clause 11 provides that the court may grant relief to any purchaser who has entered into a contract of sale prior to the commencement of this Act. Mr. Wittenoom, I understand, is striking out words relating to the preceding section. Let Clause 11 protect the goods and chattels of the purchaser, but I think the provisions of Clause 10 are in a different category. I will support the amendment.

The HONORARY MINISTER: It is true that what I said applies to Clause 12. Clause 10 provides that if the court is satisfied that the enforcement of any remedy against the purchaser will inflict hardship on the purchaser by reason of his inability to perform his obligation under the contract, the court may order that possession of the land shall be delivered to the vendor, and the contract cancelled, the deposit paid being forfeited to the vendor. In addition, the court may award damages. Surely we should be prepared to give the court the right to issue the order contemplated. Sub-clause 2 of Clause 10 gives the vendor the right to appeal to the court for approval to carry out action. So protection is given to both the purchaser and the vendor. If it is necessary that clause 12 should apply, it is equally necessary that Clause 10 also should apply. I will oppose the amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 12 to 14—agreed to.

Clause 15—Certain property offered for sale at houses to be available for inspection:

Hon. C. H. WITTENOOM: I move an amendment—

That all words after "shares," in line 3 of Subclause 1, be struck out and the following inserted in lieu:—"and in case of subdivisional land unless it is a term of the offer that it shall not be accepted or capable of acceptance unless the land the subject of the offer has been inspected and approved by the proposed purchaser.

The clause aims at preventing subdivisional land-owners going from house to house selling land. A great deal can be said against that practice, but surely no valid objection can be made to a person carrying out a canvass for the purpose of getting people out to see land with a view to selling it to them. So long as a person sees what he is asked to buy, there is ample protection.

The HONORARY MINISTER: I am afraid I cannot agree with the amendment. At the same time, there is perhaps something in the argument put forward by the hon. member. It is all a question of the wording of the amendment, which I have not had opportunity to study.

Amendment put and passed.

Hon. J. NICHOLSON: I call attention to the marginal note of the clause.

Hon. J. J. Holmes: I call your attention to the clock.

Hon. J. NICHOLSON: I move an amendment—

That Subclause 3 be struck out.

The subclause would make every director, manager and secretary liable unless he proved that the act constituting the offence was committed without his knowledge or consent. That is not a fair provision.

Hon. G. Fraser: Whom would you make responsible?

Hon. J. NICHOLSON: Subclause 2 provides sufficient protection. Would anyone become interested in a company as a director knowing that such a provision existed? Directors would not take an active interest in such matters. If the principle is introduced into this legislation, why not apply it to every avenue of business?

The HONORARY MINISTER: I hope the subclause will be retained. The Royal Commissioner was definite on this point, and had reason to be. Evidence was produced to him and to the select committee of another place indicating that the subclause was

essential. The actual words of the subclause are those employed by the Royal Commissioner in his recommendation.

Hon. J. Nicholson: Every director will be liable to be prosecuted, and will have to prove his innocence. That is wrong in principle.

The HONORARY MINISTER: Proceedings would not be taken unless there was reason to believe that the director was a party to the offence. Reputable firms have nothing to fear from such a provision. Only those companies who adopt unscrupulous methods have any cause for fear.

Hon. J. J. HOLMES: Would it not be sufficient if the word "director" were deleted and the manager and secretary made responsible. They would know what was going on. Why bring in the director who probably has invested money in the business but knows nothing of what is being done?

The HONORARY MINISTER: In some instances companies consist of directors only. Evidence was produced sufficient to convince an impartial tribunal that the provision was necessary. If the offence were committed without the director's knowledge or consent, he would not be liable.

Hon. J. J. Holmes: It is not British justice to require him to prove it.

The HONORARY MINISTER: That principle has been embodied in many Acts of Parliament dealing with like offences.

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

Clause 16—agreed to.

New clause:

Hon. H. V. PIESSE: I move—

That the following be inserted to stand as Clause 14:—"This Act shall not apply to a sale by auction of subdivisional land, nor to a sale of any lot in any subdivision made by or for or on behalf of a seller who has not himself created the subdivision for the purpose of effecting the sale of the land in subdivisional lots or acquired the land for that purpose after the subdivision thereof. If any person acquires land after subdivision, and sells or causes to be sold two or more lots of such land, the onus shall be upon him in any proceedings to establish that he did not acquire such land for the purpose of selling the same in subdivisional lots."

New clause put and passed.

Title—agreed to.

Bill reported with amendments.

Recommittal.

On motion by Hon. H. V. Piesse, Bill recommitted for the purpose of further considering Clause 9.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 9—Contracts by married women:

Hon. H. V. PIESSE: I move an amendment—

That all the words after "agreement," in line 31, down to and including the word "woman" in line 34, be struck out.

The HONORARY MINISTER: I have no objection to the amendment. It seems illogical that, if a married woman has sufficient money with which to complete a contract, she should have the right to repudiate it after a certain time has elapsed.

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

Bill again reported with a further amendment.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 15th December.

