Legislative Assembly,

Wednesday, 6th December, 1939.

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

QUESTION—PULP AND PAPER.

As to Proposed Company.

Hon. C. G. LATHAM asked the Minister for Labour: When will the information re the proposed pulp and paper company, submitted by Mr. W. Dearden, of Melbourne, receive consideration?

The MINISTER FOR LANDS (for the Minister for Labour) replied: The information supplied by Mr. W. Dearden has received consideration.

QUESTION—RAILWAYS.

Axles for "S" Class Engines.

Mr. STYANTS asked the Minister for Railways: Will he place the matter of the increase of 66 per cent. in the price of the axles for the proposed new "S" class engines, compared with the price of axles for the River class "P" locomotives, in the hands of the Price Fixing Commissioner for investigation?

The MINISTER FOR RAILWAYS replied: The price of steel and wages has increased considerably since the "P" class axles were supplied three years ago, and as tenders were accepted for "S" class in June last, the Price Fixing Commissioner would have no jurisdiction.

PERSONAL EXPLANATION.

Minister for Railways and Freight on Wheat.

The MINISTER FOR RAILWAYS: I desire to make a personal explanation. In "Hansard" of the 30th November appears a report of some remarks I made on the Railway Estimates, which states, inter alia, that the average freight on wheat would be increased by slightly less than 2d. per 100 lbs. I was referring to the "C" class rates on which a small increase had been made, and stated that taking Kalgoorlie as an example, the effect would be an increase of 4d. on 100 lbs. weight or one-twenty-fifth of 1d. a lb. of any commodity affected by the increase, Kalgoorlie being 375 miles away from Perth. I also said the average haul of wheat was about 135 miles, which meant that the average farmer was about that distance from the source of his supplies, so that the increased cost of the transport of groceries on the "C" class rate would be about one-fiftieth of a penny on 1 lb. of any commodity affected, which was infinitesimal. My remarks, however, have been interpreted to mean that wheat would be affected to the extent of about 2d. increase per 100 lbs.—an entirely erroneous impression. As a matter of fact, there has been no increase of any kind on wheat haulage by the Railway Department. The Government has shown by its many efforts a desire to give the utmost consideration to the wheatgrower, and it seems incredible that anyone could think that any Government would select the present time, when the wheatgrower is in serious difficulty, to impose an additional freight charge on wheat. This certainly is not the case, and I hope there will be no further misconception on the matter.

BILL—COMPANIES ACT (LITCHFIELDS LIQUIDATION) AMENDMENT.

Leave to Introduce.

HON. C. G. LATHAM (York) [4.36]: I move—

That leave be given to introduce a Bill for an Act to enable certain holders of selective security certificates issued by Litchfields (A/sia) Ltd. to apply to the court for the winding-up of the said company under the provisions of the Companies Act, 1893-1938; to make certain provisions relating to the hearing of the petition and the winding-up and distribution of the assets of the company; to define what property shall be included in the assets of the company for the purposes of the winding-up; and for other purposes.

HON. W. D. JOHNSON (Guildford-Midland) [4.37]: Surely the House at this stage is not going to make another attempt to do something that after all is not exactly the province of Parliament. If there is anything wrong regarding the company, surely we have the law of the land that can be invoked for the purpose. I cannot understand why members are making so much of this matter. I do not know Mr. Barker or anything about the company, but I do know that with regard to another activity of a similar kind, action was actually taken by the police against an individual. I took an interest in that case because I was anxious to know to what extent the police had authority to take action to prevent the exploitation of the public by a so-called security company.

The Premier: The police can take action on complaint, of course.

Hon. W. D. JOHNSON: It is extraordinary that we manufacture complaints in Parliament and that nobody outside is interested. It is strange that the individuals connected with the company are not complaining. To show what might happen where the individual is dissatisfied, I propose to tell a little story. There was another company of this kind against which, from what I understand, action was taken on the representations of some individual personally interested. Immediately the protest was lodged, the police entered the offices of the company, took possession of all the documents and stopped the company's operations. Rightly so, too. But I thought it was extraordinary for the police to take action, and so I went to the Criminal Investigation Department to inquire along what lines or by what authority action had been taken. I followed the matter through the Crown Law Department and went to the Minister, because I was determined to understand the position. I had no interest whatever in the company, but I wanted to know how far the law could operate in such cases. I am not sure, but I believe it was on account of my persistency in the matter that a select committee was appointed to investigate. The member for North-East Fremantle (Mr. Tonkin) moved the motion, and I was quite pleased when I heard him move it, because the object was to investigate matters upon which an individual thought he was being persecuted by the police. I want to record this for the purpose of demonstrating that the police had authority to intervene and stop the operations of a company that was alleged to be exploiting the public. Now I am told that that course was adopted because some individual had protested. Well, why on earth cannot the individual protest again? Why should Parliament be called in on a question of this kind, and at the tail-end of the session when nobody is in a position thoroughly to investigate and make inquiries? I am not legally educated, but I have had a long enough experience in this House to know where to go for proper advice, and I have availed myself of that advice every time anything arose that I did not clearly understand from a constitutional or legal point of view. But I cannot do that as regards the present Bill. It is a complete departure from the ordinary custom. This is not a course that is ordinarily adopted. The action being taken is extraordinary. The whole matter has been extraordinary from the very outset. We ignore the Standing Orders in regard to the introduction of the Bill, in the first place. And so it has gone on right through.

Hon. C. G. Latham: What do you mean by the remark that we ignore the Standing Orders?

