

larger factories. It will close practically all, and force the employees on the dole.

Hon. E. H. Gray: How do you arrive at that conclusion?

Hon. C. H. WITTENOOM: It is a definite step against industrial progress. A backyard factory is only a weak competitor of the larger places. At the same time, up to a point it compels the larger factories to produce their goods more efficiently and at a cheaper rate. If goods are produced at a cheaper rate and of better quality, it will prevent a great deal of competition from the Eastern States. There is no doubt some of the big factories have grown up from backyard factories. This measure will prevent the ambitious man without capital from making a start. I regret that the Government have added certain clauses to last year's Bill.

Hon. G. Fraser: To which do you refer?

Hon. C. H. WITTENOOM: I refer particularly to that portion of the Bill which deals with apprentices in hairdressing saloons. It is unjust that a young woman who has a natural gift for hairdressing should not be allowed to take her place in a hairdressing saloon, without first going through a long term of apprenticeship. I oppose the second reading of the Bill.

On motion by Hon. L. B. Bolton, debate adjourned.

House adjourned at 6.10 p.m.

Legislative Assembly,

Tuesday, 3rd September, 1935.

	PAGE
Questions: Education, wireless receiving sets ...	463
Reclamation work, Causeway and foreshore ...	463
Bills: Plant Diseases Act, as to reinstatement of Order	463
Northern Australia Survey Agreement ...	463
Rural Relief Fund, 2s. ...	476
Motion: Bulk handling of wheat, consideration of Royal Commission's report ...	463

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

QUESTION—EDUCATION, WIRELESS RECEIVING SETS.

Mr. HAWKE asked the Minister for Education: Will he make overtures to the

Postmaster General's Department with the object of having free licenses issued in respect of wireless receiving sets used exclusively in schools?

The MINISTER FOR AGRICULTURE (for the Minister for Education) replied: This matter was discussed with the Broadcasting Commission last year and the reply given was that the Commission had no control over broadcast licenses, the matter being fixed by the Commonwealth Government. The Acting Director of Education personally approached the Chairman of the Broadcasting Commission recently, who said the matter would receive the consideration of the Postmaster General's Department.

QUESTION—RECLAMATION, CAUSEWAY AND FORESHORE.

Hon. P. D. FERGUSON asked the Ministers for Works: What was the amount expended on the Causeway and adjacent foreshore reclamation works—(a) prior to 1st May, 1930; (b) from 1st May, 1930, to 1st May, 1933; (c) from 1st May, 1933, to 30th June, 1935?

The MINISTER FOR WATER SUPPLIES (for the Minister for Works) replied: (a) £100,068; (b) £40,486; (c) £47,901.

BILL—PLANT DISEASES ACT AMENDMENT.

As to Reinstatement of Order.

On motion by the Minister for Agriculture ordered: That a Message be sent to the Legislative Council to the following effect: "The Legislative Assembly requests that consideration of a Bill for an Act to amend the Plant Diseases Act, 1914-1933 (which lapsed during last session of Parliament), may be resumed by the Legislative Council."

BILL—NORTHERN AUSTRALIA SURVEY AGREEMENT.

Read a third time, and transmitted to the Council.

MOTION—BULK HANDLING OF WHEAT.

Consideration of Royal Commission's Report.

Debate resumed from the 29th August.

MR. FOX (South Fremantle) [4.37]: I must express disappointment at the findings of the Royal Commission. The terms of the Commission gave the Commissioners comprehensive powers to inquire into many matters. I disagree with the incomplete manner in which some of the questions arising have been dealt with. I submit that a much wider interpretation should have been given to some of those questions, and that the field of investigation should have been materially extended. One was justified in assuming that the Commissioners would give consideration to the revolution the adoption of bulk handling would effect in the commercial and industrial life of Western Australia, and to the curtailment of spending power of the people in the country and in towns where the incidence of bulk handling would be most felt. In my opinion the Commissioners should not have restricted their inquiries to the farmers exclusively. The scope of the inquiry should have been extended so as to give some consideration to the long line of workers subsidiary to the farmers. Further, the Commissioners might have taken into consideration the added unemployment which the adoption of bulk handling would create, and to the question whether the amount of that additional unemployment was justified in view of the anticipated small saving from the adoption of the system. They might also have given consideration to the effect on business people in the country and in towns. In Fremantle, where the people are very much alive to the distress caused by the closing-up of business houses due to bulk handling and other innovations, the western portion of the city is practically deserted. Various large warehouses have been closed up completely, and numerous shop assistants have lost their employment. At present there is not the same opportunity for re-absorption of displaced workers in other branches of employment as there was in years gone by. When giving evidence before a select committee of this House, I was asked by the Leader of the Opposition whether I had been in Kalgoorlie when the water scheme was completed. The hon. gentleman pointed out that quite a deal of unemployment had been created there by the completion of the scheme, more especially among men who had been working on the condensers which supplied water to Kalgoorlie inhabitants before the pipeline reached that centre. At that time, however, Western Australia was in a prosperous con-

dition, and the mining industry was flourishing. Further, the agricultural portions of the State were being opened up, and numerous public works were in hand. Consequently, there was no great difficulty in re-absorbing large numbers into other avenues of employment. The Commissioners state in their report that the farmer will save roughly 2½d. per bushel as the result of bulk handling, and that the whole of that saving will be effected between the farm and the railway. In giving evidence before the Royal Commission I estimated that bulk handling would save the farmer (or somebody) approximately £16,000 on the quantity of wheat handled at Fremantle this year. Mr. Donovan, one of the Commissioners, asked me whether I knew where that money went, because, he added, the farmers did not get it. Mr. Donovan is a farmer, and ought to know. It is problematical whether any of the saving will go to the farmer if bulk handling is instituted. I have just read some of the evidence given by farmers before the Royal Commission, and I must say that I cannot agree with that evidence. I do not wish to suggest that the farmers deliberately misrepresented matters, but as regards the farmer being used to working long hours I am reminded of the transport gentlemen who carted wool from Wiluna and even further afield. Two of them would get on a motor truck, and one of them slept while the other drove. I suppose if the wages of those men were spread over the number of hours occupied in travelling from the country to the port, the rate per hour would appear very low indeed. I know that the Government intend introducing legislation to cut out that sort of thing, so that the unfair competition will be eliminated. I now propose to quote from the evidence of a farmer-witness printed on page 262 of the Royal Commission's report. This farmer estimated that bulk handling would effect for him a saving of £57 8s. on a harvest of 5,668 bushels. In framing that estimate, however, he makes no allowance whatever for cartage or for bags to handle the harvest in. In one part of his evidence he states—

The change-over from bag to bulk handling came naturally. There was no difficulty whatever in making the change. As to whether bulk handling offers any advantage to the farmer with one-horse team, we had one large team, and previously at harvesting had 1,000 or 1,500 bags in the paddock. We found that one team did not constitute a complete plant for farm working. We purchased an extra couple of

horses and worked two smaller teams so that we could cart the wheat as it was harvested.

The farmer-witness made no allowance whatever for the price of the two horses. I suppose the least a couple of horses could be bought for would be £60—£30 each. In calculating the useful life of a horse at five years I am following in the footsteps of another farmer who had something to say on the subject. That life represents a charge of £12 per annum. The farmer would have to employ a teamster for about four weeks, representing a charge of £14. A low estimate of the cost of harness, shoeing, and feed for the horses would be £26 per annum. That will bring the cost for that extra team to £32. The witness said he was saving £57. But if we take away the £52, the saving will almost vanish. In order to be fair, I will put it this way: He said it was necessary to buy a team; but he cannot do his harvesting and cart his crop at the same time. Reading through some of the evidence given by farmers, I find the usual charge for carting is 7d. per ton per mile. This witness I am considering did not give the distance he was away from the siding, so I have put it down at three miles. In some instances the distance is up to 10 or 12 miles. His harvest aggregated 150 tons, which at 1s. 9d. per ton works out at £13 2s. 6d. for carting. In his estimates he put in a credit asset for the value of the toll and shrinkage at £19 4s. The accountant member of the Commission questioned him in regard to that asset, and asked did he regard the £19 4s. as being worth 20s. in the pound. The witness answered yes, and his questioner went on as follows:—

That represents £13d., but you have lost 366d. of it, and your equity is 447d., so that instead of your having a credit in the assets of £19 4s. you have only £10 11s. 2d.

To that the witness returned that Co-operative Bulk Handling Ltd. would have something big to explain to participants. There is no doubt in my mind that Co-operative Bulk Handling Ltd. will have any amount to explain to farmers later on. Taking that as his estimated saving, it means that £8 12s. 2d. had to be struck off that estimate. That makes £21 14s. 9d. the estimated saving, and that had to be divided into 5,568 bushels, which brings out his savings at 1½d. per bushel; but considering that he had to buy teams and maintain the horses for 12 months, I venture to say

the saving vanished altogether. On page 281 of the Commission's report is the evidence of another farmer, who estimated his saving as 2½d. per bushel. In answer to a question by Mr. Donovan he said—

I have not witnessed any delay or jams at the sidings. Delivery can be effected much more rapidly of bulk than of bagged wheat. I am located six miles from the siding, and I have no time to spare if I am making two trips per day. Any delay would mean that I could make only three trips in two days. When the scheme is handed over to the farmers, every user should have a vote for the election of directors.

That farmer made no allowance for the super bags required, which would have cost him 5s. per dozen. Nor did he make any allowance for carting. If he had, then I contend he would have had to admit that his estimated saving of 2½d. per bushel would have been materially reduced, if not completely wiped out. I might put it this way: It would be impossible for him to carry on with his harvesting and do the carting at the same time. His harvest represented 1,750 bags, equal to 140 tons. This at 7d. per ton per mile would have cost him £24 10s. for carting. Take that amount for his estimated saving of £53 9s., and it brings his saving per bushel down to 1½d. In addition, he has made no allowance for the use of the bags necessary for carrying his harvest between the farm and the siding. On page 290 of the Commission's report, in the evidence of another farmer, it is seen that his estimated saving was 1.92d. per bushel. This witness said—

I am more favourably situated than are most farmers, as my block is only two miles from the Corrigin siding and I am able to cart my wheat direct from the harvester without any expense beyond what bagged wheat entails. Other farmers farther distant probably have to provide additional plant.

That is the evidence of a farmer within two miles of a siding. He points out that other farmers who live farther away would have to provide additional plant. Yet in going through all this evidence I have failed to come across any farmer who has made allowance for additional plant. The same witness said that wheat had been carted past other sidings in order to deliver it to bulk handling at Corrigin. He added that in some of those instances he did not think much saving could have been effected, on account of the extra mileage. A farmer at Kulin had told him that he was getting wheat carted 24 miles at a cost of 10d. per

bag. The witness said that one inducement to farmers to pass their own sidings was that competition for carting was keen and that some carriers were taking the wheat at a lower cost than they could afford. The witness added that he could not see how they could make any profit on it. Personally I consider that this farmer, like other farmers, cannot harvest his wheat and cart it at the same time. So allowing him to pay the usual rate of carting for two miles from the siding, the cost would be £13 4s., which would reduce his profit to 1½d. per bushel. So nearly all the saving, when allowance is made for the extra expense entailed in harvesting the wheat, disappears, or at best, is reduced to 1½d. per bushel. And that is not taking into consideration the very long hours worked by farmers. I consider farmers are entitled to hours just as short as those enjoyed in the city. If farmers worked the same hours as city workers, there would be no savings to the farmer at all, in fact he would be in debt. I should like to know what provision Parliament is going to make for the men to be thrown out of employment in consequence of the introduction of bulk handling. Will their estimated savings, namely 2½d. per bushel, go back to the Treasury by way of a tax in order to provide for all those men who are to be thrown out of employment? What does Parliament intend to do for all those workers who are buying their homes, who have been paying their instalments for many years and are now going to lose their homes through being thrown out of employment as a result of the coming of bulk handling and other labour-saving devices set up in the interests of the farmers. Many of those homes I refer to are under the Workers' Homes Board, while others are War Service homes. All those owners have been scratching and saving for the last 14 or 15 years in order to secure their homes. What now is to become of them? On the Address-in-reply the member for Northam (Mr. Hawke) spoke of the number of insurance policies that had lapsed last year. I say that the introduction of these labour-saving devices at this particular time, is going to add a lot more profit to those insurance companies. All these things I have mentioned are matters to which the Commission should have given consideration; they should have considered whether the advantages to be gained by the introduction of bulk handling would out-weigh the disadvantages. They should

have looked at the matter from a national standpoint, considered the volume of unemployment it was going to create, and where the money was to come from to provide for the workers thrown out of employment. I know that the Commission did not consider that a part of their duty, and they are, of course, entitled to their own opinion. When giving evidence before the Commission I suggested that these things should have been included in the scope of their inquiry. However, the Commissioners declined to take that view, and I suppose they are entitled to do so. In my opinion, the introduction of bulk handling is premature. Wheat at present is a drug on the markets of the world and will be for some time to come.

Hon. W. D. Johnson: Do not be a pessimist.

Mr. FOX: I think I am justified in saying it is a drug on the markets of the world, taking into consideration the enormous crops that have been harvested in other parts of the world. Just consider the tremendous surpluses which the wheat countries of the world have on hand. In the United States, 20,000,000 bushels of wheat were exported; but there has been imported 10,000,000 bushels, which I suppose represents exchange of some sort, as for instance, seed wheat. In Canada 170,000,000 bushels were exported, and 12,000 bushels imported. Argentina exported 140,000,000 bushels, and Russia 132,000,000 bushels.

Hon. W. D. Johnson: Your figures are not up-to-date.

Mr. FOX: They are the figures for the 31st July, 1934.

Hon. W. D. Johnson: But the figures for this year are out.

Hon. C. G. Latham: A lot of those surpluses have gone since then.

Mr. FOX: I think we are justified in saying that with all that wheat in the world wheat must be a drug in the markets of the world for some time to come. During the last few years the production of wheat in Western Australia has been dwindling, and for 1935-36 there will be a further reduction in the acreage under crop.

Mr. Doney: Those two facts do not help your argument.