HON. V. HAMERSLEY (East) [10.45]: The Act which this Bill seeks to amend was brought down at a time of great stress, when many of our farmers were in considerable difficulty. The measure was passed to give them some protection. On that occasion we made some rather drastic alterations, realising as we did that the Government were not in a position to find the finances necessary to carry on so many of the farmers. We formulated an open measure designed to take advantage as far as possible of the credit that could be found within the community rather than that which could be supplied by the Government. The Act was so framed that directors could be appointed who would call the creditors together on behalf of the farmers, and see how much credit could be made available to them without their going through the bankruptcy court. Many arrangements have been entered into, and receivers have worked satisfactorily and amicably with the

farmers. In many instances the creditors have been brought to round-table conferences, and carried on clients who seemed to be in a hopeless position. The legislation has proved very successful, particularly in view of the stressful times which have now endured for three years, and in view of the low prices farmers have received for their commodities. The Bill is probably the outcome of the experience of the last three years. There seems to be a tendency to deprive the receivers of some of their powers, and to concentrate the work in the department, thereby making for departmental control rather than the larger outside system of control which has worked so satisfactorily up to the present. I believe it is generally accepted that the Director, Mr. White, has been eminently successful in his work. In my opinion, that was due largely to his foresight in getting the various receivers to work amicably with him. He realised the influence they have among the commercial community. In those serious times it was difficult to get financial houses to extend further credit to farmers whose cases often seemed hopeless. The receivers, with their own credit and their own character, came to the assistance of the farmers; and with the Director's co-operation were able to overcome many difficulties. Mr. White's success, I consider, was due in some measure to the manner in which the receivers worked with him, to the advice they were able to give him, to the credit they were able to bring in their train, to the outside experience they had, and to the confidence they were able to inspire in business houses, which otherwise might have taken drastic action. In this way many farmers have been enabled to carry on successfully. I am rather at a loss to see what great advantage would accrue to the farmer by his coming more immediately under the Director's control, as this measure seems to desire. I think it would be better to retain the control as it has been, than run the risk of some of the creditors saying, "We do not wish to give our credit and the benefit of our finance into the control of a Government institution." They would be much more inclined to seize the opportunity given them by the amendment of the Federal Bankruptcy Act. Thus there is a danger of creating a parting of the ways. This Act, which has proved so successful up to the present,

might be driven on the rocks. The creditors might fear that they would be baulked of getting their proper share of the moneys by reason of those moneys passing into the Government accounts. The Director has been successful; and if he continues to work with the receivers, he will continue to be successful. On the other hand, if he gets more of these accounts under his immediate control, he will probably not make the same success of the Act in the future as he has made of it in the past. I can see grave difficulties for the farmers themselves in such a proposal. When they are in the midst of their operations, they often require fertiliser or, say, machinery parts sent along almost at a moment's notice. One complaint against the Industries Assistance Board, a Government institution which operated for years with a vast number of accounts, was the difficulty farmers experienced in getting supplies sent to them quickly. It is the man outside who is more directly conversant with the urgent necessity for supplies being furnished promptly. Promptitude or delay in this respect often makes or mars the farm. The outside receivers are business men who realise the urgency of the position. They are paid to take a close interest in the success of their work. They realise that their success is the success of the farmers whose accounts they are keeping. In many cases the farmers have derived great benefit from the mere fact of their accounts being kept, which had not been done previously. I am not enamoured of the suggested change-over, and I do not know that there has been a strong demand for it on the part of farmers who have been operating under receivers. There has at times been a clamour from outsiders that the receiver's fees have been too heavy, or that the receivers have obtained too much in the way of charges for the work they did. A resumé which I have seen of many accounts leads me to believe that it cannot be said the receivers have been paid too much. I doubt whether a Government department acting in the place of the receivers would achieve any benefit whatever for the farmers.

Hon. H. V. Piesse: It is not suggested that a Government department should take over the accounts.

Hon. V. HAMERSLEY: My reading of the Bill is that the Director would take more and more of these accounts into his own hands. That is the tendency. The idea will

be to eliminate those men whose outside business experience fits them much better than a Government department to deal with individual cases. The original intention of the Act was to free the farmers of departmental control. From that system has resulted the successful working of the Act. The Director has been applauded by many persons, and not only in Western Australia, but also in the East, where he was invited to advise several Governments as to the working of our Act. Those Governments have decided that they could well borrow from our legislation and make a greater success on somewhat similar lines. Mr. White was able to lend assistance in that direction. There will always be individuals ready to complain about charges levied upon them, but, on the whole, it may be accepted that, in view of the stressful circumstances under which so much work has been done on behalf of the farmers, the receivers have not been paid an undue amount of remuneration for handling the business. The Bill is one for consideration in Committee, and I hope that when we have finally dealt with it, it will not contain any indications suggesting the creation of another Government department. I hope the operations of the Act will continue to be helpful to farmers who have received assistance in the past, but I am afraid there will probably be many other farmers who will have to be brought under its provisions. I trust that the good feeling that has prevailed will continue, and that the business community will be ready to provide the necessary finance and credit for the assistance of farmers, for whom the Government cannot find any money in these difficult times. I support the second reading of the Bill.

HON. C. H. WITTENOOM (South-East) [11.2]: I support the second reading of the Bill because all the evidence I have shows that the legislation has proved of great benefit to the farmers. Many of the settlers have to thank the Act for their presence on their holdings to-day. In fact, the Act has been so successful that I rather regret the Government have seen fit to amend it at this stage. It would have been better to await the report of the Royal Commission who are now inquiring into the operations of the Agricultural Bank and until the Government had spent more