Hon. W. D. JOHNSON: The hon. member had to obtain a special resolution of the House. I remember taking part in that. I took part in the discussion when the hon. member, in an extraordinary way, moved—

Hon. C. G. Latham: Moved for what?

Hon. W. D. JOHNSON: In connection with the original inquiry.

Hon. C. G. Latham: Nothing of the sort. You need to be accurate.

Hon. W. D. JOHNSON: Let the hon. member look up "Hansard." I do not remember the details; but I do remember definitely—and it is no use trying to bluff me—

Hon. C. G. Latham: I do not want to bluff you.

Hon. W. D. JOHNSON: I cannot remember the details, but I can remember an extraordinary proposal coming before this Chamber. I can also remember a discussion regarding the special resolution.

Mr. Thorn: And you voted for it.

Hon. W. D. JOHNSON: I voted against it. The whole thing, from the very inception, has been most extraordinary; and while I hold no brief for anyone—I know nothing about the company or about the individual—I must protest. I did not know anything about the individual in the previous case. However, I do believe in common British justice; and I believe there is a proper way of doing a thing. Parliament should not be brought into a discussion of this kind, and I absolutely object to the introduction of the Bill.

HON. C. G. LATHAM (York—in reply): [4.43]: I merely wish to correct the member for Guildford-Midland (Hon. W. D. Johnson). I did nothing unusual when I asked for a select committee. I gave notice of the motion the day before, just as any other member of the House would do. The motion was discussed in the ordinary way. Therefore, when the hon. member makes such a statement as that, he misleads the House. If he will refer to "Hansard," he will know what I say to be true. He knows me well enough to be aware that I neither bluff nor put up stories that are untrue. I gave notice in the usual way on Tuesday, and I moved on Wednesday.

Hon. W. D. Johnson: What was the discussion?

Hon. C. G. LATHAM: The discussion was as to whether Mr. Barker should be permitted to—

Hon. W. D. Johnson: No.

Hon. C. G. LATHAM: I wish to correct the hon. member; and I think you, Mr. Speaker, will permit me to do so. The fact is that subsequently I came to this House and asked for a suspension of the Standing Orders in order to allow Mr. Barker to be present at the sittings of the select committee, to furnish him with a copy of the evidence, and to permit him to question witnesses. The hon. member's statement is absolutely accurate. In that connection the Standing Orders were suspended; and that was the only time they were suspended, the object being to give Mr. Barker permission to attend the hearing, to enable him to question witnesses, and that he might be supplied with a copy of the evidence.

Hon. W. D. Johnson: Can you give me the date?

Hon. C. G. LATHAM: On the 19th October I asked for this.

Hon. W. D. Johnson: What was the original resolution?

Hon. C. G. LATHAM: On the 19th October—and I cannot be more explicit than that—I asked for this, and on the 20th October it was granted. There is nothing unusual in it. I do not suppose you, Mr. Speaker, would allow me to discuss the Bill at this stage.

Mr. SPEAKER: I do not think so.

Hon. C. G. LATHAM: No. All I am doing is to ask for power which people have not got today. This is a trifling Bill, nothing like the measure that I introduced yesterday. I ask the member for Guildford-Midland to be a little patient. If he finds, when the Bill is before the House, that there is in it anything unreasonable or unfair, he can take action; and I have no doubt that he will be backed up by other members of the Chamber. I again express the hope that the hon. member will be patient enough to wait and see what are the contents of the measure.

Question put and passed.

Bill introduced and read a first time.

Hon. C. G. LATHAM: The Bill, Mr. Speaker, will not be here until a quarter past five. Therefore I move—

That the second reading of the Bill be made an Order of the Day for a later stage of the sitting.

Question put and passed.

MOTION—WHEATGROWING.

Control and Reduction of Production.

MR. SEWARD (Pingelly) [4.47]: I move—

That in the opinion of this House, as wheat-growing is the basis of farming operations in this State, and as unrestricted wheat production can only result in imperilling the solvency of the individual farmer, as well as seriously affecting the economy of the State, the Government should take immediate steps to—

(a) summon a conference of all affected parties with a view to adopting a plan for the future control of wheat-growing in the State, and

(b) convene a conference of State and Commonwealth representatives in an endeavour, through co-ordination of effort, to effect a reduction of wheat production that will impose equal action throughout Australia, and

(c) endeavour to secure through Commonwealth action international reduction of wheat production, provided that any such reduction applies with equal effect to all nations.

In a carefully prepared, informative address on the world's wheat situation which was delivered earlier in the session by the Minister for Lands, that hon. gentleman expressed the opinion that if we undertook to shape a long-term policy for wheat production in Western Australia, 50 per cent. of the wheatgrowers would have to go out of production. I do not know whether the Minister meant 50 per cent. of the wheatgrowers of the State, or 50 per cent. of the wheatgrowers of the Commonwealth. However, that does not really matter. The point is that I have to disagree with that opinion of the Minister. It is to avoid any such thing happening that I am now moving the motion. I desire to ensure that before the next crop is sown some action will be taken whereby we shall be able to curtail the quantity of wheat grown until at all events such time as world prices may enable us to resume the production of wheat on a larger scale, without any Government assistance in the shape of bounties direct to the industry, assistance to buy artificial manures, and so on. And, further, I am moving the motion in order to ensure that in arranging for any reduction in wheat production that may be agreed upon, the plan will provide that those wheatgrowers who are located in areas where pastures and water supplies are such as to preclude stock-carrying as the major activity of the farm, will be given the right to continue in wheat-growing; while those farmers who are situated in more favoured localities, where the rainfall is heavier and the growing of pastures much easier, will give up growing wheat for sale at all events. Then again, it is of course apparent to those who know the State that there are also areas which are not very highly developed, which are lacking in fences and in essential water supplies, and which consequently must—and I have particularly in mind the lakes areas extending from practically Newdegate right up to Moorine Rock, as well as other outlying areas—continue in wheat-growing so that they may be maintained in a state of production at all, since their condition will not as yet enable them to run sufficient stocks to keep the farms going. Then, again, there are areas where lack of grasses are also a preventative to the carrying of stock, and to such areas—areas which are in the developmental stage—the right to continue with wheat growing should be preserved. That is one of the major motives that impelled me to move this motion today.