Mr. FOX: In 1934-35 the quantity of wheat we received in Fremantle was only half the quantity received in 1931-32. For 1935-36 the area under wheat is 2,736,221 acres, which represents a decrease of 171,988

acres on the 1934-35 figures, and the number of wheatgrowers has been reduced to 9,152. That means that there are 395 fewer wheatgrowers in Western Australia than there were in 1934. There has been a decline in the area under wheat of 1,220,000 acres since the peak period. With all that evidence before us, we ought to proceed very cautiously before we extend bulk handling any further. Those figures clearly prove the need for moving warily. What we should concentrate on is the exporting of a larger quantity of bagged wheat. Japan and China purchase large quantities of certified wheat. One of the reasons for this, I am told by shipping people, is that those countries have no facilities for handling wheat in bulk.

Hon. W. D. Johnson: That is wrong.

Mr. FOX: Wheat is sold in China and Japan in very small quantities, and it is handier for them if sent in bags. Another reason is that they get a better sample in bags. I remind members of some of the rotten stuff that was seen at Fremantle last year about which there was a libel action.

Mr. Sleeman: They do not like you to tell them about that.

Mr. FOX: No. If members had gone to the port last year, the smell of the wheat would have made them aware of its condition without the need for anyone to mention the fact. That wheat was a poor advertisement for the wheatgrowers of Western Australia.

Hon. C. G. Latham: Yet Western Australian wheat in London is bringing 2d. a bushel more than any other.

Mr. FOX: If bulk wheat of the quality over which there was legal action were sent, very little would be obtained for it. I have seen trucks of bulk wheat arriving at the port with a crop growing on them. When the door of a truck was opened, some of it would run out and the rest would stand in pyramids, reminding one of Egypt. The lumps were broken up and the wheat was shipped. I have seen truckloads of wheat condemned by those who were looking after the shippers' interests. Such trucks have been shunted out by day and shunted in again during the night-time. What do some people care whether the wheat is bad or not? Their concern is to get the wheat away. They do not care if the sample is reduced by running in rotten stuff.

Hon. C. G. Latham: You should not be libelling your own country.

Mr. FOX: I am telling the truth. It would be a good thing if legislation were introduced to prevent a recurrence of that sort of thing.

Mr. Seward: The member for Guildford-Midland might have something to say in reply to that.

Mr. FOX: The figures show that the exports of wheat to Japan and China are increasing very rapidly. Bagged wheat exported to Japan in the 1933-34 season represented 365,915 bushels, and in the 1934-35 season the total was 613,975 bushels, or nearly double the quantity shipped in the previous year. In the 1933-34 season bagged wheat exported to China totalled 353,137 bushels, and in 1934-35 the total was 3,745,868 bushels. Most of that wheat was exported under Government certificates for weight and quality; only a small quantity was sent without a Government certificate. With this increase of exports to the East, a greater quantity of bagged wheat will be required. I am opposed to any company having a monopoly of bulk handling. If bulk handling is to be adopted, I would prefer to have a system run by the State. We have the Railway Department and the Harbour Trust who could control the wheat from the time it reached the silo until it was put into the ships. In the other States the control of bulk handling is not in the hands of any private monopoly. I should like to quote from the evidence of Mr. Poynton, General Manager of the Midland Railway Company, who is a practical man and knows what he is talking about, on the subject of giving a monopoly to any company. On page 200 of the evidence, Mr. Poynton is reported to have said—

By Mr. Foulkes: The Commissioner of Railways gave evidence along the same lines. I suggested to him this point: When the Railways transported wheat, did they study the requirements of the Railway Department or control operations to suit marketing conditions? I think you will admit that you must transport wheat to meet market conditions, and to sell to the best advantage?—Really, what we do is to transport wheat to meet the requirements of ships, which, I suppose, amounts to the same thing as you put to me in another way. If the Commissioner had control of the silos, he could draw wheat from points where he had trucks available and the necessary engine power. Under existing conditions he has to draw from centres that may be inconvenient and expensive to him at the moment. He might have to drag empty trucks from Kalgoorlie, for instance.

That is one reason why bulk handling should be under State control. Another

reason was given by Mr. Poynton a little earlier, thus—

By the Chairman: Evidence was tendered yesterday that they (the people in the Midland districts) had agreed to the operations (bulk handling)?—I have not heard anything . . . I was consulted about the matter by those farmers sometime ago, and I told them I had no objection to bulk handling if the system could be shown to be of advantage. I do not want to stand in the way of anything that is of benefit, but I do not desire to be placed in such a position that, in assisting in the provision of such benefit accruing to the farmer, it will be largely paid for by the Railways. Let me quote Questions 3881 and 3882 put to Mr. Poynton—

By Mr. Foulkes: We must have co-ordination in order to secure the greatest possible economy?—Yes.

By Mr. Donovan: On that point, the people who receive the wheat have teams engaged at the various silos, and naturally they will require the trucks where those men are operating?—And that is one of the points where there will be difficulty later on. There will be clashes of divergent interests, and usually in those clashes it is the Railways that suffer. On the other hand, the one-control man knows what he is doing.

That is another reason why a particular company should not have a monopoly of bulk handling and why the scheme should be placed under the control of the State. The Commission's report states—

The New South Wales scheme is managed by a wheat commissioner, who is a Government officer, under the jurisdiction of the Director of Agriculture, and the bulk handling is conducted as a sub-department of the Department of Agriculture.

In Victoria investigations into the question of introducing bulk handling in that State have been made by a Grain Elevators Board, constituted by an Act of Parliament to inquire into and instal the system of bulk handling best suited to the conditions applicable in that State. The Victorian Grain Elevators Act, 1934, provides that of the members of the board—(a) one shall be a person (not being an officer of the public service or the railway service) having business training and experience, who shall be the chairman; (b) one shall be an officer of the Victorian Railways Commissioners or of the Railway Construction Branch of the Board of Land and Works selected by the Minister from a panel consisting of not less than three such officers furnished to the Minister by the Victorian Railways Commissioners; and (c) one shall be a person nominated as representing the wheatgrowers of Victoria by the Minister, who, before nominating such person, shall have regard to the recommendations (if any) in that behalf of any body or bodies representative, in the opinion of the Minister, of the interests of the said wheatgrowers. The Act also provides that no person who is directly interested (other than as a wheatgrower) in the business of selling, purchasing or dealing

in wheat shall be eligible to be appointed as or to remain a member of the board.

In South Australia the question of bulk handling has been investigated by a Parliamentary Standing Committee on Public Works. This committee has given consideration to the question, and issued a first progress report, where the matter rests for the moment.

I should like to direct the attention of members representing other ports to the position that prevails at Fremantle at present. I have asked them, before giving any assent to the extension of bulk handling, to ensure that proper and adequate provision will be made for the people who are likely to be displaced. When the first instalment of bulk handling was put into operation at Fremantle, resolutions had been passed that no bulk wheat at all would be handled, but subsequently those resolutions were withdrawn. We have experienced the effects of bulk handling on the city of Fremantle and on the workers who usually look to the wharves for a living. We have seen the effects on the business houses, and those effects will be re-enacted at other ports of the Commonwealth when bulk handling is instituted there. I should like those members to demand that some adequate provision should be made for the men likely to be displaced from employment at Fremantle and other centres. The time has passed when action should have been taken to make provision for the men displaced by machines. As the years progress, unemployment will become more marked with the advance in industrial invention. When reading recently some statistics supplied by the United States officials, I noted that in the 10 years ended 1933, 42 per cent. more goods were produced by 500,000 fewer workers than in the previous ten years. Figures like those should make us realise the necessity for doing something to provide for the workers thrown on the scrap heap as a result of scientific invention. In America in 1929, which was a very prosperous year, 900,000 fewer employees were engaged in industries on which 42 per cent. of the wage earners depended for a living than in 1919, and yet they produced 50 per cent. more goods. In an Eastern States publication recently I read that quite a number of bank clerks had been thrown out of employment in England. The directors decided to grant the displaced clerks a sum of £2,000, or £2 a week for life. There must be some concrete reason for the directors of

such a financial institution to make such substantial payments.

Mr. Seward: The clerks paid in large contributions to the guarantee fund.

Mr. FOX: It is a recognition by that institution that displaced workers have some claim upon machinery that takes away their employment.

Hon. C. G. Latham: What about the bulk handling of cement?

Mr. FOX: The member for Fremantle considered that about 1,000 men would be displaced as a result of bulk handling.

Mr. Sleeman: I under-estimated the number.

Mr. FOX: In 1932 my predecessor, Mr. McCallum, when giving evidence before a Royal Commission, calculated that 3,678 men would be thrown out of employment as the result of bulk handling.

Hon. P. D. Ferguson: He does not believe that now.

Mr. FOX: He does. He under-estimated the number. I think the figures will hold good to-day as they did in 1932. In the evidence I gave before the last Royal Commission I did not take into consideration any loss that would be felt in the handling of bags. Even if we make allowance for the reduced harvest this year, compared with 1931-32, and halve the figure, that leaves at least 1,839 people who would be thrown out of employment. I trust the Government will make provision for those men who will be thrown out of work in my electorate. There is need for many urgent public works there. I will not discuss them at any great length.

Mr. SPEAKER: The hon. member is not entitled to discuss them at any length. He is discussing the report of the Royal Commission.

Mr. FOX: I am referring to necessary public works at Fremantle.

Mr. SPEAKER: The hon. member cannot discuss them on this report.

Mr. FOX: May I not discuss the necessity for providing such works?

Mr. SPEAKER: Not at this juncture. The hon. member will have an opportunity to do so on the Estimates.

Mr. FOX: The Arbitration Court provides a standard of living that every worker is entitled to enjoy. In the present circumstances they cannot hope to reach that standard. The power to give the workers that standard is in the hands of the people if they will but use it. They require to take

away from the banks the monetary power they hold to-day, and to place it in their own hands. I realise that is a matter for the Federal Parliament. Until that time arrives, the farmers will not derive any advantage from bulk handling even if they make double the anticipated saving. I am not opposed to bulk handling, or to machinery being used in industry, but I am averse to the effects that are brought about by the employment of machinery. I have every sympathy with the farmer, but realise he will not gain the saving he anticipates getting from the adoption of the bulk handling system.

MR. TONKIN (North Fremantle) [5.20]: I have been awaiting a move from members opposite. Apparently they have made up their minds not to avail themselves of the opportunity afforded them to discuss the report.

Hon. C. G. Latham: We shall have that all over again when the Bill comes down.

Mr. TONKIN: One member opposite was so anxious to have something to say on the report, that without notice he asked the Premier when the House would be given the opportunity to discuss it.

Hon. C. G. Latham: He was considering Fremantle then.

Mr. TONKIN: To show how much concern he had, not only did he ask the question without notice, but he did not find enough time to intimate to the Premier beforehand his intention to do so. The Leader of the Opposition will realise that the member for Williams-Narrogin was in a desperate hurry to say something.

Mr. Marshall: They have cracked the whip over him since then.

Hon. C. G. Latham: That is not unusual in this House.

Mr. TONKIN: That was before the Leader of the Opposition had returned from England.

Mr. Marshall: You have made him go quietly now.

Mr. TONKIN: Immediately the Leader of the Opposition returned, the member for Williams-Narrogin lost all desire to say anything. He remained in his seat and listened unconcernedly to what other members had to say. He takes no interest in the proceedings. It is very strange, on a question like this of such vital importance to members opposite, that that should be so,

Hon. C. G. Latham: It is of more importance to give effect to the report.

Mr. TONKIN: I should have thought members opposite would have very strong views on the matter. Whilst they may agree with most of the report, I daresay there are some things not in accordance with their wishes. But they say nothing. I suggest the member for Avon is not wholly in accord with the report himself, but he says nothing.

Mr. Marshall: As usual.

Mr. TONKIN: If the Leader of the Opposition is quite satisfied, why does he not applaud the Commission for doing what he wished them to do?

Hon. C. G. Latham: We are not paid to come here and applaud Royal Commissions.

Mr. TONKIN: He should pay honour where honour is due.

Hon. C. G. Latham: We shall have a chance to do all that on the Bill.

Mr. TONKIN: The Commission made a good job of the business. We know why members will not say anything. They are afraid that if certain matters are brought to light they will prejudice the report, and that the Government will not act on the findings. Members realise that danger.

Hon. C. G. Latham: I have more confidence in their abilities than that.

Mr. TONKIN: The danger is there. If we have an open discussion there is a likelihood that the findings will not be acted upon. When I find members of the Country Party have no desire to say anything on this question I become suspicious. When the report on the Agricultural Bank was tabled members opposite fell over themselves in their anxiety to say something about it. They pointed to this and that mistake, and wished to prove that the Commission's findings were not indicative of the true position. They ventilated the report as much as they could. On this report they say not a word. Although I am glad the Leader of the Opposition has returned looking so well, we should have had more fun in the House if he had stayed away for another week. The discussion would then have been well on the way before he could have stopped it, as it would have been too late for him to chip in.

Mr. Wansbrough: To put the whip on.

Mr. TONKIN: It is a strange coincidence that the Whip of the party opposite should have had to use the whip on himself.

Mr. Marshall: He had to flog himself into silence.

Mr. TONKIN: It is possible the member for Williams-Narrogin may yet be prevailed upon to say a few words.

Hon. C. G. Latham: Why don't you talk about the report?

Mr. TONKIN: It must be obvious that members opposite are anxious to see the last of this for the time being. They want it cleared from the Notice Paper. They think they will then be safe, and that the findings of the Commission will be carried out. The Commission admit that what they are suggesting virtually means a monopoly for Co-operative Bulk Handling Ltd. Members opposite realise they are about to receive a monopoly, and doubtless they feel if they say much about it the House will begin to think it is not wise to give them that monopoly in such a big undertaking. They are afraid they will lose what they feel is within their grasp. It is axiomatic that where a public utility savours of the nature of a monopoly it should be publicly controlled. Private enterprise is a necessary evil, but, whilst there is reasonable protection, the public are safeguarded. When it is intended to hand over a big business to one firm, as a monopoly, and when that business is virtually a public utility, the proceeding is a very unwise one. In such a case, public control is essential. Because Co-operative Bulk Handling Ltd. have already been granted leases of 53 sidings, and have established themselves there, that cannot be used as an argument for granting them a monopoly. Opposition was expressed to that in the first place. If the Labour Party had been in power I do not think the leases for the 53 sidings would have been granted. These leases endure for seven years. I do not agree that, because Co-operative Bulk Handling Ltd. have established themselves already, they should now be granted a monopoly. If we could get members opposite to speak they might urge that Westralian Farmers was a co-operative concern, and that it was therefore not such a pernicious thing to grant it a monopoly. Westralian Farmers Ltd. are bound by trade agreements just as any other completely private undertaking is bound.