time in going into the whole question at greater length, particularly as the Minister for Lands made the statement in another place that he intended to make a detailed inquiry into the whole question before next session. In those circumstances, the Government would have been well advised to refrain from amending the Act at the present stage, and to await the report of the Royal Commission. The amendments embodied in the Bill are not drastic and will make for an improvement of the position. Complaints have been made regarding the fees paid to receivers. I have been informed by persons who have more knowledge of that phase than I that either the £10 10s. minimum or 3 per cent. up to a maximum of £30 out of the proceeds would be a sufficient remuneration for receivers, and I shall support the clause in the Bill that deals with that phase. I do not like the retrospective aspect. At last year's review meetings, a definite amount was fixed for the season 1933-34, and I think it is only reasonable to adhere to that arrangement regarding the fees to be paid to receivers. With that object in view, I intend to support the amendment that Mr. Piesse has on the Notice Paper. I have travelled over the major portion of my province with my two colleagues, and on many occasions we have heard the Act discussed and its good points commended. On the other hand, many farmers consider it does not go far enough. I am pleased to know that the Minister intends to go farther with it, and deal with many of the hardships of the primary producers, particularly the wheat-growers. I welcome the clause that deals with netting for protection against the rabbit scourge. I think this will help towards the salvation of the farmers. Wherever one goes one must note the ravages of the pest. No indication is given in the clause as to whether the present standard mesh is regarded as suitable, or whether a smaller mesh would be more effective. That is a point that can be dealt with at the Committee stage. I shall support the second reading.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [11.8]: The Bill is one that need not have delayed the progress of the session at this stage. It is largely a continuation Bill, and for that reason I shall

support it. The Act has been in operation for three years, and its effect has been to lighten the burden of the creditors and debtors in a dozen different ways. When it is realised that 415 settlers were assisted in the first year, 580 in the second year, and 478 during the third year, it will be appreciated that there must have been a considerable freezing of assets in the aggregate. I shall repeat the figures given by the Minister to indicate what the attitude has been regarding the farmers, which, in some respects, the Bill seems to ignore. In 1931 assistance was made available to permit 230,000 acres being cropped and 100,000 acres being fallowed. For the current season, 1933-34, the settlers have seeded 237,000 acres and are expected to fallow 166,000 acres. A review of the operations during the three years discloses the fact that the objective of the legislation has been achieved. The debtor has stuck to his holding like a Briton, in spite of difficulties and hardships. The creditor must have done his part at the review meetings, or the debtor would not have lived up to the sentiment of the Act, and the receiver, too, must have dealt with this delicate situation with tact and kindly sympathy, or the crop and fallow figures would have shown a very heavy decline. A further convincing point I would make is the fact that the Government were only called upon to supply $3\frac{1}{2}$ per cent. of their requirements in super—a diminishing figure from the previous year, the creditors in general supplying the balance. We have this position again intensified in 13B under the bills of sale section—

1931-2—area cropped, 48,000 acres; total advances, £41,000.

1932-3—area cropped, 56,000 acres; advances, £57,000.

1933-4—area cropped, 68,000 acres; advances, £78,000.

The total number of applications was 325, and the meetings, stay orders, etc., were all satisfactory. That being so, I confess I cannot see the object of raising the question of remuneration and antagonising the receiver in his outlook in regard to the debtor. The evidence all points to his having carried out his duties satisfactorily to the creditor and debtor both. Let me read to the House the duties the receiver performs for his reward, as follows:—

1. Arranging credit—involving preferences in particular stores, fuel, spare parts, horses,

and other stock; also new machinery where required. Sometimes having personally to guarantee payment for such supplies at critical periods.

2. Negotiations with banks for funds to carry on and for further development

3. Arranging for release of dividends due to creditors where such is necessary for further carrying on

4. Management of cash and credit resources to keep within the terms of resolutions.

5. Sanctioning supplies, settlement of accounts and general distribution of farm receipts in terms of preference, share-cropping agreements, etc.

6. Perusal and consenting to securities, such as crop liens stock and wool liens mortgages hire purchase agreements.

7. Arranging for substituted securities, e.g., hire purchase.

8. Protection of farmers' interests under Hire Purchase Agreement Act.

9. Arrangements for share-cropping agreements, supplies for the share-cropper, and obtaining consents of mortgagees to such agreements.

10. Arranging management labour for absentee farmers.

11. Sale of wheat where desired.

12. Attending to partnership disputes and dissolutions.

13. Arranging insurances over farm buildings, employers' liability and personal.

14. Following stolen property.

15. Negotiations for writing down and rearrangement of mortgaged debts.

16. Constant negotiations with creditors regarding accounts, special preferences, etc.

17. Inquiries into the possibility of a variation of farm activity.

18. Attending to dissatisfied mortgagees.

19. Periodical statements (apart from the annual review statements):—

(a) Quarterly statement to the director of estimated and actual receipts and expenditure.

(b) Annual statement of crop realisation.

(c) Supplementary review statements.

(d) Distribution statements, also any special statements a farmer may request.

The Chief Secretary has not told the House that the payments were arranged by the director and agreed to by debtor and creditor, and that no protest has been heard. Many expressions of thanks from debtors have been forthcoming; consequently I trust members will prefer that the good feeling thus created should continue and that no loss of interest in the debtor he suffered by the proposal from the receiver. Surely it requires no amendment when experience