To those who are not intimately concerned in or connected with wheat growing, it may appear strange that it is necessary at all to offer any inducement to people not to continue to grow a product for which they cannot receive a remunerative price. It should be remembered, however, that wheat growing in this State is the natural means of developing the land. Pastures on virgin land in this State are very poor, and so the land must be cleared and sown with a series of crops over the years in order to permit the growth of pastures to such an extent that the land will be able to carry stock. Wheat growing is the first step in the opening up and developing of our lands. One might term it the natural way; it is the easier way, although I do not suggest that farming at any time is easy work. On the contrary, it is very hard work. But having cleared the land and sown the crops, that is the end so far as human aid is concerned; the rest is totally dependent upon the weather. One frequently hears advice tendered to farmers that they should give up wheat growing and take on stock. It is very easy to make such a recommendation, but not so easy to put it into effect. In the first place, the carrying capacity of our land is, as I have already said, very small. The result is that

a farmer, in order to carry sufficient sheep to give him a return that will meet his obligations and provide a percentage of profit, must have a large holding. Speaking generally—of course there are exceptions—our land is not grazing land, because it requires to be turned over periodically so as to provide for soil aeration to promote the growth of pastures. So that if farmers turn from wheat growing to sheep, they must still cultivate the land in order to promote the growth of pastures to the fullest extent. Again, sheep require very much more attention than does wheat. The farmer must have a knowledge of stock husbandry. Many people think that sheep farming simply involves obtaining a flock of sheep and leaving them in a paddock to grow wool. As a matter of fact, the farmer's troubles only start when he buys the sheep, because he must have the necessary knowledge to tend them and so forth. If he is without such knowledge he may lose considerably more money in a short space of time than he would in growing wheat over a great number of years.

During the past few weeks or months I have frequently heard it said that the wheat surplus in the world today is imaginary. I have already referred to the speech of the Minister for Lands delivered earlier in the session. He did not spare any pains to disabuse our minds of the fact that the wheat surplus in the world today was far from being imaginary. It is real and it is something that we have to take into consideration. It has progressed—shall I say—unfavourably even since the date of the Minister's speech, because the harvest reports that have since come to hand indicate that the surplus that will be available in the world after the present harvest is reaped will be even greater than he then predicted. Some action is clearly necessary to meet this position. I ask members to recall the fact that periodically throughout the year the Government Statistician compiles figures indicating the probable yield from the coming harvest. Similar figures are compiled by Co-operative Bulk Handling, Ltd., and by wheat merchants. These figures are sent to the Eastern States and from there circulated throughout the world. At any time during the year a fairly accurate estimate of the coming harvest can be obtained.

Similar statistics are compiled in other countries by such authorities as Broomhall's and the Stanford University, which issue authoritative estimates of the progress of wheat crops. We can therefore at any time obtain an estimate of what the world yield is likely to be. I have a list of probable crop results of nearly every country in the world. I shall not weary members by quoting it, but I will make a short survey of the present position with respect to crops. Last year's disappearance—that is, the crop that was used last year, either exported or used in home consumption—has been estimated at the record figure of 3,483 million bushels, and carry-over stocks on the 1st August, 1939, at 1,080 million bushels, both figures excluding the U.S.S.R., China, Turkey and India. Even the Food Research Institute of the Stanford University has not yet dared to estimate this year's disappearance or net exports. The net exports for 1938-39 were 643 million bushels, which is the highest since 1931-32; but that authority states the world could carry on if the net exports in 1939-40 were anything from 70 to 120 million bushels less. So we find we have a surplus of 523 million bushels, which is almost equal to the high figure of 643 million bushels, the total export of wheat for the world. It is unnecessary to quote further figures to show that the wheat surplus in the world at the conclusion of this harvest will be almost equal to what would be the ordinary exports for the ensuing two years. I have been supplied with other figures recently which are reliable and which indicate the state of the world's wheat market today. Within the last two weeks, no fewer than 7,000 railway trucks loaded with wheat were standing at the head of the lakes in Canada awaiting unloading, simply because the wheat could not be stored elsewhere. The authorities have taken measures to get barges up from the coast to load the wheat and so free the trucks. That is the position in Canada. In Argentine the storage position is acute. Nearly 100 million bushels of wheat are in store, with a harvest of 238½ million bushels coming in. The port terminals are full. Wheat is stored in the country in sheds and in stacks covered with tarpaulins. Farmers are being urged to store as much wheat as they possibly can on their farms. That, I think, indicates the wheat position of the world. People pass-

ing through Spencer's Brook will probably notice surveyors commencing work on the erection of bins to store the surplus wheat that it is estimated will be held in Western Australia at the end of next year. Of course, one cannot predict what the position will be then; but wheat experts in the city estimate that if the position continues as it is at least half of this year's harvest will be stored in Australia at the end of next year unsold.

Sitting suspended from 5 p.m. to 11.15 p.m.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT.

Conference Managers' Report.

The PREMIER: I have to report that the managers appointed by the Assembly met the managers appointed by the Council, and as a result of the conference, opposition to the measure was withdrawn. I move—

That the report be adopted.