Hon. W. D. Johnson: That is not fair.

Mr. TONKIN: I will prove it. Let members turn to page 16 of the Commission's report. Question 306 there deals with figures and says that the aggregation of the

charges may be cited by means of a number of items, such as new galvanised iron £12,812, and hardware, printing, stationery, etc. The concluding part of the question, after the segregation of the charges had been indicated, was, "The foregoing charges were in addition to the amount of £40,947 15s. 4d. handling charges?" The answer was in the affirmative. Then the evidence proceeded—

307. On what basis were the above-mentioned charges made?—Galvanised iron was on the basis of the trade price, in accordance with the Hardware Association's agreement. As a matter of fact, we did agree to give Co-operative Bulk Handling Ltd., a rebate, but I found that we were tied up by the agreement, which would prohibit that.

Does that satisfy the hon. member?

Hon. W. D. Johnson: No, of course not. You do not understand it. They could only buy iron at the price provided in the agreement; that was one of the conditions.

Mr. TONKIN: In other words, they could not grant a rebate because of an agreement entered into with a private concern.

Hon. W. D. Johnson: But that was the buying basis.

Mr. TONKIN: Which demonstrates that they were not free agents because they were tied by the agreement.

Hon. W. D. Johnson: No.

Mr. TONKIN: I may be wrong, but I have read the definite statement made by Mr. John Thomson in his evidence. I will give the member for Guildford-Midland (Hon. W. D. Johnson) a further definite statement in support of my contention. When Mr. Foulkes was questioning Mr. Thomson, we find the following in the report of the evidence—

324. From the evidence adduced to-day, could I truthfully say that Co-operative Bulk Handling Ltd., the Wheat Pool of Western Australia, and the West Australian Wheat Farmers Ltd., trade with or through Westralian Farmers Ltd. whenever possible and take full advantage of its service organisation?—All things being equal, yes; not otherwise.

That shows clearly that Co-operative Bulk Handling Ltd. did the bulk of their trading through Westralian Farmers Ltd.

Hon. W. D. Johnson: Of course. It is a co-operative movement. Do not you understand what co-operation is?

Hon. C. G. Latham: Of course he does not.

Mr. TONKIN: We know that Westralian Farmers Ltd. entered into an agreement with a private firm, as do other private firms. In

this instance, Westralian Farmers Ltd. entered into an agreement with the Hardware Merchants' Association and were tied accordingly.

Hon. W. D. Johnson: That is not so.

Mr. TONKIN: But the report says so.

Hon. W. D. Johnson: You do not understand the position at all.

Mr. TONKIN: The member for Guildford-Midland should read the report of the evidence, because Mr. Thomson clearly says that that is so.

Hon. W. D. Johnson: Do not you see that Westralian Farmers do not manufacture iron?

Mr. TONKIN: But they entered into an agreement with the Hardware Association.

Hon. W. D. Johnson: But Westralian Farmers Ltd. can buy iron only as the iron manufacturers determine, and that was one of the conditions.

Mr. TONKIN: Does the member for Guildford-Midland suggest that Mr. Thomson did not know what the price of iron was in the first place? Mr. Thomson said that they were prevented from granting the rebate.

Hon. W. D. Johnson: Yes. We were going to give the rebate out of the profit made on the iron.

Mr. TONKIN: And Mr. Thomson says that they could not grant the rebate because they found they could not do so.

Hon. W. D. Johnson: That is so.

Mr. TONKIN: And that was because of the agreement entered into with the Hardware Merchants' Association. The member for Guildford-Midland can shake his head as much as he likes: there it is in the evidence in black and white. Having entered into an agreement with this outside concern, Westralian Farmers Ltd. were not entirely free agents.

Hon. W. D. Johnson: The company could buy iron only on the basis of the price fixed by the Hardware Merchants' Association.

Mr. TONKIN: I think we had better leave the iron alone.

Hon. W. D. Johnson: Of course, you do not understand the position.

Mr. TONKIN: If the member for Guildford-Midland does not like to hear about it, he can see the position for himself as disclosed in the evidence. Because this system will develop into such a tremendous concern, I take exception to the business being handed over to a firm that is tied by means

of an agreement entered into with a private trading concern. We know that the bulk handling system will develop into a tremendous concern; the member for Avon (Mr. Boyle) appreciates that fact. I was interested in reading his evidence before the Bulk Handling Commission. Mr. Foulkes questioned him and the report of the evidence contains the following:—

564. By Mr. Foulkes: If the system is extended, the number of bushels will be increased, and so, also, the amount derived from the toll? —But we cannot see any necessity for the $\frac{7}{8}$ d. toll, any necessity for the installations to become the property of the users in six years. We are not enthusiastic over this ownership business. We want control, not ownership. We regard this as a public utility.

The member for Avon said he was not enthusiastic over the ownership business, and neither am I. The member for Avon had a very clear conception of what the scheme will develop into, and I think the point of view he advanced was correct. I believe he had in mind that it would be most unwise to hand over the control of such a big undertaking to a trading institution like Westralian Farmers Ltd. I hope the Government will not accept the findings of the Royal Commission in that respect, and that even now, if the bulk handling system is to be extended, the Government will see to it that the system is controlled by them and run by the State for the benefit of the producers of the commodity handled and for the people of the State as a whole. I hope they will see to it that the control of the system is not placed in the hands of an organisation such as Westralian Farmers Ltd., or Co-operative Bulk Handling Ltd., those two firms being really all one.

Hon. W. D. Johnson: They are not.

Mr. TONKIN: Yes, they are.

Hon. W. D. Johnson: Most decidedly they are not.

Mr. TONKIN: There is not much difference between the four organisations concerned.

Mr. Sleeman: What is the difference?

Mr. TONKIN: The difference is so minute that we can afford to neglect that phase altogether. The report sets out the directors of the four organisations, and shows how they are interlocked in their control of the various concerns. For all practical purposes, we can take them as one big concern.

Hon. W. D. Johnson: The undertaking is based on the method approved by the Labour movement.

Mr. TONKIN: I do not think so, because here we have a firm granted a monopoly, although that firm is bound by an agreement with a private trading concern.

Hon. C. G. Latham: No monopoly has been granted.

Mr. TONKIN: Yes, it has.

Hon. C. G. Latham: Not at all.

Mr. TONKIN: I will prove my statement to the Leader of the Opposition.

Mr. Sleeman: You cannot prove anything to him.

Hon. C. G. Latham: Why cast an aspersion upon your own colleague?

Mr. Patrick: At any rate, the hon. member cannot prove his statement.

Mr. TONKIN: I can merely point to what appears in the report and after they peruse the extract, if Opposition members are not open to conviction, there can be no hope for them.

Hon. P. D. Ferguson: No monopoly was asked for.

Mr. TONKIN: No, because the firm knew they would get it.

Mr. Fox: The Chairman of the Royal Commission said there was a monopoly.

Mr. TONKIN: I cannot find the actual reference to it in the Royal Commission's report, but the Commission showed that they realised the company had been granted what virtually amounted to a monopoly.

Hon. C. G. Latham: But no monopoly at all was granted.

Mr. TONKIN: What was granted approached so nearly to a monopoly that it does not make much difference. The Royal Commission realised that as Bulk Handling Ltd. had become established, it was economically impossible for another company to operate alongside.

Hon. C. G. Latham: The only reason for that is the good service rendered by Bulk Handling Ltd.

Mr. TONKIN: We know how nice it is to get in on the ground floor and be the first in anything. It enables one to give plenty of cheek.

Mr. Doney: Someone has to be first.

Mr. TONKIN: At any rate, the hon. member is well versed in the necessity for safeguarding vested interests.

Hon. C. G. Latham: What does the hon. member mean by that?

Mr. TONKIN: The Leader of the Opposition represents a party with vested interests.

Hon. C. G. Latham: I do not represent any such party at all.

Mr. TONKIN: There is so little difference between the hon. member's party and that led by the member for Nedlands (Hon. N. Keenan) that it does not make much difference.

Hon. C. G. Latham: At present we can say we represent the workers.

Mr. TONKIN: I like that!

Mr. Sleeman: And they want the Federal basic wage.

Mr. TONKIN: The Leader of the Opposition will be claiming next that he feels very greatly for the workers at Fremantle who will be displaced from their employment as a result of the installation of the bulk handling system. On the other hand, I suppose we shall find him opposing, with all his strength and knowledge, anything that we may attempt to do to provide for those men.

Hon. C. G. Latham: You will have to provide for the farmers if you do not approve of this scheme. Some are leaving their farms now because they are not getting the help they should receive.

Mr. TONKIN: We provide for the farmers by imposing a tax on flour, so that by that means all the people contribute to keep the men on their farms.

Mr. Marshall: And the State provides cheap freights over the railways.

Mr. TONKIN: Again I assert that the bulk handling system should not be handed over as a monopoly to Co-operative Bulk Handling Ltd.: it should be retained by the State and be controlled by the State. I hope that even at this stage it will be found possible to do that, and I believe that later on members of the Opposition will be obliged to admit that the course I am advocating would be the better one in the interests of the farmers and of the State. Last week the member for Fremantle (Mr. Sleeman) and again this afternoon the member for South Fremantle (Mr. Fox) urged the necessity for the provision of compensation for men who will be displaced from their employment as the result of the installation of the bulk handling system. Such a course will not be inconsistent with the contentions of the former member for South Fremantle (Hon. A. McCallum) and the present Premier, when he was Leader of the Opposition. A Bill was before the Legislative Assembly

in 1932 for the purpose of authorising the introduction of bulk handling. The then member for South Fremantle proposed an amendment to the motion under consideration, and that amendment read—

That the following words be added:—"and to provide for the securing and financing in employment of those who lose their positions through the establishment of such system."

The present Premier, by way of interjection during Mr. McCallum's speech, and later on in the course of his own remarks, affirmed the view originally expressed by Mr. McCallum. Both these gentlemen insisted that, as considerably more than 1,000 men would be displaced from their employment as a result of the introduction of bulk handling, provision should be made for them. Having been of that opinion in 1932, the Premier must be of the same opinion now because the Commission has not only stated that a number of men have already been displaced, but that additional men will be displaced as the system is extended. The same necessity exists to-day to provide for these men as existed then, and I hope, if anything is done to extend the system of bulk handling, the Government will make provision for the compensation of the displaced men. The member for South Fremantle referred to the extent to which bulk handling had already affected Fremantle. It is a shame that the chief port of the State and the front door of the Commonwealth should have reached the position it is now in; no member can go to Fremantle without feeling that the port is decadent. We know the reason. There are men who have been established in business there for years who state that business is becoming worse and worse, the reason being that less money is being distributed in wages each week and each year. The introduction of bulk handling is going to make that position even worse than it is now, and hon. members should be able to appreciate just what Fremantle will be like when the system is in full swing. It is only reasonable that where a State-wide concern such as bulk handling is to be instituted, where the effect will be so wide, that the State should make provision for those affected, and I hope that as the Premier expressed that view when in Opposition, so he will keep it in mind now that he is on this side of the House, and will do something in the direction he suggested then. It might seem strange to hear members speaking as we on

this side have done, pointing out what the effects of bulk handling will be, and in the next breath saying, as we have done, that we are not opposed to bulk handling. As a matter of fact, we must move forward with the times and realise that this is a mechanised age, and that bulk handling will be introduced everywhere. The member for Guildford-Midland interjected earlier that we have bulk handling in connection with oil at present. I admit that is not the only commodity, and I realise that we might just as well endeavour to hold back the sea as try to prevent the introduction of labour-saving devices. I am not against that but I am against making a monopoly of a public utility, and I am against introducing too suddenly big changes which will be in the nature of a revolution, without making adequate provision for the people who will be immediately affected. If this is done, my opposition to bulk handling will disappear entirely. If the Government are prepared to take on State control, I shall have no quarrel with the introduction of the system, but I do protest against handing over to a concern the control of a tremendous undertaking such as this, when that concern is, as I have shown conclusively, not a free agent.

MR. WANSBROUGH (Albany) [5.51]: I do not desire to prolong the debate, but there are a few points in the report of the Royal Commission to which I would like to refer and about which I should like some information. Like the member for Fremantle I am somewhat concerned that the system is going to displace a considerable amount of labour. I want to know who is going to be responsible for providing other avenues of employment for those people. Is there to be another State undertaking? If so, we should consider the question very seriously.

Hon. P. D. Ferguson: Who is responsible now, anyway?

MR. WANSBROUGH: I am also concerned about who is to foot the bill for the construction of additional rolling stock and siding accommodation. The Commissioner of Railways definitely stated that he made a loss of £17,330 in the haulage of bulk wheat, after taking into consideration the extra toll of a farthing per bushel added freight for the season 1933-34, and which yielded £11,187. We might ask whether

that is the position now, and if so what will the position be when bulk handling is in full swing? We are entitled to ask who is to provide for the loss. In the course of his evidence, the Director of Public Works estimated that the terminal silo at Fremantle would cost £733,465, and that at Geraldton £453,465, so that for these two conveniences no less a sum than £1,188,930 is to be provided. Again I would ask who is going to foot the bill? Will it be the industry, or the general taxpayer? If it is to be the latter, I am afraid there will be trouble ahead. It would be interesting to have the views of the Leader of the National Party on this point. If the construction of these silos is to be a State function, then it will be necessary to borrow more money, and I understand the Leader of the National Party is opposed to further borrowing. Recommendation No. 7 of the commissioners reads—

That serious consideration be given to the proposal of Co-operative Bulk Handling, Ltd., to provide bulk handling facilities at Bunbury and Albany.