gives the average amount of the farm proceeds with the added proviso that it shall not be assessed above a value of 2s. per bushel. Then there comes the amendment to rob the receiver of his reward for services—the main services of the year between July and the harvesting of the crop. It is in this period that so much of the farm detail requires attention, for the debtor has little or no income and has to live and make preparation for the harvest. Horses and harvesters have to be arranged for and are arranged for often on the receiver's known probity and assurance that the arrangements made will be kept. The Chief Secretary stated that cases of foreclosures on horses and machinery are the cause of the amendments recommended by the director. I am informed nothing of this nature has happened during the last two years, and that the only cases cited proved the consideration given by the creditors. The horse incident proved the creditor was within his rights as the bill of sale had run out before the Act operated. Nevertheless the receiver was met in all amity, and the team is still on the farm. The harvester was on the usual bill of sale which demands that the purchaser should carefully house and keep it in good working order on his own property. This machine was found on a neighbouring farm exposed in the paddock and had been used by the neighbour. There again the receiver straightened matters out, and as I have said there has been no recurrence since. There is no evidence at all of any callousness on the part of the creditors or harshness on the part of the receivers, and one naturally wonders why amendments of this kind have been proposed. It would have been better had the Government introduced merely a continuance Bill, which could have been passed in a few minutes. There is a provision regarding out-of-pocket expenses that threatens to restrict operations considerably. If a receiver is unable to send even a telegram without the consent of the director, it will be against the farmers' interests. I have heard of several instances in which considerable time would have been lost, and no doubt part of the crop would have been lost, had it been necessary to obtain the director's permission to send a telegram. Part of a harvester had broken and needed to be renewed. It was known by the receiver that a part such as was required was held by an agent in the neigh-

bourhood, and a telegram was sent to the agent asking him to forward the part. The result was that the farmer had his harvester at work again the same afternoon, having suffered little loss of time. Had it been necessary to obtain the authority of the director to send the telegram, with the chance of having the cost of the telegram queried, the business would have been done by letter, and as the district has only three mails a week, the farmer would have been deprived of the use of his harvest for several days. To make a rigid provision of the kind proposed would be against the farmers' interests, and the creditors certainly do not desire it. I hope members will not support that proposal. It appears to me that the Government are endeavouring to create another Government or quasi-Government department. Creditors have expressed their strong opposition to that proposal and they would like to see it abandoned. I have given notice of an amendment to provide that any person who is a creditor or an agent, or any person who is under appointment from the Crown, shall not be appointed a receiver under the Act. I shall support the second reading but will move in Committee in the directions I have indicated.

HON. H. SEDDON (North-East) [11.25]: This measure has been so well discussed by various speakers that it is not necessary for me to say more than a few words. I should like to stress the important aspect that the success of the Act has been due to the opportunity it gives for the creditor and the farmer to work with confidence, and the tact of the director in remaining in the background. The Act was passed at a most critical time in the history of the State and in the history of the farming industry, and the success has been due to the practical way in which the director has remained in the background and facilitated co-operation between debtor and creditor. It appears to me that this Bill will disturb that harmonious state of affairs by endeavouring to introduce a more active interference by the director into the affairs of farmers. Such intervention would have the effect of disturbing the relationship existing between creditors and debtors. Undoubtedly the success of the Act has been entirely due to the good understanding maintained between the two parties. We must

remember that when the Act came into operation, there were practically no funds available, and hundreds of farmers would have gone to the wall but for the arrangements made for debtors and creditors to discuss the position as a whole, and protect the farmer against the interference of one or two creditors who desired to secure advantage over the others. The success of the machinery part of the Act, I consider, has been entirely due to the way the receivers have carried out their work, and seeing they have done it so satisfactorily, and in view of the fact that there has been no complaint regarding the remuneration paid to them, I cannot see that any good purpose would be served by interfering with the returns they are receiving. Mr. Piesse referred to the conditions obtaining under this legislation as compared with the Federal Bankruptcy Act. The hon. member, I understand, has quite a number of cases under the Bankruptcy Act but only one under the Farmers' Debts Adjustment Act. Figures supplied to me show that the cost of operating is all in favour of the Farmers' Debts Adjustment Act. In one instance the year's proceeds amounted to £692 and under the Federal Bankruptcy Act legal costs amounted to £53 11s. and the trustees fees to £54 12s., a total of £108 3s., representing 15.6 per cent. of the proceeds. In a case under the Farmers' Debts Adjustment Act, the year's proceeds amounted to £698, the legal costs were nil, and the receiver's fee was £25 8s., representing 3.6 per cent. of the proceeds. That supplies additional criticism of the Federal Bankruptcy Act, under which the conditions are not so elastic as under the Farmers' Debts Adjustment Act.

Hon. H. V. Piesse: Therefore it is much easier to operate under the Farmers' Debts Adjustment Act.

Hon. H. SEDDON: Yes, though the responsibilities seem to be identical. The receiver really acts as the farmer's agent, and not only keeps an eye on the farmer's affairs but assists him by giving him the benefit of trained organisation and of experience. Many farmers have not had that opportunity or experience. As a result of the operation of this Act, and the appointment of receivers, I feel that many farmers have received a training in business principles and ideas that they had no opportunity of acquiring before. The remuneration accorded

to receivers is not too high as laid down in the Act itself. Whatever doubt there was about the wording of the Act, it was set at rest by the test case, which laid down that the receivers were entitled to their ten guineas and to the specified percentage.

Hon. A. Thomson: That was a case of the interpretation of the Act itself as it was proclaimed, and not as the Minister had intended it to be.

Hon. H. SEDDON: I do not think the hon. member can successfully carry that contention very far.

Hon. A. Thomson: That was the statement of the Minister.

Hon. H. SEDDON: In that instance the director himself agreed upon the conditions, and these have been followed out.

Hon. A. Thomson: I am dealing with the statement of the Minister.

Hon. H. SEDDON: I am dealing with the official who carried on the machinery of the Act. He should have known what he was doing. I contend that the measure was created in this House, and it was produced here as a workable piece of legislation. The whole of the machinery has been controlled by the director himself, and there has never been any question of interference with the remuneration paid to receivers until last year. We now find an attempt to interfere with that arrangement. There may have been one or two cases in which receivers obtained an amount in excess of that which was stipulated, but when one inquires into individual cases, and takes the average all round, one finds that the percentage is well within the mark. One man is administering 40 cases alone, and he states that his average cost of administration has been below that specified in the Act. In some cases returns have been low and in other cases they have been fairly high.