Question put and passed, and a message accordingly returned to the Council.

BILL—MARKETING OF EGGS ACT AMENDMENT.

Received from the Council and, on motion by Mr. Thorn, read a first time.

MOTION—WHEATGROWING.

Control and Reduction of Production.

Debate resumed from an earlier stage of the sitting.

MR. SEWARD (Pingelly) [11.17]: Before the sitting was suspended I was pointing out that a certain amount of next year's grain would remain unsold. We have heard statements made that the British Government has bought the coming harvest, but nothing could be farther from the truth. True, that Government has undertaken to take part of next year's harvest, but no definite portion has been sold to the British Government, or to anybody else. Consequently, we are not at liberty to say that any of the harvest in excess of requirements for home consumption has been or will be disposed of. In view of the fact that all this surplus exists, it must be recognised that to continue growing wheat in unlimited quantities, as we have done in the past, would be foolish, and it is with a view to securing some restriction of production that I have moved the motion. We have been told that some hold the view that the surplus is caused through under-consumption, and that under-consumption has been occasioned by the inability of people in different countries to purchase wheat. Statistics do not bear out the statement. In fact, for the last six years the consumption of wheat has varied very little, even allowing for the fact that prices have varied. Sometimes prices have been high and sometimes they have been low, but the consumption of wheat per head of population has not varied much. So the assertion that the surplus is due to under-consumption will not bear investigation. During the past six years the Federal Government has had to come to the rescue of wheatgrowers to a considerable extent financially. Amounts paid directly in relief for 1931 to 1939 total £3,500,000. A sum of £364,935 has been made available for the purchase of artificial manures, and in farmers' debts adjustment £1,064,000 has been expended. Admittedly, all that last-mentioned amount has not been paid to wheatgrowers, but a considerable portion of it has been so paid. The total amount given in relief is £4,930,754. Even with the expenditure of that huge amount of money, no appreciable benefit has been conferred on the wheat industry from the point of view of stabilisation. That points to the necessity for action being taken along the lines indicated.

Several factors have placed the wheat industry in its present position, the principal of which is the increased cost to the grower. He has to buy all his requirements in a high, protected market, whereas he sells his goods in the world's unprotected market. In addition, the wheatgrower has to send his wheat over long distances to the markets. These circumstances have placed him in an unfavourable position. There are portions of the State in which it is possible to engage in other branches of primary production. I refer to places that have a better rainfall than the marginal wheat areas. But before pastures can be effectively grown on that land, a good deal of clearing will be necessary. There is much timber country in that

part of the State, where the rainfall is heavy and where pastures can be grown. I do not suggest that the Government should undertake that clearing, but there is a necessity to get together representatives of the Government, the financial institutions and all those interested with a view to their co-operation, in making a certain amount of that additional land available for the growing of pastures. A good example of what can be done is to be found in the vicinity of Wooroloo. From a pasture point of view, that country is poor. In its virgin state, quite a number of acres would be required to support one cow. But recently many acres have been sown with subterranean clover, and the land presents a very different appearance from that which it presented a few years ago. That is an evidence of what can be done if we sow pastures in regions of heavy rainfall. I know of another property which also provides an illustration of the possibilities of this type of land. I recently attended a demonstration on this holding, which consists of 6,000 acres. A few years ago it carried only one sheep to every four acres, but it is confidently expected that in another year or two the property will carry 10,000 sheep. That achievement is due solely to the sowing of subterranean clover and other pastures, and the changing of that country from pure wheatgrowing into sheep and fat-lamb producing land. A creek runs through part of the property, which is alongside forest country that is not of very good quality.

I now come to the most important part of the subject. I know perfectly well that the adoption of a policy of restriction of production is not one that many people will readily embrace. Personally I was strongly opposed to that policy because I consider that when a man takes on a farm and develops it he is entitled to work it to its fullest capacity. The stern, indisputable fact remains, however, that under present conditions the farmer, in growing more wheat, is only taking himself further along the road to bankruptcy. That is what has led me to the conviction that a restriction of production is necessary. It is, however, quite possible to reduce the amount of wheat sown without any difference being made to the people engaged in the industry. If a policy of restriction is to be undertaken, the question arises as to how that policy is to be applied in the various States. Suppose, for example, that Australia decided upon a 25 per cent. reduction, it does not follow—

Mr. Lambert: That would not affect the world production of wheat.

Mr. SEWARD: I am not proposing to advocate a policy of reduction in Australia while other countries continue to produce as much as they like. With that point, however, I propose to deal later. If a reduction of 25 per cent. were agreed upon in Australia, it does not follow that each State would reduce its output to that extent. There are certain reasons why such a procedure should not be followed. Western Australia is only in the process of development, a process that has received a severe setback during the last six years owing to the fall in the price of wheat. Compared with the Eastern States, Western Australia is unfavourably placed with respect to rainfall. Victoria has been much more favourably treated by nature, inasmuch as it has a much heavier rainfall and fresh water rivers that can be utilised. Years ago I knew Victoria very well, but considerable development has taken place in the last 30 years. North of Bendigo, where I was born, wheat-growing was the main branch of the farming industry in the early days, but that has all changed. Water channels are run from the Goulburn, Murray and Campaspe Rivers, and the land formerly devoted to wheat-growing is now dairying country sown with lucerne. The southern part of Victoria is rich country devoted to dairying, and in the western district dairying and wool-growing are the main occupations.

Mr. Cross: Tell us something fresh.