I am grateful to the commissioners for that statement, which confirms my opinion, often expressed, that bulk handling is merely a pretext to centralise, that is to say, to abolish shipments from Bunbury and Albany. I shall require some definite assurance from the Government before I vote to extend bulk handling, that the zone system will continue to operate and that long-distance haulage in connection with bulk handling will not be permitted. The question is a serious one, and I do not know whether the wheatgrowers are adopting a policy of go-slow. A sub-editorial in last Monday's issue of the "West Australian" makes serious reading, and I think it should be placed on record—

A somewhat different complexion is placed upon the State's harvest prospects for 1935-36 by the publication last week of the official estimate of the area sown with wheat which is given as 2,736,221 acres—a decline of 172,000 acres in the twelve months, and of nearly 1,220,000 acres since the peak season 1930-31. Of this reduced acreage it is estimated, rightly or wrongly (for ultimately this must depend upon the growth crops make in the final stages of the season), that 2,564,000 acres will be harvested for grain, compared with 2,763,000 acres last season. That would mean a decline of approximately 200,000 acres, which at the State average of 12 bushels to the acre would account for 2,400,000 bushels of wheat. Even at last season's average yield of 9.8 bushels to the acre this reduction in acreage would mean a

reduced yield of nearly 2,000,000 bushels. If the estimate of acreage to be stripped is correct it would need an average yield of nearly a bushel to the acre more than last season to give an equal harvest. Had the farmers of all other principal exporting countries reduced their acreages to the same extent that our own farmers have done the statistical position of wheat must have improved very substantially during the past five seasons. Comparing 1930 and 1934 the area under wheat in this State declined from 3,957,000 acres to 2,764,000 or by more than 30 per cent., while Canada's acreage has declined from 24,900,000 acres to 23,985,000 (all the intervening years were higher than in 1930) and the Argentina's acreage from 21,000,000 acres to 17,000,000 or by about 20 per cent. It is true that Canada's wheat selling policy has held up the market from absolute collapse, but by maintaining and even increasing her acreage under wheat that Dominion has played no unimportant part in prolonging the wheat depression.

That is a serious statement and it is deserving of more than ordinary consideration, particularly if we continue to decrease our acreage and production. We may well ask whether the proposed expenditure is warranted.

Hon. P. D. Ferguson: It is only by effecting savings that we can prevent the shrinkage.

Mr. WANSBROUGH: I do not know that the expected saving will do that; certainly the cost will be higher. Throughout the evidence taken by the commission, great stress was laid upon the increased freight charge of a farthing per bushel on bulk wheat. They say that the Westralian Farmers have a 10-years contract with Co-operative Bulk Handling, whereby the former company are entitled to receive a maximum profit of one farthing per bushel on all wheat handled by the latter company. Yet there is no protest from the other side.

Hon. W. D. Johnson: That is not correct.

Mr. WANSBROUGH: That is the Commission's finding.

Hon. W. D. Johnson: No.

Mr. WANSBROUGH: That is the finding.

Hon. W. D. Johnson: No. The Westralian Farmers cannot get more than that amount.

Mr. WANSBROUGH: If the hon. member interjecting reads the report, he can see for himself that what I have stated is correct.

Hon. W. D. Johnson: The Commission did not say a silly thing like that. It is not correct.

Mr. WANSBROUGH: That is the Commission's finding, and as a member of the

House I must abide by the report.

Hon. W. D. Johnson: You are reading the report wrongly.

Mr. WANSBROUGH: I am reading the finding absolutely word for word as it appears in the Commission's report. The hon. member can dispute it if he likes.

Hon. W. D. Johnson: I do dispute it. What you say is not fair.

Mr. WANSBROUGH: The statement is that of the Commission, not mine.

Hon. W. D. Johnson: The amount is the maximum of what the Westralian Farmers can get.

Mr. WANSBROUGH: It is what they do get. They are guaranteed a farthing per bushel gross profit.

Mr. Doney: They must not accept less?

Mr. North: Read the report, page XXIV.

Mr. WANSBROUGH: What is the farthing for? Finding No. 3 reads—

The Westralian Farmers, Ltd., has a ten-yearly handling contract with Co-operative Bulk Handling, Ltd., whereby the former company is entitled to receive a maximum profit of one farthing per bushel on all wheat handled in bulk for the latter company.

Mr. Doney: "A maximum profit." Take back all you said!

Hon. W. D. Johnson: It is not a guaranteed profit. Let us start now!

Mr. WANSBROUGH: The Westralian Farmers get the farthing profit, of course.

Hon. W. D. Johnson: They do not.

Mr. WANSBROUGH: One phase of the report against which I wish to enter a protest is Exhibit A22, referring to port costs, in which it is stated that the port costs at Albany in 1932-33 were .590d., and in 1933-34 1.191d. That statement, I declare definitely, is not correct.

Hon. W. D. Johnson: It was made on oath.

Mr. WANSBROUGH: It may have been. During the 1934 season I protested to the hon. member interjecting, who was then and is to-day a director of Co-operative Bulk Handling, Ltd.—

Hon. W. D. Johnson: Hear, hear!

Mr. WANSBROUGH: That added cost is not really an added cost of port handling, but something brought about by the methods adopted in handling and storage at Albany. The added cost, I repeat, is not a port charge, but a charge which rightly belongs to Westralian Farmers, being brought about by their method of handling. Let me state what happened. A steamer was being loaded at Albany, and wheat stacked in the

shed under cover was loaded up, taken out of the shed, and put on board the ship and sent away, while stacked wheat was allowed to remain outside. Immediately the ship was gone, the stacked wheat was retransferred into the shed. Without fear of contradiction I say that within 48 hours the same wheat was being loaded up for shipment overseas. The charge in question, therefore, is a charge for Westralian Farmers, and not a port charge in any sense. Further comment is hardly necessary at this juncture. I realise that later a Bill will be brought down dealing with this subject. I wish to inform the Government that before casting my vote for the extension of bulk handling I shall require a definite assurance that the zone system will be protected, and that under bulk handling needlessly long haulage will not be permitted. Subject to that assurance I am prepared to vote for the Government's proposals. I protest strongly, however, against the bulk handling methods hitherto adopted. Further, I consider that the whole concern should be managed by the State.

Mr. Rodoreda: Are we not going to hear anybody on the Opposition side?

Mr. SPEAKER: The Clerk will read the next Order of the Day.

BILL—RURAL RELIEF FUND.

Second Reading.

Debate resumed from the 27th August.

HON. C. G. LATHAM (York) [6.10]: This is one of those measures which, I dare say, almost every member of the House will feel better fitted to discharge than those called upon to give effect to the legislation. The Farmers' Debts Adjustment Act passed by the Federal Government has been subjected to a great deal of criticism, not only in Western Australia but in other States as well. I have an idea that the States feel that if they had the money in their hands, they could do better service with it than the Federal Government. The same remark applies to the corresponding legislation of each State. Probably every member on this side of the Chamber, and perhaps every member on the other side, considers that a great deal more could be done with the £1,300,000 than the Minister proposes. The hands of the Minister are tied by legislation which the Federal Parliament has passed. In spending the money he cannot go outside that

legislation. Still, I hope he will realise that we do not regard that piece of legislation as perfect, though it has something to recommend it. Our view is that this Bill should reach the statute-book as speedily as possible, so that relief may be given promptly to those for whom it is intended. During my recent visit to England it was brought home to me how close the relationship is between primary producers and the rest of the community. Not for decades have the primary producers of Great Britain been so successful as they are at present. For wheat they have a guaranteed price, which not only assists those engaged in wheat production but also is doing what high prices for wheat did in Australia—forcing into production large areas of land which under normal conditions would not be used for that purpose.

Hon. W. D. Johnson: Where is this taking place?

Hon. C. G. LATHAM: I am speaking of Britain and the northern part of Ireland. I do not speak of the southern part of Ireland, not having visited it. Great Britain's agricultural industry is having a highly prosperous time. Again, large sums of money are being made available for growers of sugar beet in Great Britain, with the consequence that that country, instead of importing sugar from Europe, is now growing it in large quantities. Here again the Government assistance is forcing into production of sugar beet large areas hitherto used as pastoral lands, and poor pastoral lands at that. Furthermore, the protection given to producers of beef and mutton has been the means of assisting them materially. The chief difference I noticed between the Britain I saw in 1928 and that which I saw on my recent visit is the great prosperity now prevailing among people engaged in primary production. I believe this prosperity is reflected throughout the community. The present position of primary producers in Great Britain has been the means of giving an impetus to other industries. As a result, many industries which for a long time have been suffering as the result of the depression are looking up considerably. There seems to be more money in Great Britain to-day than there has been for a long time. That may be due to two or three causes. Motor cars are being bought by almost everybody. British money, in-

stead of being lent out to the Dominions and foreign countries, is being retained in Britain itself, and consequently is available for investment there. This fact is reflected in Australia by greater difficulties of our primary industries, because the assistance rendered to agriculturists in Great Britain means a reduced market for the products Australia has to export. While Great Britain can with ease assist her primary producers, we have considerable difficulties in that respect, due to the fact of so large a proportion of our products being exported overseas. Having looked into the position in Great Britain, I cannot see that Australian primary producers can expect much assistance from the Old Country in future. When visiting the markets where wheat is sold, the first thing that struck me was that while we continue to sell our wheat abroad under existing conditions, our producers cannot secure a reasonable price. I believe that throughout the world organisations in every avenue of trade are so complete that unless our primary producers organise, they will be unable to obtain payable prices for their commodities. Agreements being concluded in the Old Country as to importation of beef will, if carried into effect, assist Australian producers of meat materially. Up to date the attempts of the best brains available to establish some organisation which will give wheat producers a better price than they are receiving to-day have failed. The main object of the Baltic Exchange seems to be to keep the price of wheat as low as possible. There is no complaint in England with regard to the price of bread, although the British wheatgrower, during my recent visit, was receiving 45s. per quarter for his wheat, while Australian wheat was being sold for as little as 24s. A remarkable fact is that the use of bread is going out. There has been a considerable falling-off in the consumption of bread in Great Britain. This is not due to increased prices, because the parity has not risen. In fact, bread is cheaper in England than it is here. The British bakers have formed themselves into an organisation, and have spent a considerable amount of money in trying to demonstrate the great benefits to be derived from eating bread, the object being to encourage the public to buy more bread. The British Government, through their clinics for scientific research, are investigating whether it

is possible to add something to flour, when being manufactured into bread, that will give it a greater food value than it possesses at present.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. G. LATHAM: I was pointing out that endeavours were being made by the scientists at Home to increase the food value of bread by the introduction of some element into the flour. How that will affect the market is difficult to say, but Great Britain, which is our best market, is determined to produce as much as possible of her own requirements within her own territory. The milk position there was such that legislation was introduced to fix a price for that commodity. The effect has been to embarrass the controlling board so much that they do not know what to do with the surplus milk. Unlike our own Government, the British Government did not make provision for fixing quotas. In consequence, the huge milk supply of Great Britain is causing the Milk Board a great deal of trouble at the moment. Again, I want the House to realise that Britain cannot supply all her own requirements and must look to other parts of the world, particularly for wheat, meat and many other commodities, respecting which her own supplies are short. I do not want members to think I have returned from Great Britain with a dismal story to tell our wheatgrowers and primary producers generally. There has been a considerable reduction in the world's carry-over of wheat. Members may have noticed a report in the Press recently in which it was disclosed that exporting countries have been importing wheat, although the importations have probably been more for seed purposes than for anything else. The fact remains that there is a closer balance between production and consumption of wheat abroad. On the other hand, prices, to my mind, do not seem to have increased to the figure to be expected, particularly considering the very small carry-over in the world to-day. I am afraid that is due to the fact that persons who deal in wheat at the other end, fix prices without consideration to any return to the producers.

Mr. F. C. L. Smith: Has not that always been so?

Hon. C. G. LATHAM: Unfortunately, yes, but in a well organised world, it seems to me that before the wheat pro-

ducers in the various countries can expect a fair return for their commodity, they will have to indulge in more organising than has been apparent in the past.

Mr. F. C. L. Smith: What was the carry-over as at the 1st August?

Hon. C. G. LATHAM: I had those figures, but I did not wish to weary members with details. I know there was considerably less than at the corresponding date last year.

Mr. Nulsen: The carry-over was about 800,000,000 bushels.

Hon. C. G. LATHAM: I think it was less, more like 200,000,000 bushels.

Mr. F. C. L. Smith: At that rate, the position is getting back to normal.

Hon. C. G. LATHAM: I believe that is so. While such a state of affairs exists, the people, whom this legislation seeks to assist, will have some difficulty in getting back to a position that will enable them to meet their commitments. I thought members should have that information as a prelude to what I desire to say regarding the Bill. In placing the measure before the House, the Minister dealt with the Federal Act and the provisions of the Bill. The members of the Opposition are anxious that the latter legislation shall find a place on the statute-book. We are anxious to give farmers the relief that we believe the measure will afford, and we also desire to render additional assistance to the creditors so that they will be able to circulate money to the greater benefit of the community as a whole. I think the Minister was very unfair when he stated that the Federal Government's legislation was—I am not using the Minister's exact words, but what he said was to this effect—an electioneering dodge. I do not think that is quite correct, because the report that the Federal Government asked for was one to fix the bonus that would be paid to the wheatgrowers, which is an entirely different matter from that under review. The first report handed to the Federal Government was dated July, 1934, and it dealt almost entirely with the amount of money that should be provided for distribution among the wheatgrowers. Then, in November, a supplementary report was presented to the Government, and that dealt more with the distribution of the funds than with the fund itself. The main recommendation embodied in that report concerned the amount the Federal Government should distribute among the wheat-

growing States, and that amount was £4,000,000. So it will be seen that we should at least be fair. The Bill that provided the money for the adjustment of debts did not enter into the discussion at all at that time and, in fact, played a very unimportant part in the recommendations of the Commission. The report that did deal with that phase was presented to the Federal Government in February of this year. I am sorry that every member of this House has not been presented with a copy of that document, which I consider to be one of the finest reports ever prepared in respect of any industry in any part of the world. Those concerned in its compilation went thoroughly into the history of wheatgrowing, the conditions prevailing in every country, and the methods of relief, and remedies, provided in those countries. Had they been able to secure copies, each member would have had an opportunity of knowing something of the importance of the wheat industry to the world generally. For my part, I intend to have my copy bound, because it is the most valuable document that has been presented to me since I have been a member of Parliament. With regard to the legislation introduced by the Federal Government—

The Minister for Lands: Do you know what the Federal Government propose to do about it?