Hon. H. V. Piesse: The Act provides for the minimum pay.

Hon. H. SEDDON: Even allowing for the minimum the average of £21 has been low enough to come within the requisite figures. The fear I see as a result of this Bill is that receivers may not be able to carry out the work in the true spirit of the Act. No doubt many of these cases will, if the Bill is passed, be handed over to the director, and as a result of that we shall be committed to the establishment of another Government department. Once an

Act is controlled by Government officials we see set up the sort of thing that occurred in connection with the Industries Assistance Board. Ultimately the State will be mulet in considerable cost. So far the Act has been quite successful in the direction that it is intended to be of assistance. Various matters have been adjusted as between the creditors and the farmers. The control of the situation has really been in the hands of the creditors. If the sound atmosphere that now exists is interfered with by this Bill, the position is likely to become worse. I trust the House will allow the existing arrangements to continue, especially so far as the receivers are concerned. It will be necessary for some amendments to be made in order to preserve the machinery. Those suggested by Mr. Piesse would meet with my support. We should do well to retain the machinery set out in the Act, and leave the remuneration of trustees to be handled by the people most concerned, the creditors, who will see to it that no excessive remuneration is paid at the same time ensuring that the receivers get the benefit of the work they do. I intend to support the second reading, but hope the Bill will be amended in Committee.

HON. E. H. H. HALL (Central) [11.37]: The criticism which has been offered by Mr. Macfarlane and Mr. Seddon will, I am sure, be effectively replied to by the Chief Secretary. Most of us have a practical knowledge of the working of this Act. We all admit that it has exceeded the expectations of the farmers. Mr. Seddon attributed the success of this legislation to the manner in which the director and the receivers have carried out their duties. I think its success is due largely to the great consideration shown to the farmers by their creditors. The creditors have realised that only by extending the utmost consideration to their clients, owing to the extremity in which they have found themselves, and by nursing them to the utmost possible extent, can they ever hope to be repaid for the money they have laid out. Why have the Government seen fit to attempt to interfere with the receiver's remuneration? Circumstances have forced them to do so. Mr. Williams said tonight that the Labour Party do not believe in making reductions. Most of us feel like that. It gives no ordinary man any pleasure to reduce pay-

ments to anybody. Are we sincere when we say here that something must be done for the primary industries? The wheat-grower, it is continually being stated, produces at a loss. Even if it comes to the creation of another Government department, we must extend consideration to him in order to induce him to remain on his farm and continue growing the wheat which we say is essential. How much longer can we expect the grower to produce wheat at a loss? I realise that the interests of the farmer and those of his creditors are interwoven. I realise to the full the efficient services rendered by all concerned in the matter. Federal apathy towards an essential industry has forced us to render assistance to each other and to work amicably together here. The extremity of the wheat-growing industry compels me reluctantly to support the Government as regards this Bill.

HON. L. B. BOLTON (Metropolitan) [11.42]: I have a few points to bring before the Chamber even at this late hour. The suggested amendments in the Bill seem to me another instance of undue interference with existing legislation, an interference that in my opinion is not warranted. Inquiries I have made from those interested, namely, the farmers, and also the machinery and stock agents, merchants, banks and adjusters, have convinced me that the Act is working extremely well. If so, why not leave well alone, especially at this late hour of the session? The main object of the amendments appears to be to force more farmers who are working under the Act away from the professional receiver to the Government receiver, thus creating, or rather developing, another Government department to do work which can be much better handled by others. Unfortunately, however, the proposed amendments go further. They seek to give to the director full control of all the assets of the farmer and the proceeds therefrom. Does it not seem most unfair that this should be suggested? Do hon. members for one minute think that the stock agents or banks will tolerate such a proceeding, or that under those conditions they will continue to carry the farmer? I have in mind the large number of farmers working under the Act who are being financed by the various banks and stock agents. When every possible inducement should be held out for harmonious

working, the amendments will have the opposite tendency, I fear. The price of wheat being extremely low, with no prospects whatever of improvement, and the only bright spot being wool and sheep, do the Government believe for one moment that the creditors, and particularly the banks, will make further advances for the purchase of sheep when the director will have control over the proceeds? Having some experience of farming, and knowing the unfortunate position of many of our farmers, I feel most anxious about the future. I can rather visualise the stock agents and banks withdrawing the assistance already granted, and in many instances using this legislation as an excuse to get rid of many of their unsatisfactory clients. In my opinion, Clause 4 aims at such a position. I do urge hon. members not to risk the creation of the state of affairs I have suggested, but to reject the clause. As regards paragraph (b) of Clause 3, I have somewhat of an open mind; but I certainly do not consider the receiver to be in any way overpaid. Having run a large farm for many years, I can claim some knowledge of the amount of clerical work entailed, if it is properly carried out. Indeed, I go further and say that in a large percentage of the estates which have been worked under the Act, the money spent on the handling of the business by an adjuster must result in benefit to the farmers, some of whom are in their present unfortunate position through lack of knowledge as to keeping accounts, and through having to purchase farm requirements in a limited market. My remarks do not apply to all storekeepers and merchants, but from my experience I consider it no wonder that many farmers are in such an unfortunate position, having regard to the unfair prices they have had to pay for most of their commodities. I myself have had some startling experiences of what happens to a farmer who has to rely upon commodities or spare parts being sent down to him. A few days ago I ordered in the city a few things to be sent to my farm. The assistant took down the address, and naturally concluded that I was a farmer. He was not cognisant of the fact that I am, if I may say so, a fairly keen business man as well. I saw on the shelves another commodity that I wanted for the farm, and I inquired the price. The reply was 12s. 6d. I said, "What, 12s. 6d. for that?" The assistant replied, "Yes." I asked, "Is that the