Mr. SEWARD: If the hon. member can be a little patient I may be able to tell him something fresh. The point I want to make is that Victoria in these days can well afford to make a much larger reduction in wheat production than can Western Australia. If a conference were summoned by the Commonwealth Government for January or February or near the seeding time, the larger Eastern States would not be kindly disposed to the suggestion that they should agree to a larger reduction in the output than this State. If a conference is to be held it should be held in ample time so that

our representative may go armed with the facts. I do not know of anybody better qualified to represent the State than the Minister for Lands, and I wish to offer him my support in every possible way. If the matter is taken up in time he can advocate the claim of Western Australia very effectively. On the other hand, if the matter is left too long before a conference is called, Western Australia will not be in that advantageous position and will probably be browbeaten by the more heavily populated States. With regard to the point mentioned by the member for Yilgarn-Coolgardie (Mr. Lambert) I have already indicated that such a procedure should be adopted internationally. I am aware that certain conferences have already been held with a view to persuading other nations to reduce their output of wheat. An all-round reduction will have to be undertaken, and it is possible that those nations that have huge accumulations of wheat will now be more disposed than formerly to give a favourable reception to the suggestion for a restriction of production. As the House has been detained for some time through no fault of ours, I will not continue my remarks any longer.

Members: Hear, hear!

Mr. SEWARD: It is all very well for some members opposite to say, "Hear, hear." We are not responsible for the session coming to an end today or tomorrow. Some members do not appear to be interested in the farming industry and make light of a motion of this kind. If they had to live the existence the wheatgrower has experienced in the last six or seven years they would realise the necessity for altering the present circumstances, and assisting those engaged in the wheatgrowing industry to get out of their intolerable position. Those unfortunate people in the country are being besieged by creditors, and the price of wheat is down to bedrock. If the House did nothing for three weeks but endeavour to alleviate that position, it would be putting its time to good advantage. An alleviation of the position is of vital importance to the people in the country as well as to the economic welfare of the State.

On motion by the Minister for Lands, debate adjourned till a later stage of the sitting.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Council's Further Message.

Message from the Council received and read notifying that it had agreed to the conference managers' report.

BILL—COMPANIES ACT (LITCHFIELDS LIQUIDATION) AMENDMENT.

Second Reading.

HON. C. G. LATHAM (York) [11.33] in moving the second reading said: This is a short Bill containing five clauses. I accepted the decision of the House last night in connection with the other Bill. This measure proposes to give to any certificate holder in Litchfields the same right that a shareholder or a creditor has under the Companies Act. I told the House last night that any shareholder could make application to the court for the winding up of the company, and that this power was also in the hands of any creditor. The people concerned are certificate holders, and they are more financially concerned than is anyone else. The shareholders have little financial interest in the company because the whole of its paid-up capital has been depleted. Certificate holders have not only the £12,000 worth of interest, represented by the money already paid, but they have contracts for £24,000 to be paid in the future. If the company has reached the stage when there is insufficient capital to enable it to carry on, it will have to use the certificate holders' money, and will not be able to carry out the contracts entered into between it and the certificate holders. There is no compulsion about this Bill, for it only gives the right to certificate holders, if they so desire, to make the necessary application to the court. Last night's Bill provided for the compulsory winding up of the company.

Mr. Cross: Will this Bill require more than one creditor to make application?

Hon. C. G. LATHAM: One creditor or one shareholder can make application under the existing law. In this instance the certificate holder must have £100 worth of shares. That may necessitate having two certificate holders each with £50 worth, or one certificate holder with two certificates of that value. Under the Companies Act one

shareholder can make application or one creditor can do so. This Bill does not give them quite the same power as the Act gives, because we are limiting the interest of the appellants to £100 liability to the company.

Mr. Berry: Would they be fully paid certificates?

Hon. C. G. LATHAM: Not necessarily. The holders have to pay on each certificate a total of £50, but may have paid only £5 or only half of the total amount. The select committee received requests from people who wished to know what could be done to avoid payment of the balance. In practice there is no way of relieving them except by enabling them to make application to the court. There is a definite contract between the certificate holders and the company. The holders undertake to pay 10 per cent. down and make extended payments at the rate of £1 per month. It takes three years and nine months to complete the payment, or they can make yearly, half-yearly, or quarterly payments in advance. A person may pay cash for a certificate. At the end of the period the company undertook to invest the money within 90 days of the payment for the certificate being completed. The Bill provides that any certificate holder may make application to the court, but that does not compel the judge to wind up the company. The judge may hear the appellant as well as the other side, and will decide on the evidence submitted to him. This Bill is quite different from the one introduced last night, and will cost the Crown nothing. The people concerned will not be treated any differently from ordinary shareholders or creditors. If it had been thought when the company law was put on the statute-book there was any possibility of this class of business being done, I am sure that people would have been given the same right as it is proposed to confer on them by this measure.