Hon. C. G. LATHAM: The report does not recommend any fixed sum. Certain amounts are mentioned. First of all, there is the proposal that there should be an excise duty on flour consumed in Australia, which is expected to return to the wheat producers a sum that will represent more than is necessary to pay working expenses. That amount was stated at £3,500,000, which was to be provided, so it seemed, as a kind of subsidy from year to year. Then there was to be what the Commissioners described as a revolving fund of £3,000,000, which presumably was to assist farmers in the process of rehabilitation and was to enable them to do something such as we propose with respect to the money available under this particular legislation. Then there was £1,250,000 to be made available for machinery, and that was to replace worn out machines, equipment, and, probably, power. Then there was to be a further £1,000,000 available for permanent improvements. If we total up those several amounts, it will be seen that they represent £5,200,000. The

Act passed by the Federal Parliament really appropriates £12,000,000, of which £10,000,000 was to be made available immediately and the remaining £2,000,000 was to be provided at a future date. This State's share was to be £1,300,000, plus, to use the Minister's figures, £260,000 from the £2,000,000 which is to be held for the time being. The flour tax is a tax that will be available from year to year, and it is recommended that the price of flour for home consumption should be fixed at £12 per ton, and that the excise duty that would be imposed should be the difference between the price the farmer was getting for his wheat and that which would bring him £12 per ton. So I think the Federal Government have done more than was recommended by the Commission.

The Minister for Lands: You are the only one that thinks so. The farmers do not think so.

Hon. C. G. LATHAM: I assume that the farmers have not had an opportunity to see the report. I was surprised to learn that only six members of the House, apart from the Minister, have seen it. Unfortunately it is not circulated here. I am telling the Minister what I believe is a fact; some members of the House occupying important positions and who would be called upon to adjudicate on this matter have not had opportunity to see the report. And, after all, the farmers get a lot of information which the Minister knows is unreliable; so they might either say the report is splendid, or that it does not do all they require. If the Minister will look at the Commission's report he will see that it deals largely with reconstruction, as will be found on pages 233 to 238. Like the Minister, I am not going to inflict the report on members, but it will be found that Sections 4 and 5 of Part S deal with general reconstruction, leading to the scheme of debt reconstruction recommended by the Commission. This practically contains the whole scheme. Just to tell the House what the Commission recommend, let me read from page 236 of their report—

That the Commonwealth Government with full co-operation of the State Governments shall provide the machinery mentioned below, whereby voluntary schemes of arrangement or compositions between creditors and debtor farmers are encouraged and facilitated.

And they go on to set it all out.

The Minister for Lands: They provide for machinery and equipment.

Hon. C. G. LATHAM: Yes, they recommend a million and a quarter pounds for the whole of Australia, and a million for additional improvements. The Federal Government have found considerably more money than that, probably with the idea that this may release a good deal of credit to the farmers.

The Minister for Lands: After the elections they promised £20,000,000.

Hon. C. G. LATHAM: Surely this is a step towards it, this £12,000,000 appropriated here. And they have said that probably it is not all the assistance the industry may require. I think that by the time the money is available under this legislation, a great deal of assistance may be given to the industry. We on this side are anxious to have this money circulated as quickly as possible, for if the debts are reduced it will give the farmer opportunity to get fresh credit. And the Federal legislation provides for the setting aside of debts, the suspension of debts. If the farmer's debts are suspended, any profits he makes during that period will permit him to renew his plant and equipment.

The Minister for Lands: Do you suggest that any man whose debt is suspended will get more credit?

Hon. C. G. LATHAM: Yes. I am surprised at the Minister, because he knows that under the Farmers' Debts Adjustment Act the debts were suspended, and he knows the Government were unable to provide the necessary money, and that of course new money was found to carry on the farmers. The Act the Minister has been administering for the last 2½ years will show him that new money was found.

The Minister for Lands: Do you seriously suggest that a creditor whose debt is suspended will furnish new credit? Of course he will not.

Hon. C. G. LATHAM: The Minister and I may yet agree. First of all there will be no suspension of debts, unless there has been some cash payment. The Minister suggests there will be £1,300,000 available to the creditors. That money, I believe, will find new credit for approved clients. The circulation of that £1,300,000 will do it, but not, of course, if the debts were suspended and no money provided; but in this case we are providing money to liquidate some of the debts.

Mr. F. C. L. Smith: Those recommendations in that report, are they for wheat farmers?

Hon. C. G. LATHAM: The hon. member will agree that in this State the wheat farmer is the man suffering most.

Mr. F. C. L. Smith: But the £10,000,000 is for all farmers; you have not made that explanation.

Hon. C. G. LATHAM: I am not dealing with the whole of Australia at all, but only with that aspect which affects this State. I notice that Queensland is to get £1,150,000, but how that money will be used I do not know. The £1,300,000 available for this State will be given generally to wheat farmers.

The Minister for Lands: No, to all farmers.

Hon. C. G. LATHAM: But generally it will be applied to wheatgrowers.

The Minister for Lands: No, it will be available to all farmers.

Hon. C. G. LATHAM: It will be interesting to see, after the Act has been in operation for a time, the number of men outside wheatgrowers who will be getting benefit from it. I know, of course, what is intended. The Minister, in moving the second reading, said he believed very few pastoralists would come under it. But now he is arguing the other way, and wishes to bring in everybody. I know, of course, it is an Australian provision. What would Queensland wheatgrowers require assistance for? They have a fixed price for their wheat. In Queensland it may be necessary to assist pastoralists. The money was intended to be fairly distributed throughout Australia.

Mr. F. C. L. Smith: The wheatgrowers are only one-quarter of our local farmers.

Hon. C. G. LATHAM: I do not know what the hon. member is getting at by his interjections. He knows we have attempted in a small degree to fix a reasonable price for the butter producer; so he is not in the unfortunate position of the wheat-grower who, of all farmers in this State, is deserving of assistance with the least possible delay. I believe this Act is intended to apply chiefly to him in this State. If the Minister, or the member for Brown Hill-Ivanhoe, thinks otherwise, he may do so.

Mr. F. C. L. Smith: I am thinking of the poor deal they are going to get, as against the Commission's recommendation.

Hon. C. G. LATHAM: If a sum of money had been made immediately available for replacements of worn-out equipment and power, it would have put the farmer in a position to earn more from his

farm. However, the authorities thought otherwise, and we have to make the best of it; but I think the sum of a million pounds being spread amongst our farmers towards renewing their plant and equipment, and providing stock and perhaps water supplies, would place them in a position to meet a great deal of their past liabilities. But as it is, we have the legislation and we are restricted by the Commonwealth Act in the matter of distribution. We cannot go outside the Act. I wanted to point out that I do not endorse the opinion expressed by the Minister when he said that the report had been used unfairly by the Federal Government. The report called for by the Federal Government had nothing at all to do with the rehabilitation scheme. It was a question of the payment of a bonus to the wheatgrowers last year.

The Minister for Lands: I did not suggest that it had. I said the Federal Government were so anxious for a report that they called for one.

Hon. C. G. LATHAM: This report did not come in until February, which was after the Federal elections. I have tried to find out where the Prime Minister said that there would be £20,000,000, but I have been unable to find it. I know that we have £12,000,000 out of the £20,000,000, and as I said before, I believe that in Federal circles it is considered that £12,000,000 will be insufficient; that it will be necessary to make available additional money before the industry is on a firm footing.

Mr. Hawke: This is a complete instalment of Federal money for debt reduction.

Hon. C. G. LATHAM: I think it is sufficient for that. Further money should be made available for purposes recommended by the Commission, namely, for the renewal of plant and to enable farmers to make additional improvements. I want the Minister to understand that the report of the Commission was that a sum of money should be distributed early to the wheat producer so that he would be able more than to cover the cost of production. In the past, unfortunately, he has not been able to do that. Listening to the member for South Fremantle (Mr. Fox) to-night, one might well have imagined that the world was a very tiny circle. The primary industry itself, as well as those engaged in it, is of the utmost importance

to the State. The wheatgrowing industry alone has brought no less than £60,000,000 into the State, which money has been circulated and has helped to keep the men at Fremantle in employment for a number of years. I wish to see the industry get back to the position where it will be able to keep those Fremantle men employed. The member for South Fremantle is putting the cart before the horse. He wants to kill the industry, and then he will complain afterwards, "I do not know how it is, but our men still have no work."

Mr. Fox: We keep the farmers in work by using their produce.

Mr. Patrick: To do that, they would have to eat a lot of wheat.

Hon. C. G. LATHAM: Yes, we have to export 75 to 80 per cent. of our wheat every year.

Mr. SPEAKER: I hope the hon. member is not going to discuss the report.

Hon. C. G. LATHAM: It has a very close relation to this Bill. As an outcome of the Federal Commission's inquiry, we have this report, and the Minister used it as an argument for disagreeing with the legislation introduced by the Federal Government. But I will not do it: I would not offend you for the world. The Minister complained, too, about his treatment at the Canberra conference in December last. It is useless for the Minister to complain in this House: the proper place for him to lodge a complaint was at the conference. I admit that conditions in Western Australia are totally different from those in the Eastern States. The Minister said he thought the Federal Government should administer the funds. I do not see how they could possibly do it unless they passed a special Act for each State, for no one is more capable of distributing the funds than is the State Government.

The Minister for Agriculture: And we have to distribute them at our own expense.

Hon. C. G. LATHAM: Are we to act as if we had no responsibility to our industries? The Minister made a statement that the Government would get no benefit from the distribution. The Government will receive considerable benefit if the industry is re-established. The Minister should be pleased: he should say, "Thank you for the £1,300,000. We will distribute it." We cannot expect to be paid for everything we

do. To expect so much would be wrong in principle. Would the hon. gentleman deduct from the £1,300,000 the cost of administration?

The Minister for Agriculture: Yes.

Hon. C. G. LATHAM: Then I feel very sorry for him. It is not the action of a Minister for Agriculture who is acquainted with the difficulties, and no one knows the difficulties better than he does. Yet he would take from the funds the cost of administration. I do not suppose the distribution will entail the employment of a dozen additional officers. I should be surprised if it does. As a matter of fact it was intended by the Commission's report that the State should make a contribution towards rehabilitation. This is not merely a Federal matter: the State Government have their responsibility as well as the Federal Government.

The Minister for Lands: We did not ask for the Royal Commission's report at all.

Hon. C. G. LATHAM: The Minister has asked for a lot of reports. I am glad that the report was asked for. It is one of the finest documents we have in Australia. It enables us to understand the industry, and I hope the report will be kept and used. The proper place for the Minister to complain of his treatment was at Canberra, not here. He knows that he was released by us in order that he might attend that important conference. I regretted that he had to go because I wanted him here. Still he had to go, and we released him because we realised the importance of the conference to the industry.

Mr. Hawke: Are you suggesting that he did not protest at the conference?

Hon. C. G. LATHAM: The hon. member may suggest what he likes. I am quite capable of making my own speech without any assistance from the member for Northam.

Mr. Hawke: Capable of making an incapable speech.

Hon. C. G. LATHAM: The hon. member often makes his speeches by way of interjection.

Mr. Hawke: Are you suggesting that the Minister did not protest?

Hon. C. G. LATHAM: As I have already told the hon. member, he may suggest what he likes: I refuse to answer the question. The Minister should have made his protest at Canberra, not here. I admit that it is

very difficult, where wide diversities of opinion exist, to arrive at a clear understanding of conditions that will apply to each State. Each State differs from the others. The Minister told us that there was no accumulated wealth in the industry in this State, as there is in the other States, where farms have been handed down from father to son. Consequently, we had better accept what has been offered us and be glad to get it. When funds are to be distributed on the basis now proposed, it is better to leave the matter to the State authorities.

Hon. W. D. Johnson: The Commonwealth dictated the conditions.

Hon. C. G. LATHAM: The hon. member may hold that view, but I say they left the States a very wide margin.

Hon. W. D. Johnson: They have left a margin.

Hon. C. G. LATHAM: I maintain that a very wide margin has been left to this State. As a matter of fact, the Minister has gone outside the provisions of the Commonwealth Act in some of his clauses.

Hon. W. D. Johnson: He cannot do that.

Hon. C. G. LATHAM: Whether he can or not, he is proposing to do it. The statement of the Minister that the Government would derive no benefit from the distribution is wrong. The Government will receive a considerable amount of benefit. They will get additional money in taxation. After all, it is important that our industries should be placed on a better footing than they occupy at present. I know that the Minister, during the last two years, must have experienced a very trying time in endeavouring to get relief for the industry.

The Minister for Lands: How will the Government derive benefit from taxation?

Hon. C. G. LATHAM: The money will come into revenue from the different firms. There is a sum of £1,300,000 to be circulated.

The Minister for Lands: Who will pay the taxation?

Hon. C. G. LATHAM: The storekeepers and others. The £1,300,000 must go into some pockets, and taxation will come out of those pockets.

The Minister for Lands: They may pay a sales tax.

Hon. C. G. LATHAM: They will pay income tax, emergency tax, hospital tax and other taxes.

Mr. Stubbs: Not in my case.

Hon. C. G. LATHAM: The Minister also stated that the Commonwealth Government had legislated for the compulsory suspension of State debts. I should like him to show me where that is. That has not been provided for at all. He quoted Abbott's amendment. That only states that an authority shall be set up with power to suspend the payment of debts. It does not say there shall be a suspension or payment of debts. The money may be distributed even if the Crown debts are not suspended. The Minister's idea that the State may suspend debts is wrong. The amendment to which I refer sets out that no grant shall be made under the Act to a State unless or until there is in force in that State legislation setting up an authority that will have power, on application being made to it, and at its discretion, to suspend wholly or in part the debts, secured or unsecured, due to creditors against the farmers. That principle has been in force in the State for some time. The Minister now introduces an amendment which makes the position even more difficult. The Minister has already given power to suspend the payment of debts.

The Minister for Lands: I will clear that up.

Hon. C. G. LATHAM: The Agricultural Bank Act Amendment Act provided for suspension.

The Minister for Lands: Of their own debts.