wholesale price?" He said, "No, but that is the farmer's price." I then asked, "What is the wholesale price? I will buy the articles for Boltons Limited." He said, "I will go and find out," and returned with the information that the wholesale price was 8s. 3d. With receivers handling their affairs, farmers will have a better opportunity to buy advantageously the spare parts and commodities required by them. I repeat that my remarks do not apply to all storekeepers and merchants. As regards paragraph (b) of Clause 3, I consider it most unfair to suggest that the proposed fees should operate retrospectively from the 1st April of this year. I sincerely trust that the House will not entertain such a proposal. I support the second reading of the Bill, reserving the right to vote in Committee for such amendments as I consider to be necessary.

HON. J. NICHOLSON (Metropolitan) [11.48]: I have little to add to what has been so fully said by previous speakers. The views expressed by Mr. Bolton and other members serve to express my opinions with regard to the Bill. I wish to add my meed of praise to what has been already said regarding the excellent work done by the director under the Act. I feel, however, that the success which has attended the operation of the Farmers' Debts Adjustment Act is due largely, as Mr. Hall has stated, to the friendly feeling engendered through stress of circumstances between the debtor and his creditors. If there had not been that feeling in existence, if creditors had not been prompted to recognise the difficulties facing the farmer, if creditors had not shown a desire to co-operate with him in order to bring him back to a more fortunate position, the Act would never have attained the success it has achieved.

Hon. A. Thomson: That is quite true.

Hon. J. NICHOLSON: I do not underestimate the value of the services rendered by the director, but there is much to be said in praise of the assistance indicated in the actions of the creditors and their representatives. Amongst those who have been instrumental in saving the situation and properties of the farmers have been not only the ordinary trading creditors who supplied goods and materials, but the financial institutions. To the last-named section, in no small degree, is due the

success that has been achieved during the operation of the Act. We should see to it that care is taken to preserve the satisfactory relations between the financial institutions and the farmers so that the former will adhere to their actions of the past. Naturally, when the financial institutions granted relief, they required that advances made on crops or for the purchase of sheep and so forth should be protected by way of lien over the crop, or bill of sale over the stock purchased. It was a recognised arrangement amongst the creditors, through the receivers, that the proceeds of the crop or of the wool from the clip should be applied towards the satisfaction of the money advanced. New principles are to be imported as a result of the introduction of the Bill, and I am rather fearful that much of the credit that has been given to the director and others in the past, may be removed, if we agree to the Bill as it stands. As to the alteration proposed in the remuneration for receivers, I agree with those members who have suggested that the remuneration should remain as it is now. When an Act such as that under review now has operated satisfactorily, largely along the lines of a gentleman's agreement, it is advisable to preserve that position undisturbed. Another feature of the Bill is that all the proceeds of a farmer's business are to be subject to the charges of the receivers, etc.

Hon. H. V. Piesse: Therefore there is a better chance of the maximum amount being quoted.

Hon. J. NICHOLSON: That will interfere with arrangements made previously with the banks and financial institutions in their dealings with the farmers' arrangements that have operated so effectively in the past. If we agree to the clause that will render proceeds subject to various charges, it will destroy the hope that would otherwise exist of similar help being extended in the future. We must regard these matters from the ordinary business standpoint, and if we do that, we must recognise the right of the creditor to protect his interests by way of lien or bill of sale to the fullest extent. The Bill contains a retrospective provision that I do not think is wise. Under Clause 9 the director is to be substituted for the receivers, and I think that will have the effect of destroying the very fine feeling that has characterised transactions so far. The

Minister should consider the advisability of retaining the Bill as a continuance measure alone. It has been introduced late in the session, when we cannot give it the adequate consideration we desire. In view of the success that has attended the operations of the principal Act, it should be allowed to continue unimpeded by the alterations contemplated in the Bill. Something might be said for continuing the receivership when a farmer dies, and if that provision is regarded as necessary, it could be embodied in the Bill together with the clause continuing the operations of the Act. Clause 5 of the Bill, when compared with Section 7 of the Act, shows that the two provisions are almost word for word. Why the section should be repealed and then practically reprinted in the Bill, I cannot understand. Support must be given to the second reading if only for the sake of the continuance clause, but I hope the Minister will agree to the elimination of the other clauses.

HON. A. THOMSON (South-East) [12.0, midnight]: I am pleased to hear that the work performed under the Act has been beneficial. Mr. Hall touched the keynote of its success, namely the co-ordination of the creditors with the debtor, with the mutual object of protecting the assets. Had it not been for the Supreme Court decision that the receiver's fees should be 10 guineas plus 3 per cent., probably the Bill would have been required for only one year. I commend the excellent work done by the receivers, who have played a very useful part. There are two people to be considered under the Bill, first the farmer and, secondly, the receiver and the services he renders to the farmer. Mr. Seddon took umbrage when I interjected about the intention of the Government when the parent Act was introduced. I will ask Mr. Seddon again to read the speech made by the Leader of the Opposition in the Assembly, who, as Minister for Lands, brought down the parent Act, and said it was the intention of the Government that for the first year the receivers' fees should be 10 guineas and afterwards 3 per cent. of the proceeds. While according the receivers all the credit to which they are entitled for the assistance they have given the farmer, it must be remembered what the original intention of the Government was. I am not in favour of the registration clause. I will

support Mr. Piesse's amendment so that justice shall be done to those who have carried on for this year. I hope we shall soon be able to dispense with this class of legislation. I hope also it is not the intention of the Government to make the distress of the farmers a means of collecting revenue. We know it is provided in Clause 3 that if the receiver be a public servant in receipt of a salary, the fees and emoluments that would otherwise go to him shall be paid into Consolidated Revenue. I repeat that I hope the necessities of the farming community are not going to be converted into a taxing machine. I will support the second reading.