MR. BERRY (Irwin-Moore) [11.40]: I am inclined to share the surprise expressed by the member for Guildford-Midland (Hon. W. D. Johnson) when the Bill was read a first time, as to the tenacity with which these measures keep on making their appearance. When the Leader of the Opposition was speaking last night he said, in effect, that C. O. Barker had kept within the law, and just within it. The fact that he has kept within the law is sufficient for us to assume that he has observed the law. In spite of that, the House has been asked twice to consider Bills to deal with a situation in such a way as will ensure that the utmost possible is done to hurt this man and probably hurt the company. The Leader of the Opposition also suggested that shareholders in this company were not very intellectual. He added that because they were not intellectual, it was necessary to bring down a Bill for their protection. Today I obtained a list of the shareholders in this company. To my amusement I found that these people are apparently of a type who are well able to look after their own interests. On the list I read the name of the headmaster of the Albany High School, and the names of other people whose intelligence is beyond reproach. To ask the House to accept this Bill or any other of the kind, and to ask the Government to support it, is going a little too far. I do not think it is altogether the correct procedure for the Government to follow. Apparently a certificate holder who can apply for the winding up of the company need not have made an investment of more than £5 or perhaps £10, and can then become a creditor under the Bill. By becoming a creditor, that person will be able to cause the winding-up of the company even though it is able to pay its way. The Bill gives those people who have not paid up the total amount due on their certificates an opportunity to protect the balance of their interests, provided the company is in the position we are led to believe it occupies, and it also gives them the opportunity to shoot the company to ribbons if they wish to do so. The company has obtained a good deal of notoriety, and it is possible these people have been stampeded into the belief that it is necessary to shoot the company by means of a Bill of this kind. By virtue of the certificates not being fully paid, some of these people are only part owners of shares or certificates. Serious consideration should be given to this matter by the Government. It should ask itself whether this matter should not be left entirely alone, and whether the ordinary economic laws should not decide the fate of the company. Those laws will decide its fate if the company occupies the position we are told it is in. I have read the report of the select committee. The question of

premiums was referred to. I do not think the charges made warrant the House in taking the responsibility that is entailed by this Bill. I hope the Government will consider the matter very closely before deciding to support the measure.

MR. WATTS (Katanning) [11.44]: I rise particularly to deal with some of the objections offered to the Bill by the member for Irwin-Moore (Mr. Berry). First of all no one will be taking any responsibility, except that the Bill provides certain persons with facilities to approach the court. The judge will take the responsibility on the evidence placed before him of declaring whether he will make a winding-up order or not. A judge of the Supreme Court is entitled under the existing Companies Act to accept that responsibility upon the application of a shareholder or creditor. It has clearly been established and admitted in the evidence of the managing-director of this company, that there is no other concern in Western Australia that conducts business of the kind carried on by Litchfields. In the circumstances there has arisen a class of person that is definitely and vitally concerned in the affairs of this company, that we will call "certificate-holders." They are persons who have undertaken to subscribe a certain sum of money for the so-called purchase of certificates, which, so far as we are aware or have been able to find out, do not exist in connection with any other type of company. Their position under the present Companies Act is at best ill-defined. The better point of view is that they have no position at all as regards the right, under the existing law, to make application to the Supreme Court. They are, it appears, at best only creditors in the future. Since there is no obligation on the company to repay their money until the expiration of ten years, and under the terms and conditions of the contract, payment cannot be completed before the expiration of three years and six months, then consequently, if the observations of the member for Irwin-Moore (Mr. Berry) are to be given credence, it is quite apparent, as I see it—I believe my argument can be strongly supported—that no certificate-holder can secure any return of principal for, approximately, six years. Therefore, are we not justified in saying that the certificate-holder has as much interest in the company as the holder of 50 shares of a value of £1 each, and so should be entitled to approach the Supreme Court and ask for a liquidation order? That is the whole basis of the Bill. The object is to clarify the position of the certificate-holder, who is not a shareholder, has no right to attend shareholders' meetings and cannot protest at such meetings against what is being done, even if he wishes to do so, for the simple reason that he is not a shareholder and has no right to attend such meetings.

Mr. Lambert: But he is in the same position as a debenture-holder in any other company!

Mr. WATTS: That is questionable. What is the difficulty that faces the member for Irwin-Moore? Is he reluctant to allow a judge of the Supreme Court to determine, on the application of one of these certificate holders, whether this company should be wound up or allowed to continue? In the course of his remarks, the hon. member made reference to a desire to "shoot the company to ribbons." I think those were his words. May I suggest to him that, from the shareholders' point of view, there is ample evidence—it has been disclosed as fully as possible in the report—to indicate that the company is "shot to ribbons" already, because there remains little, if any, of the capital that has been subscribed by the shareholders. What inclination would they have to take any action to try to recover from the company something that does not exist? I do know of a very definite desire on the part of certain certificate-holders to have this matter further inquired into with a view to preserving their money, or so much of it as exists at the present time, under conditions as they find them? In addition there is a desire on their part to get back a great portion, if not the whole, of what they have paid. The member for Irwin-Moore further said that the Leader of the Opposition, in referring to this matter last evening, remarked that the managing director had kept within the law. I think a reference to "Hansard" will prove that the Leader of the Opposition said that the gentleman in question had kept within the company law. I suggest there is a substantial and significant difference between those two phrases. I submit that if the member for Irwin-Moore takes the trouble to read carefully the report of the select committee, he will find that the Leader of the Opposition has been more than fair in the

reference I have mentioned. The opinion of a legal practitioner, far more eminent than myself, is to be found attached to the report and the only question is whether his opinion regarding breaches of the law is not the correct one. I suggest that the member for Irwin-Moore read the select committee's report a little more carefully before he expresses an opinion on the other aspect of the law in relation to this particular company and its managing-director. Let him do that before he expresses the view that every aspect of the law has been complied with.