Hon. C. G. LATHAM: It is laid down here already that unless an arrangement is made with the creditors, the farmer will not get assistance to pay his debts. Will the Minister say whether that is right or wrong? We have also suspended the payment of debts under the Farmers' Debts Adjustment Act. Farmers coming under that Act cannot be touched until after the expiration of the stay order.

The Minister for Lands: None of that legislation was sufficient to meet the situation.

Hon. C. G. LATHAM: But the principle is there. We find it again in the Mortgagees' Rights Restriction Act. That provides for suspension.

The Minister for Lands: No.

Hon. C. G. LATHAM: It is a question of interpretation. Abbott's amendment does not make it compulsory for the suspension of State debts.

The Minister for Lands: The Federal Solicitor General says it does. Because of that this legislation is brought down.

Hon. C. G. LATHAM: I will accept that. Who gave that decision?

The Minister for Lands: The Federal Solicitor General.

Hon. C. G. LATHAM: Perhaps if the matter is referred to the Federal Attorney General he will reverse that decision.

The Minister for Lands: Dr. Earle Page said at first it was not necessary, but he now says it is.

Hon. C. G. LATHAM: Like myself, he is only a layman. I am surprised that the Federal Solicitor General has expressed that opinion. I cannot read that into the legislation. We often find that the Federal authorities put something into an Act, and afterwards interpret it as they like. The Minister would lead us to believe that the debts due by agricultural industries were in the region of 17 million pounds. That is not so. A mortgage that is not due could not be counted as part of that large sum. There are many solvent farmers in this State who probably owe a great deal of money, but they are solvent. The money they owe should not go to make up that 17 million pounds. The amount set down by the Minister is excessive. If a mortgage has 20 years to run, it cannot be said to be due.

The Minister for Lands: I did not say it was due.

Hon. C. G. LATHAM: The Minister used the word "due." We know that many businesses are conducted on borrowed money. We know that money is due on city properties, not only in the form of mortgages but in the form of money actually due and not paid. The Minister, supported by the Premier, complained of one of the conditions laid down in the Federal Act. I refer to the section which provides that no payment of any of the money shall be made to or for the benefit of any farmer for the purpose of discharging the whole or any part of his debt unless he shall have, in the opinion of the trustees, a reasonable prospect of successfully carrying on his farming operations. The Minister complained about that, but I suggest it was actually copied from a similar provision in last year's Agricultural Bank Act. The Federal Parliamentary Draftsman must have seen that section, thought it a very good one, and embodied it in the Federal legislation. I do not see why the Minister should complain of the Federal Government copying our legislation. Imitation is the sincerest form of

flattery. But the Minister was not satisfied with that. He has gone further, and the situation is going to be more difficult. He says that no advance shall be made to a farmer unless he shall have, in the opinion of the trustees, a reasonable prospect of successfully carrying on farming operations, and to this he has added—

And unless the farmer, in the light of his past conduct and farming operations, is deserving of the protection of a stay order under this Act.

Instead of the Minister complaining about what appears in the Federal Act, he should look at what is contained in his own Bill.

The Minister for Lands: That is our business. We ought not to be called upon to do their dirty work.

Hon. C. G. LATHAM: This is something the Minister himself has put in.

The Minister for Lands: That is our business.

Hon. C. G. LATHAM: But it is not dirty work.

The Minister for Lands: Is it not?

Hon. C. G. LATHAM: The Federal Government have flattered the Minister by copying his legislation. If it is a good thing to bring down legislation of that kind, it should not offend him.

The Minister for Lands: Why do they not do these things themselves?

Hon. C. G. LATHAM: I am very glad they are not doing so. To set up in each State the organisation necessary to do what this State would do with probably another dozen men would be a waste of public money. The Federal authorities knew very well the Minister would have an interpretation of the section that is contained in the Agricultural Bank Act, and that he would apply it readily to this Federal section. I feel sure, when the Minister has heard my views, he will agree that they are correct. It is proposed to suspend the payment of debts for three years. Sometimes the Minister is reasonable, and I hope he will agree to an extension to five years. If the debts are suspended for five years, and in the meantime the farmer makes any profit, he will be able to use it for the building up of his plant, and for re-stocking or putting new stock on to his property. If he knows that for five years he will not be worried by his debts, and that any profit he makes will not be taken away from him, he can proceed to build up his farm, and at the end of the period will be able to make a better

contribution towards his debts than if his plant and stock remain as they are to-day. Therefore I hope the Minister will agree to that extension. May I point out to the hon. gentleman that the Royal Commission recommended a period of seven years, because they considered that it would take the farmer seven years to get on his feet and that possibly he might make some profit in the meantime. The Minister has provided for the exclusion of debts which are statute-barred. I do not know quite what is meant by a statute-barred debt. We know very well that debts will be revived just prior to the enactment of this legislation. All that a creditor will need to do is to obtain an acknowledgment, and then the bar on the debt will be lifted.

Hon. W. D. Johnson: But if creditors neglect to get the acknowledgment?

Hon. C. G. LATHAM: This provision is in the legislation, but I am afraid it will benefit few people. The hon. member interjecting will be aware that when the Industries Assistance Act came into operation, farmers were immediately threatened with summonses if they did not make acknowledgment of debts. And that is what will happen in this instance.

Hon. W. D. Johnson: If the debt was not acknowledged, it was barred.

Hon. C. G. LATHAM: The acknowledgment really is just a mere acknowledgment to creditors.

The Minister for Lands: Are you objecting to that?

Hon. C. G. LATHAM: I am not objecting, but merely pointing this out to the Minister.

The Minister for Lands: Then why are you complaining?

Hon. C. G. LATHAM: I do not always complain when I stand up in this House. However, I do not believe the clause will do much good. The Bill provides for repayment of advances over 20 years. That, in my opinion, is too rigid; and I purpose moving an amendment.

The Minister for Lands: Will you take the responsibility of striking out what you object to?

Hon. C. G. LATHAM: A corresponding provision does not appear in any other Act.

The Minister for Lands: Will you move to strike that out?

Hon. C. G. LATHAM: If the law of the land provides that debts are statute-barred, will the Minister contend that suddenly, by a piece of legislation, they will not be statute-barred? If the Minister desires it, we will move to have the provision struck out. I ask the Minister to look into the clause dealing with repayment. I do not think the hon. gentleman means to provide that a beneficiary under this legislation should not be able to repay advances at any time. If the Minister leaves the clause mandatory, as it is now, the farmer will not be able to make any repayment for three years. The clause says that the money shall not be repaid during that period. I do not think the Minister intends that. I propose to move an amendment enabling the farmer to pay any of his debts that he may desire, within the three years.

The Minister for Lands: I do not object to that.

Hon. C. G. LATHAM: I thought the Minister would agree to this amendment. I ask the Minister, when replying, to tell us what security he proposes to take for advances. It is too vague to say that a mortgage will be taken which will not be registered but will be held by certain authorities in the State. Is it to be a first mortgage, a second mortgage, or a third mortgage, or what?

Hon. W. D. Johnson: A "super" mortgage.

Hon. C. G. LATHAM: The Minister might tell us how he proposes to take security. If he proposes to take a first mortgage, he will create a deal of trouble, I fear. Then he will indeed stop financial assistance to these farmers. However, I do not think it is necessary to take a mortgage. Surely we can trust these people to make repayment. The Government will be able to take what action they consider necessary to enforce it. I want the Minister to tell us also whether the farmer operating under the Farmers' Debts Adjustment Act would be able to obtain assistance under this legislation. Is it necessary for the farmer to come under that Act, or can he make an application direct to the trustees? I wish to obviate, if possible, the cost of a stay order and the expenditure of funds required for the first meeting. I know the Minister also wishes to keep down costs.

If application were made to the trustees direct, it would largely obviate costs, because then all that the farmer would have to do would be to put up his scheme to the director, who in turn would send it on to the trustees. The Minister has pointed out that neither the Federal Act nor this Bill provides for compulsory writing-down of debts. The hon. gentleman said that every other State had adopted legislation of this kind. Unfortunately I have been unable to ascertain the exact nature of the corresponding legislation existing in New South Wales, but I have been informed that that State is operating under its old Act. The Victorian Act and the South Australian Act are totally different. In South Australia this money is a free gift to the farmer. It is not proposed to require repayment of the money in South Australia.

The Minister for Lands: The only difference between that Act and the New South Wales Act is that the New South Wales Act requires the money to be repaid at two per cent.

Hon. C. G. LATHAM: Before this Bill is disposed of, we shall have the New South Wales Act available. If it cannot be made use of here, it can be made use of in another place. I of course accept the Minister's statement with regard to the New South Wales Act. In South Australia, however, I want the Minister to note, the money is a gift to the beneficiaries. The Victorian Act I like because I believe it to be in close accord with the recommendations of the Royal Commission. The members of the Royal Commission were afraid of congestion of business in the cities, and therefore recommended that the conciliation officers, as I think they are called, should be stationed in the country districts. The Victorian Act provides for that. I do not wish to assert that our Act is not as good as the Victorian Act, but in going through the Victorian Act it struck me that it provides for easier operation on behalf of the farmer than the present Bill proposes.

The Minister for Lands: Conciliation officers never conciliate.

Hon. C. G. LATHAM: I am not sure about that. However, the Minister has had a great deal more experience in that respect than I have had. After all, the big problem to-day is this: The farmer who is in a very bad way will experience great difficulty if he has to come to the city for the purpose

of attending meetings. I admit that the Bill is merely skeleton legislation, permitting the Minister to make many provisions rendering the operation of the measure easier. I am anxious that the Minister should be afforded an opportunity of giving effect to his wishes. Accordingly I support the Bill. I have two or three amendments on the Notice Paper and one of these I desire to mention now. Between 1928 and 1930 numerous farmers came firstly under the State Bankruptcy Act, and more latterly under the Federal Bankruptcy Act. Such farmers are operating under trustees. The South Australian Act provides that if a farmer in that position can get his release, he may come under the provisions of this legislation. I ask the Minister to agree that if a farmer can get released from Part XI. or Part XII. of the Federal Bankruptcy Act, he should be able to come under the Bill. That will be beneficial to the creditors, who will secure some kind of redistribution, and it will also be beneficial to the farmer, because he will secure relief. I once made the statement—it was challenged—that I did not remember a single farmer who, once under a trustee, had paid his creditors 20s. in the pound. That statement, I say, has been challenged; and if I am in error I am prepared to admit the fact. Under the bankruptcy law, however, farmers have not the freedom that our farmers have under the Farmers' Debts Adjustment Act. I hope the Minister will agree to the amendments I have mentioned. The Bill, I notice, contains an interpretation of "rural industry," but the remarkable thing is that throughout the measure there is no mention whatever of the rural industry. In the circumstances, the interpretation could apply only to farming. I suggest to the Minister that he alter the Bill to conform to the Federal legislation by deleting the reference to the rural industry and provide, in lieu, the term used in the Federal Act, namely "farming operations." If that were done, and the same interpretation embodied in the Bill as appears in the Federal Act, there would be no misunderstanding. The Federal Act is wide enough to do almost anything, and what I suggest would enable farmers and others who desire to avail themselves of the legislation, to do so. I can assure the Government that members of the Country Party will not delay the passage of the Bill, but will support its second reading.

Mr. DONEY: I move—

That the debate be adjourned.

The Minister for Lands: No.

Motion put and negatived.

MR. DONEY (Williams - Narrogin) [8.22]: The feature of the Bill I dislike most is that although £1,360,000 has been given to the farmers for the purpose of adjusting their debts, the Minister, by means of the Bill, asks that the money be repaid. I shall return to that point later. The measure is essentially a key Bill. It is full of really vital possibilities for the farmer. I know that the measure has been awaited in the rural areas with a great deal of anxiety. I am hopeful, therefore, that the House will see to it that the utmost good for the farmer is squeezed from its provisions. It is, to my mind, the most important Bill likely to be introduced this session. It is, too, an unusual Bill to the extent that the Minister, as he said, is acting under duress with regard to it. I was not at all surprised, therefore, that when he moved the second reading last week, he should have been a rather severe critic of his own measure. The Minister justifiably complained that the Federal Government had placed certain restrictions upon his handiwork. We can agree with him in that respect, but the principal question to be asked is whether, within those restrictions, the Minister has, within reason, drafted the best possible Bill. It may be that he has, but I think the Bill is due for a great deal of improvement before it finds a place on the statute-book. I am glad to admit, however, that the Minister has done his best with what is admittedly a difficult situation, and he has managed in his Bill to reduce a very complex situation to very simple terms. No doubt the Minister thought, as I certainly think, that the £1,500,000 now being disbursed for the necessary work of debt adjustment would effect better and quicker results if utilised for the much more necessary work of rehabilitation, that is, for the purchase of wire netting, the financing of the replacement of worn out horses and machinery, the cost of the change-over from wheat to sheep, where that is necessary, for the transfer from unsuitable to suitable farms, and so forth, for the very simple reason that it would put the farmer in a position to earn and pay his way, during what time his debts

were being adjusted. No one disputes that debt adjustment and rehabilitation are urgent matters, but the question of rehabilitation is much the more urgent of the two. Ideally, of course, the two needs should be taken together but, apparently, that is unlikely now. If debt adjustment were a process capable of anything like quick finality, one would not mind at all, but it looks as if it will be an extremely slow process, far too slow, certainly, for men whose patience seems to have approached near to the point of exhaustion. Members will realise that there are many farmers who are remaining on their holdings—hope dead within them—for no other reason than that at the moment they have nowhere better to go. Such as those would be the most urgent cases, and if they could be dealt with in the early stages of the administration of the measure, many good men would be saved to the industry. I suggest to the Minister that the several district officers of the Agricultural Bank, who have a good idea as to who those men are, should furnish lists of them so that they could be dealt with first. It would seem to be practicable that applications should be dealt with in the order of their urgency. The desperate plight of the farmers is not the only reason for speed. We know that prices and conditions may improve at any time, and it certainly behoves the Government to place our exporting industries in a position to jump straight in at any time to take advantage of any improvement in the market. We cannot do that under the Bill. For one thing, we do not need the eye of a prophet to be able to foresee that the obstinacy of certain mortgagees will cause the application of this legislation to drag terribly. If we reflect upon the magnitude of the task involved, and the number of applications likely to be received, the difficulty of the situation will be recognised. I think the number of applications may quite easily reach 9,000 or 10,000. Of course, no one can say definitely, but we have to reflect that on this occasion the relief is not being restricted to those in the agricultural industry, but is to be available to horticulture, to pastoral and grazing pursuits, to the dairy-ing industry and to such other industries in Western Australia as the Government may from time to time declare to be within the definition of "rural industry." It looks to me as if this stupendous task will take at least three years before the last