HON. T. MOORE (Central) [12.5 a.m.]: I will support the Bill, but certainly it has many shortcomings. Practically all members of the House representing business interests seem to consider that the farmers have been saved by the receivers. If those members would come up to Geraldton during January, they would have very different tales told them, tales that would make them take back all they have said here. I was in Geraldton last January, when unfortunate farmers who had been driven under the Act had to go and make arrangements for the following year. It is an absolute ordeal for any farmer, particularly efficient farmers, to have to go under the Act. All sorts of disparaging remarks are made about them, such as they are not efficient, or they have not the application, or their methods have been wrong or they happen to own motor cars. I could take members on to farms that have been developed in the most efficient way. While the price of wheat was good, farmers were able to build up a good farm under an overdraft, but when prices fell they were caught. There are numbers of such men. Now they have to go through the ordeal of registration under the Act, and have to explain what they propose doing with every shilling during the next 12 months. It is all very humiliating. Mr. Piesse, who has been dealing with those farmers, will admit that. I do not wish the tone to be taken outside that the creditor has done everything right, the receiver has done everything right, but the farmer has to be carried on. That idea is wrong altogether.

Hon. A. Thomson: It should be fifty-fifty.

Hon. T. MOORE: Not fifty-fifty. I say the farmer is the foundation of the country. The Act does not go far enough. I believe it is the intention of the Minister for Lands to introduce next session an Act that will be much more favourable to the farmers. The time has arrived when something must be done, for the farmer is not in a position to meet the interest on his load of debt. It is true that interest rates have come down but they are still too high, for farming is not now a profitable occupation. When the proceeds of the year's work are being handed around, it is the farmer and the local storekeeper who come last. The man who finds the food for the farmer never has first call. The farmer and the storekeeper should have the first call on the proceeds. The time must come when the debts will have to be written down, for good farmers are losing heart. The other day I was taken to one of the most efficient farmers in this country. He was developing a holding and building up a very fine asset, but when prices fell he was caught. That is the class of man who is being told what he has to do, and the position is simply awful. I wish to see debts written down, but I wish to see it done fairly and squarely. This is a primary producing State and the farmers have to carry it. If we continue to hamper them, as in the past, by allowing their interest bills to mount up year after year, the farms will go to pieces, as they are doing at present.

Hon. L. B. Bolton: Is the Act hampering you?

Hon. T. MOORE: I say the Act does not go far enough. We need something more; there must be a reduction of debts in order to secure a reduction of interest. That is the whole trouble.

Hon. L. B. Bolton: I am writing down debts for farmers every day.

Hon. T. MOORE: I am pleased to hear it. Many creditors are doing likewise. The farmer is being driven into a state bordering on slavery, and I use that word advisedly. He has only a small amount of money doled out to him to carry him over the year. The good farmer is trying to keep going and is working all the hours possible. He is unable to employ the labour he requires and thus is hampered. He is trying to do the work with the assistance of his family and his life has become one of absolute slavery. The farmer who in the past was

able to employ labour cannot do so now, and he is attempting to do the work under slave conditions. When members eulogise the creditors and the director, they ought to realise that the foundation of the business is the efficient farmer, and once he is deprived of the spirit of hope—and it is rapidly disappearing—there will not be much left. I wish to refer to the farmer who has only one creditor. He is in a rather bad way. He has to take what he can get. When there are three or four creditors, a sense of fairness prevails, because each is prepared to take what he describes as his own fair cut. When there is only one creditor, however, he is often prepared to charge all the interest he can get from the farmer. What is being done for that farmer by legislation? There is no redress for him at all.

Hon. H. V. Piesse: You mean the farmer under a private mortgage?

Hon. T. MOORE: Yes. Such men are being hamstrung by the interest charges, and their position is pitiful. They are subject to such conditions as the mortgagee likes to impose, and they know that the mortgagee can push them off their farms at any time. Some time ago I had occasion to mention that a farmer was being charged 12½ per cent. interest, and my statement caused quite a hubbub here. What I stated was a fact, and it was wrong that he should have been charged that excessive rate. That had been going on for over five years, and the man could not get a statement from the mortgagee until he obtained legal assistance. That was a nice state of affairs. I met that man frequently during the five years, and he told me of the awful position in which he found himself. He was gradually losing ground, and who would not under a charge of 12½ per cent. interest?

Hon. L. B. Bolton: I thought you intended to be brief in your remarks.

Hon. T. MOORE: I intend to be, having regard to the tragedy of the farmers.

Hon. L. B. Bolton: Why bring up ancient history?

Hon. T. MOORE: Because I consider it advisable to mention it again. A particular individual was disparagingly named by a member of this House. Is it not remarkable that a man should accept the statement of the mortgagee without making inquiries as to the other side? If there is anything more unfair than what happened in that case, I

do not know of it. Why not hear both sides?

Hon. L. B. Bolton: If we had time, we would do so.