In that regard every member of the committee—I believe I can say there is unanimity on the point—has very grave doubts. That is the reason underlying the committee's recommendation embodied in the Bill, which was submitted to the House last night and which was far more drastic in its application. In the circumstances of the case, I can see no objection to the present proposal to place the responsibility for the liquidation of this company entirely upon a judge of the Supreme Court. He is the person best entitled, whatever else in my view, may be said to decide upon the position of the company from the standpoint of the certificate-holder, who, as I have already pointed out, has no rights as a shareholder, cannot attend shareholders' meetings or exercise his vote. In fact, he cannot avail himself of the ordinary privileges of a shareholder. He is at best only some kind of creditor, a state of affairs that, so far as I know, does not exist, and is not likely to exist, in connection with any other company in Western Australia. It is essential, therefore, that there shall be some special provision for dealing with the situation. One of my constituents in the Katanning electorate came to me on Monday last after having read the report of the select committee. He said he hoped that steps would be taken to wind up the affairs of Litchfields because he now realised that he was in a most difficult and almost intolerable position.

The select committee took the trouble to attach to its report a copy of one of the relevant booklets dealing with this matter, and also a copy of the selective security certificates. The latter document provides that if instalments are in arrears without the consent of the company, which, it is expressed, shall be given only in the case of unemployment or ill-health, the company may, at its option, forfeit the certificate. As pointed out in the report of the select committee, the managing-director likens Litchfields to a savings bank. He suggested it was a means of saving the instalments paid by those who, more or less, were poor, possibly with a view to having a lump sum for investment. As the committee pointed out in its report, if that was the managing-director's views, then the method adopted of forfeiting instalments that had been paid because no further money was forthcoming, made the securities certificate position decidedly inferior to that of a savings bank. So we find that under the conditions attached to the security certificates, if the holder does not continue to pay instalments, the money that he has already paid may be forfeited. The select committee has evidence that a total amount of £1,200 has, during the last two months, been forfeited on that basis. On the other hand, the security-certificate holder finds himself in this position: He has already paid a substantial amount, and if he goes on paying, he has no guarantee that he will get his money back.

The select committee was indebted to the Chief Inspector of the Audit Department for his calculation, on the basis of the evidence, of the value of the shares that were used as backing for the security certificates, disregarding altogether any funds paid in by the certificate holders that had not been invested. As members will note from the findings of the select committee, those calculations show that there has been lost since the inception of the company, in trading in those shares, a total of £796 4s. 5d. The auditors of the company, in making their report, pointed out that £865 of the selective security certificate holders' money—those are the people who have not the rights of shareholders—had been absorbed in the carrying on of the business of the company. So we find a total of £1,661—I venture to say that the figures I have quoted will be found quite reliable—has already gone so far as the certificate-holders are concerned, and apparently £1,200 has been made up by the cancellation of overdue certificates, leaving an amount of £461, and that is the basis in respect of which the certificate-holders are

still short. Are those certificate-holders to be left without remedy, without rights, and without means of making an application for the liquidation of the company, if they feel disposed to apply for such an order? I say most definitely it would be unfair—I believe this House will agree with me—if we refrained from according them that right. Furthermore, we find that Litchfields is under the control of three gentlemen. One, unfortunately, has been in hospital suffering from a fractured skull. According to the information before us, he will not be available for business for some time to come. The select committee could not interview him. As to the second director, reference is made to him on page 12 of the report. His ignorance of the affairs of the company was apparently colossal. When asked where the company got its income from, he said, "I suppose it has ways and means." When asked what was the business of the company, he said it was the financial advisor to Litchfields, that is, to itself. I submit that that gentleman is hardly suitable to be left to look after the affairs of the security certificate-holders, who are not entitled to representation at meetings of shareholders of Litchfields.

Mr. Lambert: That is not the only company. What about the company where the shareholders lost £4,000,000?

Mr. WATTS: I do not care what they may have lost. We do not want a repetition of that sort of thing.

Hon. C. G. Latham: And that is not the only instance.

Mr. Sampson: Manganese!

Mr. Hughes: The member for Yilgarn-Coolgardie cannot blame me for bringing up that matter this time.

Mr. SPEAKER: Order!

Mr. WATTS: I am not dealing with that phase. As to the third director, who is managing director, I do not intend to say any more about that gentleman. I have explained to the member for Irwin-Moore what my understanding of the position is in the fairest terms possible. I have explained to him what I think he will find was the correct situation regarding the matter dealt with last evening. I do not think there is any doubt whatever, or at any rate no reasonable doubt, in the minds of the select committee, who were unanimous in their findings, that the security certificate-holders are at least entitled to be given the right, and to be certain of their possession of that right, to apply to the Supreme Court for an order for the liquidation of the company. I trust this House in the circumstances, will not deny them the right to take action if they consider that action ought to be launched. One objection to the measure that was introduced last night and ruled out of order, no doubt was the fact that it did not give those persons who had financial interests in the company authority to take action if they thought fit. The present Bill does not go to that extent. It simply provides that the selective security certificate-holders may have the same rights as a creditor or a shareholder in a company. I am satisfied there can be no valid objection to that in the circumstances attached to Litchfields, which is the only company that is now carying on, and is the only one that has ever carried on business of its kind, in Western Australia.

MR. LAMBERT (Yilgarn-Coolgardie) [12.0]: So far as I can see there is really no special need for legislation of this description. I know nothing about the constitution of this company.

Mr. Watts: That is apparent.

Mr. LAMBERT: Its debenture holders stand in exactly the same light as debenture holders in a company that may be formed consisting of, say, 10,000 shares.

Hon. C. G. Latham: There are no debenture holders.