necessitous grower has had his claim considered, and in three years any old tragedy may happen to the growers. The point we have to remember is that irrespective of the rise in prices of primary products, the depression in the rural areas will not lift until debt adjustment and rehabilitation have both taken place. So three years is too long. One year of course would be better than three years, and six months would be even better than one year. What we should seek is the shortest possible period consistent with fair play and efficiency. I should like the Minister when replying to the debate to say whether anything is known of a move on the part of the Federal Government to make funds available for rehabilitation. There have been indications that some new provision will be made, but that information has not been very precise. It would not surprise me if it were the intention of the Federal Government to keep this rehabilitation in abeyance for the whole of the three years likely to be involved in the administration of the Act. I hope I am wrong, but so strong throughout the country areas is the nonsensical idea that given time the industry will right itself, that the long delay I have indicated seems to me at least possible. In the statement that three years are likely to elapse before debt adjustment has been finalised, we are supported by the text of the Bill, and by the remarks of the Minister when moving the second reading; also by the fact that one of the trustees will need to handle each application at least twice, once by the director as the director, and on the second occasion by the director as one of the trustees. For that matter, that gentleman may need to handle a case three or four times, and indeed anything up to ten times. I am referring to Mr. White, the present director, a man admittedly expert in debt adjustment and compositions generally, and admittedly a very quick worker at that. What really we seem to want here is, instead of one man with Mr. White's qualifications taking three years, to have three such men taking only one year. Anyway, I invite the Minister to examine that aspect of the question. Otherwise the long drawn-out suspension of those three years will make the farmers think the depression is never ending. I regard the fact that debt adjustment takes precedence over rehabilitation as a vital blunder. I feel, too, that the omission of some measure of compulsion—intensely as I dislike compulsion in nor-

mal times—is another blunder. I ask the Minister what earthly use can it be to suspend a man's debt for, say, three years, unless the Government will be able to assure him that at the end of that period his position will be reviewed, and the excess debt written off. At present we certainly cannot give him that assurance. There is always likely to be lurking in the background the secured creditor, who seems to be opposed, on principle, to any process of writing down. So unless the trustees have the power to compel, it is of course impossible to give that assurance. The Minister, I think, realises that the logical sequence of extension is review and adjustment of the debt. Manifestly no section of the community here has any right to hinder the return of the nation to a measure of better times; I hold that any person holding an opinion contrary to that should not be supported by the law of the land. It is generally known that already, before writing down can take place, the secured creditors by virtue of having a four-fifths majority in number and value, are in virtual control of the situation. It means that any big creditor at a creditors' meeting can block any decision that may be arrived at. I cannot help the reflection that we are committed to a principle of equality of sacrifice, but that there is in the principles laid down in the Bill very little of equality when we know that the unsecured creditor has to forego anything up to 75 per cent. of his debt, while the secured creditor not only on occasion loses nothing at all, but has his security of appreciated value from the wiping out of other creditors. I cannot escape the conviction that unless there is some measure of compulsion vested in the trustees, they are not likely to succeed in the task given them by the Bill. It is noted that the Act to be amended gives the creditors as well as the farmers, the right to apply. In my opinion, that is a wise provision to make. It has been stated that many intending applicants are being coaxed—a stronger word could be used—by their mortgagees not to apply. The farmer, apparently, may now apply through an unsecured creditor, and by those means may, of course, save his face with his mortgagee. I do not know what the Minister's intentions may be, but as I read the Bill I see no machinery whatever provided for bringing the trustees face to face with the creditors. The Minister may be

able to say by and by whether that is intentional. It may be that the amendment to Section 11 of the Farmers' Debts Adjustment Act is for the purpose of creating machinery to bring the Director into touch with the creditors. Then, of course, a little later on, the trustees, on their part, will apparently sit as a board to decide whether the arrangement arrived at between the Director and the creditors for composition purposes is a reasonable one and is in accordance with Federal requirements. In effect, the Director, as Director, will recommend to himself as a trustee that a certain composition be accepted and that payment from the fund be made accordingly. If that is so, it can, I imagine, be regarded as likely that the Director will accept his own recommendation without very much demur. Still, I am not complaining of that at all: it is likely to save time, and so far as I can see, it possesses no detrimental feature. It is laid down in one part of the Bill that the advance from the fund shall be secured to the Minister by a mortgage over all then existing, and all future-acquired assets. It is well known that the habit of the Government is to deal in first mortgages only. I should like the Minister to tell us later on, when his opportunity arises, whether on this occasion the Government intend to satisfy themselves with either a second or a third mortgage. I cannot see that anything else will be available. I take it that it would not be the intention of the Government to set aside existing mortgages that are in private hands. I am concerned, I may say, over the surprisingly small number of farmers who, if I read the Bill aright, are likely to benefit under this measure. The Minister gave the total debt of producers concerned at about £34,000,000, and half of that, of course, is due, as he pointed out, to the Agricultural Bank, the Water Supply Department, the Lands Department and other Government departments, so that the eligible portion is £17,000,000. But only such portion of that £17,000,000 will rank as is not offset by assets. Just exactly what that portion may be is doubtful, but I think we might set it down at 35 per cent., or, say, about £6,000,000. From that £6,000,000 there will be a fairly large deduction. We need, for instance, to subtract the debts of those farmers referred to in Clause 9,

namely, those with no prospect of carrying on even though they are assisted, and those who may be expected to struggle on even though they are not helped. This would make it appear as though the £1,500,000 will, despite our fears in that regard, provide a fairly substantial composition. It would appear that the £1,500,000 will be required to wipe out a debt of something like £4,000,000 or £5,000,000, and that should be fairly easy going. The particular aspect of this question that is worrying me is the very large number of farmers who will be cut off from receiving relief from the fund. It would seem that those who are to benefit will be very small in number by comparison with those who need and expect relief. In spite of that, we must not forget that, notwithstanding the injunctions referred to by the Minister, we have some fairly valuable discretions. To a large extent the trustees themselves will determine exactly who will or who will not benefit from the fund. Provided, of course, that the trustees interpret their duties in a sympathetic light, no one will be inclined to grumble. I hope that when the question of appointment crops up, the Minister will not forget the claims of a farmer in that regard. The task before the trustees, and before the Minister for that matter, is undoubtedly a big one, but we at least have had the benefit of perusing the legislation that has been brought down in the Eastern States, and I imagine that we have had the common-sense to side-step the principal weaknesses in those measures. We have this in our favour, too, that we in this State have a very able man indeed to administer the Act. I close my very brief remarks by expressing the hope that the House, in considering this Bill, will bear in mind that it has been brought down for the express purpose of assisting the farmers, and not with the idea of helping mortgagees. Mortgagees, we must admit, are entitled to fair play, but certainly they are not entitled to such an undue measure of protection as will defeat the good intentions of the Bill.

MR. BOYLE (Avon) [8.49]: The Bill brought down by the Minister should be supported, and I think will be supported, by members on this side of the House, but I should like to see additional clauses inserted to facilitate the working of the

measure. I agree with the Minister in charge of the Bill in the statement that the £1,500,000 provided by the Federal Government should have been put to the practical use of helping to rehabilitate the industry in Australia, and in this State in particular. The State Farmers' Disabilities Commission of 1931 said it would require £1,000,000 to put into order the working plant and machinery of the farmers of this State. It is extraordinary that money can be found by the Federal authorities for the payments due to creditors under a debt composition scheme. That is putting the cart before the horse. In five years of wheat growing we have had bounties to the sum of £12,250,000. Presumably it is now desired that the creditors of the farmers in Australia should receive an equal amount. It is very plain that the whole of the £25,000,000 went to them. We are now to receive £1,500,000. The Bill brought down by the Minister is merely to implement by State machinery the provisions of the Federal Act. In Clause 7 we find laid down the whole of the procedure to be carried out. The intention of different Ministers in control in various States of Australia is to carry out the principles contained in the Federal Act. I should like the Minister, in setting up his board, to follow the example of the authorities in the Eastern States. A Bill is now before the Parliament of Victoria that is largely on the lines of the New South Wales legislation. In both States there is decentralised control. In New South Wales supervisors appointed under the Act receive applications for debt adjustments from the farmers concerned. In Victoria a somewhat similar system has been adopted. In that State the officers are termed "conciliation officers." Anyone who has had to do with debt adjustments will realise that the word "conciliation" is rather a misnomer. I prefer the term employed by the Federal Royal Commission, namely "district debt adjustment officers." Under the South Australian Act the administration is carried out by a board, which has power to delegate its authority to a person or persons decentralised. I hope the Minister will see his way to falling into line with the procedure in the other States.

The Minister for Lands: What do they do in South Australia?

Mr. BOYLE: I have already outlined that. In the Bill I see no power given to

the board to delegate authority to anyone. The difficulty I foresee is in bringing the farmer in isolated parts into contact with the authorities so that he may be assisted to compound his debts. As I interpret the measure, it will mean that any farmer who wishes to come under the Act will have to make application to do so at a cost of £1, and for his first meeting will have to pay three or four guineas. His first cost will, therefore, be from four to five guineas before he gets a hearing. Farmers are not skilled in accountancy or in clerical work. They will therefore have to employ someone to put up their case. The work may be done in the office of the director. I foresee a difficulty that will arise if many applications reach the director simultaneously. He will have to state the cases for the board of which he will be chairman. We can assume the farmer will follow the line of least resistance, and will go to someone to prepare his case for him. That will certainly cost at least two guineas. The difficulty the applicant will have to face will be one of finance. He will have to pay the fees laid down in the Act, as well as the additional expense of having his case prepared, so that it will cost him in the vicinity of seven guineas before he approaches the board. That will not add one cubic foot to his stature. His object is to compound his debts with his creditors. He himself will derive no tangible benefit from the transaction. It is the creditor who will receive the cash. I doubt whether the farmer would have any interest in a transfer of money from the State authority to his creditors. This may assist the farmer in his operations, but it is difficult to see how it will improve his credit. One has only to look up the Supreme Court records to find that 80 per cent. of the wheatgrowers are working under liens. This means that the credit of the farmers concerned has become a thing of the past, and the term "credit" no longer exists. To show that the Farmers' Debts Adjustment Act and other relief measures are limited in their application, I would quote the case of a farmer in the central wheat belt. I accompanied this man to the director. I wish to pay a tribute to Mr. White. No officer is more fit for the work he is doing than is the director. He has done remarkably good work. He was unable to help in this case. The farmer in question in 1923 bought 5,000 acres cost-

ing £10,000. He paid a deposit of £500, the balance remaining on mortgage at six per cent. Up to 1928-29 he had paid £1,500 principal and all interest and rates and taxes. Up to the 1928-29 period he had paid no Federal land tax. In his third year, cultivating plain country he had an excellent crop. Then along came the Federal assessor and valued the block at £1, unimproved, per acre. Adjoining land of similar quality was sold for 2s. 6d. per acre. That cost the farmer £2 per week in Federal land tax that year. The road board naturally followed suit, and charged him £2 per week also. Water and other taxes took up another £2. The slump came in 1929-30. During that year the farmer put 16,000 bushels of wheat on the market, and received 1s. 9d. per bushel. His loss on that year's crop was £1,000. He had paid £2,000 in capital sums, and £5,000 in interest to date, over that period of 12 years. He now has accrued interest arrears of £1,000. He has not been able to pay the interest in full. The philanthropic creditor, an Australian life assurance society, has charged him £130, or 5 per cent., on the arrears of interest payable. He has stock to the value of £2,000 free, and he has machinery to the value of £1,500; but he finds that he can do nothing by way of transfer with either the stock or the machinery because he is in danger of a caveat being lodged on any attempt he may make to secure his wife and family. So, notwithstanding the fact that he is an excellent farmer of about 40 years' experience, he finds to-day that he can get no relief whatever, because of having only one creditor, this life assurance concern; and under the Farmers' Debts Adjustment Act he can only secure protection for 21 days, the period of the stay order. No meeting takes place, because the one creditor will not go to a meeting. Consequently the farmer is left unprotected.

The Minister for Lands: What you speak of is only the termination of the stay order.

Mr. BOYLE: That is right: after the 21 days. Action only is suspended: the debt is not suspended. It merely means that no legal process can issue against him during that term of 21 days. The creditor thus plays cat and mouse with him. Under the Minister's Bill—and that is why I am supporting the measure—the farmer can get protection thanks to that clause. He can get protection

only by the suspension, wholly or in part, of the debt. I would like to see in the Bill a clause providing—and the Minister, I think, can effect this—that the amount of interest on the corpus debt or the mortgage should not exceed 4 per cent. There is such a provision in the New South Wales and Victorian Acts. Under the Bill brought down by the Minister, that farmer's position should be better than it has been. But under the Farmers' Debts Adjustment Act this most deserving man has no relief whatever. Now, at about 62 years of age, after all the hard work he has put in and all the money he has paid by way of capital sum and interest, aggregating over £7,000, he has no protection. The Federal Royal Commission, in dealing with the debt position, used these words on page 234 of their report—

Overshadowing all other factors which influence the economic strength of the industry stands the debt structure, readjustment of which is unavoidable.