Hon. T. MOORE: Mr. Thomson named the son of one of the finest pioneers of this country, and he had no right to do it. The man has met all his obligations. I want members to understand that during the time he was paying 12½ per cent. interest, he fell behind by hundreds of pounds. Since he has been relieved of the burden, after five or six years, he has met all his obligations and is paying his way. It was unfair and unnecessary to mention the name under Parliamentary privilege. I do not mind a little camouflage when it is necessary to protect a friend, but unfair mention should not be made of a man under the cover of Parliamentary privilege when he is not able to hit back. If members desire to hear the other side, there is no difficulty in obtaining it. It is about time that men like Mr. Thomson realised the need for hearing both sides of a question before dealing with one side.

Hon. A. Thomson: I think I admitted that.

Hon. T. MOORE: I say this in fairness to a man, the son of a pioneer who developed three farms in this State. The farmer has not many friends, though when things were going well, he had plenty. The unfortunate man to whom I have referred has not been dealt with under the Act. If he had, that sort of thing could not have operated so long; he would have received relief before this. I realise that the Government have not yet had time to do much, but I shall be honest and say I shall be very dissatisfied if, during next year, they do not get down to bedrock and enable farmers to get their debts adjusted so that the farms will produce sufficient to carry on the farmers and their families.

HON. J. CORNELL (South) [12.18]:

At the risk of becoming unpopular by speaking at this late hour, I desire to offer a few remarks. Not seven per cent. of the farmers are under the Act. My experience is that a lot of farmers have come under the Act in haste and would now prefer to be free of it.

Hon. T. Moore: My word, that is so!

Hon. J. CORNELL: That is one of the difficulties. Farmers and creditors are now making private arrangements with trustees

to carry on without availing themselves of the Act.

Hon. A. Thomson: That is so.

Hon. J. CORNELL: The farmers came under the Act of their own volition, by applying for a stay order. Any legislation that is passed concerning easements or writing-down of debts can in no way be confined to those who are at present under the Act. It must apply to the whole of the farming community. Several farmers in my province asked what I thought of their coming under the Act, and I told them that if their creditors were agreeable to carrying them on, they need not come under the Act, for to do so only meant adding another creditor.

Hon. A. Thomson: That is so.

Hon. J. CORNELL: We must continue the Act, but one of two lines must be pursued. Either the Government must enlarge the machinery to apply generally to all farmers in the way of easements or writing-down of liabilities, or they must provide a means of escape by which farmers can get away from the Act, and the debtors and creditors may be allowed to carry on as they did before.

Hon. A. Thomson: A very sound argument.

Hon. J. CORNELL: For every case that can be cited of the Act having done good, two cases can be cited of equal good being done as a result of the cordial relationship existing between the farmer and his creditors. The Bill must be passed. When the late Attorney General brought down the first legislation of this kind, it was I who suggested referring it to a select committee. It was then considered that the Act could only be administered by the establishment of an amicable arrangement between the creditors and the debtors, through the agency of an efficient receiver. The Bill proposes to deal with receivers and to cut down their remuneration. The director agreed to amend the Act in respect to receivers, and that amendment has stood for two years. Not only is it now proposed to alter that arrangement, but to make it retrospective to April, 1932. I would point out that for the season 1932-33 the receivers have already made all their arrangements and completed their task. They are therefore entitled to the remuneration set down for the services they rendered. Even if there was a saving as a result of these transactions of

an average of £30 in the case of the farmer, I just wonder whether the farmer or the creditors or who else would get the money. There has been no dissatisfaction in my province concerning the present situation. I trust, therefore, that nothing will be done to interfere with the remuneration set down for work already done. If the remuneration is altered to affect work to be done, the receivers can then say whether it is worth their while to carry on with the job.

On motion by the Honorary Minister, debate adjourned.

BILL—CONSTITUTION ACTS AMENDMENT ACT, 1931. CONTINUANCE.

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [12.30] in moving the second reading said: This is a Bill to continue the operation of the Constitution Acts Amendment Act of 1931 to the 31st December, 1934. The act is part of the financial emergency legislation, and imposes reductions on the salaries of officers under the Constitution. The officers affected are the Lieut.-Governor and his private secretary, the Clerk of the Executive Council, the Chief Justice and the Puisne Judges, and the eight Ministers of the Crown. The rates of reduction under the Financial Emergency Act are 18 per cent. for salaries not exceeding £250, 20 per cent. for those over £250 and not exceeding £1,000, and 22½ per cent. for those over £1,000. It is not proposed to make any alteration in these rates of reduction. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

Remaining Stages.

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

Read a third time, and passed.

House adjourned at 12.35 a.m. (Thursday).

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

ASSENT TO BILL.

Message from the Lieutenant-Governor received and read notifying assent to the undermentioned Bill:—

Fremantle City Council Lands Act Amendment.

QUESTION—CAVES HOUSE.

Mr. BROCKMAN asked the Premier. 1, What use, if any, has been made of the money derived from the insurance of Yallingup Caves House occasioned by the recent serious fire? 2, Is it the intention of the Government to use that money for the rebuilding of Caves House? 3, As the present accommodation is hopelessly inadequate to meet the popular demands for the ensuing season, when will the premises be re-built?

The PREMIER replied: 1, The sum of £3,283 was received in insurance, and £1,573 of this amount has been expended on temporary restoration of the burnt portion of the buildings, and part replenishment of furnishings, crockery, etc., lost in the fire. 2, The balance of the insurance money would be insufficient for the purpose. 3, As soon as funds are available.

House adjourned at 4.35 p.m.