In my opinion the debt position can be attacked, but will not be influenced by this Bill while there is no system of compulsion behind. Consider the debt structure of the wheatgrowing industry to-day. It is surprising, and doubtless hon. members will be astonished, to learn that 90 per cent. of it is secured, and that of the 90 per cent. which is secured 33 per cent. is owing to Government organisations and State banks. May I digress for a moment to urge upon the Minister for Lands the introduction, if possible, of a certain provision into the Bill? I understand that the Federal Government will not allow State Government instrumentalities to benefit at all by the compounding of debts due to the State. But this State of Western Australia is in a vastly different position from the Eastern States. For instance, the Western Australian Government to-day are owed tremendous sums for water supplies. Western Australian local authorities and road boards to-day are owed big sums for arrears of rates. I am of the opinion that our Government should be relieved of some of the pressure in that regard. I hold that some of this money could rightly be applied to the reduction or compounding of those particular debts which are more important, as they fill, in the case of water supply for example, vitals needs of the farmer, than debts which are more or less moribund, a good many of them having reached the stage of being statute-barred. As I said before, evidently the Federal Government are to-day

showing towards farmers' creditors a degree of benevolence that is not warranted by facts. The instrumentalities I have mentioned should have a prior right, as moneys coming into the hands of the Government will be available again to the farmers. Instead of that, the administration is thrown upon the State Government. I do not view that circumstance with unnecessary alarm, for the simple reason that the men to-day under the Farmers' Debts Adjustment Act of Western Australia number 418. The number of farmers in Western Australia approximates 20,000, because this legislation takes in all types of farmers. If there is to be any adjustment of their debts, and if they are each to pay four or five guineas, the cost of administration will be largely covered by that provision. In the debt structure as laid down by the Federal Royal Commissioners, Government organisations and State banks in Australia—I am speaking of the wheat industry only, there being no authentic figures available for other industries—are owed £50,000,000, or 33 per cent. of the total. Joint stock banks are owed £33,000,000, or 22 per cent. Life assurance companies are owed £14,000,000, or 9 per cent. Private mortgagees are owed £38,000,000, or 25 per cent. That accounts for 89 per cent., all secured. Unsecured and partly secured debts represent £10,000,000. That is as regards the wheat industry. Dr. Earle Page estimates that unsecured debts in the whole of the farming industry of Australia amount to £50,000,000. I think that in the course of a speech Dr. Earle Page estimated that 5s. in the pound, or the absorption of £12,000,000, would lift a load of £50,000,000 off the shoulders of the farmers, this representing mostly unsecured debts. I think the figure was fixed rather high. If the wheat industry owes to unsecured and partly secured creditors an amount of £15,000,000, I cannot see where the remaining £35,000,000 is owed by other farming interests. I do not desire to delay the House much longer, but I would ask the Minister to grant facilities to farmers who are developing their holdings in districts remote from the city. Western Australia is the largest State of all, and our farming activities stretch from 70 miles north of Geraldton to Albany in the south, a distance much more than twice that of the extent of the farming areas, from north to south, in, say Victoria. The provi-

sion of district debt adjustment officers to assist the farmers need not cause the Minister any perturbation because it has been done in New South Wales and Victoria while South Australia has been magnanimous in that under Section 29 of the Act passed in that State, no repayment of the amount advanced is required from the farmers. That is the gift of the South Australian Government to the farmers. Under the legislation passed in New South Wales and Victoria and in accordance with the provision of the Bill under discussion now, repayment of the advances made is necessary. There is one difficulty that will interfere with the operations of the measure, and that arises from the fact that it is necessary, in advance, that the mortgage document be placed under a further charge for the amount furnished to the farmer concerned. To sum up the position, the farmer will reap no benefit directly from this advance; the farmer has to pay the cost of administration in the charge that will be levied against him and, finally, his security will be further loaded to the extent of the amount advanced to him. After the lapse of three years when the repayment of advances has to commence, on payment of a search fee, documents will be open for inspection, and those documents will be inspected. It will be found then—I presume the Government will require some priority in respect of the repayments; they will be entitled to claim priority, but whether they take that step is another matter—that the security of the farmer has been loaded to the extent of the advance. I do not desire to say anything further. I proffer the Minister any assistance that I can render to make the lot of the man on the land perhaps less hard than it has been in the past.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet—in reply) [9.13]: There is not a great deal to reply to. I notice that members have not expressed any great dissatisfaction with the Bill before the House. The Leader of the Opposition did criticise the measure to some extent.

Mr. Stubb: That is his job.

The MINISTER FOR LANDS: Of course, he regards that as his job. I have felt that all along; I felt that he believed he should live up to the expectations of the

community. I do not think he or I should bother further about discussing the recommendations of the Federal Royal Commission on the wheat, flour and bread industries, because it will not be helpful. When I moved the second reading of the Bill, I stated the facts, and I repeat now that my objection to the Federal legislation is that it does not comply with the recommendations of the Federal Royal Commission. The provisions of the Act do not express what the Royal Commission desire, nor do they embody what the Royal Commission said was necessary to rehabilitate the farming industry of Australia. The Leader of the Opposition suggested that the money to be distributed would be of great assistance to the farmers; it will be of great assistance to their creditors.

Hon. C. G. Latham: I did not say it would be of great assistance.

The MINISTER FOR LANDS: I do not deny that the creditors are entitled to something, particularly the country storekeepers who made great losses during a trying period. Claims will be lodged by many other creditors, but they always provide for business losses, and I think that a majority of the big trading concerns can show a profit every year. Probably they carry on their business more effectively. The country storekeeper very often mixes sentiment with business, and as a result suffers severely with regard to debts owing to him. It will assist those creditors to some extent but, as I said when I moved the second reading, this will provide a fine investment for the banks. They will be able to invest £12,000,000 in the best security available in Australia, and the banks prefer to invest their money in that direction rather than in any other form of business. In those circumstances, this legislation is a gesture of goodwill to the banks, and those institutions are entitled to it, because they have played a very big part during the twelve months, particularly at the last Federal elections. Now, this is the price of their support.

Mr. Patrick: Do you propose to allow road boards and municipalities to participate?

The MINISTER FOR LANDS: I hope they will. I can see nothing in the Bill to prohibit them. I assumed, from the discussion that took place at Canberra, that they will do so.

Mr. Patrick: The Federal Act enables them to do so.

The MINISTER FOR LANDS: I do not think it expressly provides for them.

Mr. Patrick: Yes it does, expressly.

The MINISTER FOR LANDS: At any rate, the Bill before the House does not shut them out. The Leader of the Opposition assumed that the suspension of the debts of the farmers would assist their credit. I assume the contrary.

Hon. C. G. Latham: The debts would be discharged, not suspended.

The MINISTER FOR LANDS: I assume that if the Leader of the Opposition were a creditor and the debt owed to him by a farmer were suspended, he would give that farmer more credit?

Hon. C. G. Latham: But the Bill will discharge the debt.

The MINISTER FOR LANDS: No, it will not; it will suspend debts.

Hon. C. G. Latham: But it discharges portion of debts.

The MINISTER FOR LANDS: The Federal Act provides for, and the Bill under discussion proposes, the suspension of any portion of a debt, secured or unsecured, and the suspension of that debt for any period. Will a creditor, whose debt owed by a farmer is suspended in that way, give that farmer more credit?

Hon. C. G. Latham: But the £1,300,000 will be used to discharge some of that indebtedness.

The MINISTER FOR LANDS: Some of the indebtedness may be discharged, and the rest may be suspended. That is the position.

Mr. Patrick: Probably they will suspend the unsecured debts.

The MINISTER FOR LANDS: Can the Leader of the Opposition imagine that any creditor, who finds his debt suspended, will give the farmer concerned more credit? Of course he will not. The effect will be that credit will be frozen up, and the Leader of the Opposition knows that full well. The Leader of the Opposition contended that the suspension of debts would probably give the farmer more credit. The Director of the Farmers' Debts Adjustment Act once said that pressure was brought on him to suspend debts, but that he had reasoned it out and knew that it would do more harm than good. I think he was right. The State may bene-

fit to some extent by the distribution of this money, but I cannot see how the State is going to benefit by taxation. The Federal Government will get most of the money back in Customs dues, primage duties, and sales tax: the State may get a proportion, but it will be a very small proportion indeed. And in three months all this money will go back to the coffers of the banks. This money will hardly have been distributed when it will go back into the coffers of the banks. If there is one branch of business in Australia to which this is good business, it is the banking industry.

Mr. Marshall: Yes, the banks never lose.

The MINISTER FOR LANDS: This 12 millions of money will all go back to the banks from which it came. The Leader of the Opposition said the Commonwealth Government did not enforce the suspension of State debts. I say that in effect the Commonwealth legislation does that. It provides as follows:—

That no grant shall be made under this Act to a State until there is in force in the State legislation constituting an authority empowered on application being made to it, and at its discretion to take action having the effect of suspending wholly or in part the rights of any secured or unsecured creditor of a farmer against the farmer.

Before the State can get a penny of this money it has to pass that legislation. Until then the money will be withheld. If the Commonwealth Government are not enforcing their will in that provision, I should like to know how their will is to be enforced. It is provided definitely that the State cannot get a penny of this money until the State enacts legislation giving an authority power to suspend the State debts. And this authority can suspend all the State debts, whether owing to the Water Supply Department, the Lands Department or the Agricultural Bank. Those debts can be suspended and the State will not get a shilling of relief. I reiterate the expression I used when moving the second reading of the Bill: I regard it as an impertinence for any Government to insist that any other Government shall appoint an authority to suspend debts owing to that Government. The hon. member also referred to the conditions laid down in the Federal Act as being analogous to the Agricultural Bank Act. With this distinction, that we here authorise our own authority to do what they wish with our own debts.

We take the responsibility for that. We gave the Agricultural Bank power to discriminate, but in that we took the responsibility. It was our responsibility to take, but the Federal Government sidestep their responsibility and put it on to us. "Do this," they say, and we have to do it. We are asked to take the responsibility of discriminating between applicants, but I say it is their business, not ours. I do not agree that they ought not to be called upon to do this work. The Federal Government would not have to create authorities in this State, for they have their authorities here already. It would not be our responsibility, except that willy-nilly we have to accept this money. Without that we would not think of assuming this responsibility. I have no objection to the payments starting in five years' time.

Hon. C. G. Latham: I did not say that.

The MINISTER FOR LANDS: I think the hon. member said he would like to have it extended.

Hon. C. G. Latham: No, I said that suspension should last five years instead of three years.

The MINISTER FOR LANDS: This is another matter. We have to be very careful about that, for it might do more harm than good. We may wish to suspend for a longer time, but we might be destroying the credit of our own people, and so their last state might be worse than their first. I hope members will not make a party issue of this and put up the farmers against the Minister or the Government; for we are not standing in to that extent, we do not regard the Bill as being sufficiently important to quarrel about. Members must have regard to their own responsibilities, because any unwise action will have far-reaching effects. The member for Avon (Mr. Boyle) is not in accord with the Leader of the Opposition. I suppose he represents the left wing of the party.

Hon. C. G. Latham: There is no left wing in our party.

Mr. Marshall: There is no wing left.

The MINISTER FOR LANDS: The hon. member's speech is almost in contradiction of that of his Leader. However, the hon. member expressed his opinion, and I am glad he has the courage of his opinions. I do not fear that it will be as difficult as he thinks to administer the Act by the Farmers'

Debts Adjustment Board. The Leader of the Opposition suggests that the benefits of the Bill will be chiefly confined to wheat-growers. That is not so, for any person engaged in any rural industry can apply for relief.

Hon. C. G. Latham: The question is, who is going to get the benefit; that is what I said.

The MINISTER FOR LANDS: Yes, but the wheatgrower will not get all the benefits. There are pastoralists in this State who, if they wished to apply, would be entitled to the benefit of relief from debt.

Hon. C. G. Latham: I did not say they would not.

The MINISTER FOR LANDS: Probably they are as badly off as any other section of the community, but they do not make a noise about it; they do not advertise their position. I am sure of that from what I know of them.

Mr. Patrick: They will get a good price for their wool this year.

The MINISTER FOR LANDS: But if they were judged by the debts they owe, quite a lot of them could be afforded relief under this measure. Still, quite a number could not qualify. Similarly a great many farmers will not be entitled to relief. I suppose that the men who do not get relief will have a grievance. A bad feature is that the farmers who are clients of the Agricultural Bank, and a majority in this State are, will get no relief so far as their Government debts are concerned, not a shilling. Farmers who are under private banks will get relief, but not a shilling will be available for those who are clients of the bank. Mark that distinction! A farmer indebted to a private bank will get relief—

Mr. Seward: I bet he will not.

The MINISTER FOR LANDS: But a farmer indebted to the Agricultural Bank will get no relief so far as secured debts are concerned. Is not that unfair legislation? If the secured debts of a number of farmers who apply for relief under this measure are not written down, their position will be hopeless. One member wanted to know how the new mortgage would be secured. That is not worrying me: it is not giving me a headache, and I do not think it is a point that need concern anyone else, either.

Hon. C. G. Latham: It would affect a farmer's credit if you insisted on a primary mortgage.

The MINISTER FOR LANDS: A farmer's credit will be no different from what it was when he was taken in hand by the trustees. I do not think his credit will be improved very much.

Hon. C. G. Latham: You can tell the House whether it will be a first, second or third mortgage.

The MINISTER FOR LANDS: I will tell the House, but I say now that the question of the mortgage is not worrying me. It could not be a primary mortgage.

Hon. C. G. Latham: You took a primary mortgage under the Wire Netting Act.

The MINISTER FOR LANDS: Yes, where the prior mortgage allowed it, and only then. The wire netting mortgage operates prior to the first mortgage only with the consent of the first mortgagee.

Hon. C. G. Latham: A farmer would not get netting without it.

Mr. Seward: Of course he would not.

The MINISTER FOR LANDS: That will not apply in this instance.

Hon. C. G. Latham: That is all right.

The MINISTER FOR LANDS: The creditors will get the money, and there will be no difficulty about the mortgage. One member spoke about conciliation officers. I have not much faith in conciliation officers in matters of this kind. There may have been a conciliation board under the Arbitration Act that brought about a settlement of a dispute, but it was the exception for that to happen. In most instances the dispute was carried to the final authority.

Hon. C. G. Latham: They have done a lot of good.

The MINISTER FOR LANDS: The passing of this measure will mean a struggle between the interests concerned—the creditors trying to get all they can and the farmers trying to get the best deal they can. That struggle will not be settled by conciliation officers. Appeal will always be made to the final authority. Consequently, the decision might well be left to the final authority. The Leader of the Opposition pointed out that the Bill leaves plenty of scope for providing for regulations. That is so, and I hope the House will not attempt to make amendments that may not be necessary.

Question put and passed.

Bill read a second time.

House adjourned at 9.37 p.m.