Mr. LAMBERT: Debenture holders have no control whatever over the affairs of a company so long as their obligations are met; and it would appear from the report of the select committee that the obligations of this particular company have been met. As the member for West Perth (Mr. McDonald) or the member for East Perth (Mr. Hughes) can tell the House, there are companies operating in this State that have issued preference shares and debentures the holders of which have no control over the affairs of those concerns. In Western Australia we have knowledge of the fact that a total of £4,000,000 or £5,000,000 has been totally lost by companies operating in this State. Never a word has been said about those losses. While I am not seeking to excuse those who were operating companies and probably operating them on unsound

lines, at the same time, if we are going to deal with one company, we should deal with the lot. The Companies Act, as we all know, is quite out of date. As the member for West Perth can tell the House, after registering a company and operating under Table A of the Act, anything and everything is possible. The only thing I regret is that the time is so limited that we have not had the opportunity to review the Act in the hope of bringing it up to date and in conformity with the companies legislation existing in the other States of Australia. It would then have been necessary before a company could be launched, to subscribe to a definite object.

Mr. Hughes: Would you make them all pay £1,250 in stamp duty for a start?

Mr. LAMBERT: I know I had the displeasure of paying that when I registered a company. The Leader of the Opposition will be well advised to allow this matter to stand over until later in the session, because I understand there is a possibility of a session in the new year.

MR. TONKIN (North-East Fremantle) [12.5]: The company which was the subject of an investigation by a select committee in this State was very similar to those which operated in New Zealand. The companies in New Zealand flourished for a period of from eight to ten years before the legislature took any notice of their operations. When the authorities there woke up to what was taking place, the matter was treated as one of urgency by the Parliament of the Dominion, the Standing Orders were suspended, and Bills were put through all stages at one sitting. It can be shown that the investigations that were carried out in New Zealand took four phases. When it became known that something was happening in regard to the investment companies and that their conduct was against the public interest, Parliament appointed a commission of inquiry to investigate the formation of those companies and their method of carrying on business. After that inquiry had been going on for some time, the Commissioners thought the matter of such importance that they issued an interim report to Parliament. Then Parliament, without waiting for the final report, immediately took action and passed what was called the Companies Special Investigation Bill. That permitted of an investigation by experts which commenced immediately. That committee had greater power than the original commission of three members. The next step was to pass what was called the Companies Temporary Receivership Act, which made provision for the taking over of the assets of those companies, in order that the interests of the shareholders and debenture holders should be safeguarded until the inquiries were completed. The fourth step was the introduction of the Companies Special Liquidation Bill, which made provision for all those companies to be liquidated. Members can see quite clearly what happened. The operations of the company in Western Australia are very small compared with the operations of the various companies in New Zealand. Those who were associated with the New Zealand companies dealt in millions. There was one company with a share capital of about £50,000 and it set out to raise debentures to the tune of £4,000,000. So it was no wonder that the New Zealand Government treated the matter as urgent and rushed legislation through Parliament. I find on reading the reports of the Commissioners who carried on the investigation in New Zealand that the method by which these companies were run was very similar to that on which the company in Western Australia which has been the subject of investigation has been carried on. The big weakness in the constitution of the company in Western Australia is that there is no safeguard whatever for the debenture holders or the selective security certificate holders, who have the greatest amount at stake. I should like to read to the House the recommendations of the committee of inquiry in New Zealand. The object was to safeguard the interests of the debenture holders, who had no say whatever in the management of the companies. These recommendations are of the greatest importance, indicating as they do the trend of thought of the Commissioners who dealt with the matter. The first recommendation was—

> That every investment company issuing debentures or contracts in series shall be required to appoint a trustee for debenture holders.

Litchfields had no trustee for the debenture holders.

> Secondly: In the case of such companies as do not at present have trustees, the first trustee shall be appointed by the court from

a panel selected by the company, such appointment to be made within a period of six months from the legislative adoption of these recommendations. If the company does not so apply within the said period of six months, any debenture-holder may thereafter apply, and the court may appoint such trustee as it thinks fit; the costs of this application to be borne by the company.

Thirdly: That debenture-holders shall be given adequate powers in regard to dismissal and election of trustees.

Fourthly: That investment trusts shall, in their trust deeds, make adequate provision for the summoning and holding of meetings of debenture holders, and the exercise of voting powers.

There is no such provision with regard to Litchfields. Its certificate holders are not able to call a meeting and they have no voting power and so are not able to do anything. The next recommendation of the New Zealand Commissioners was—

That the debenture-holders in investment companies issuing debentures in series shall be entitled to elect at least one director.

The object of this is, of course, to give them some say in the management of the affairs of the company. No such provision exists in the case of Litchfields. The next recommendation was—

That trustees for debenture-holders in an investment company issuing debentures in series shall have full power to inspect the portfolio of investments at all times.

That is a very reasonable safeguard and it is entirely absent in the case of Litchfields. The next recommendation reads—

That debenture-holders in such companies shall have power at a general meeting of debenture-holders to appoint an auditor for debenture-holders upon the terms and subject to the conditions on which shareholders may, under the Companies Act, 1933, appoint an auditor.

So it is clear that the Parliament of New Zealand was asked to make provision to give to the debenture holders, who had a far greater stake in the company than the shareholders, the same rights as those possessed by the shareholders. That is what the Bill now before the House seeks to do—to give to the certificate holders the same rights as are possessed by the shareholders: nothing more. I claim that as the security certificate holders are the only people with anything at stake in Litchfields, they are entitled to that which the Bill is intended to give them. The shareholders have lost all their money and it is against their interests definitely to wind up the company, because if it is wound up they will get nothing. As we know, hope springs eternal in the human breast, and the shareholders imagine that if the company continues there may come a time when it will be possible for them to get something back. Consequently, it is expected that the shareholders will attempt to frustrate the winding-up. But the security certificate holders, who have a chance to get something back, have no remedy at all. There is no action they can take to bring the company to an end and so save the position. I am satisfied that there is no future at all for this company and it would take nothing short of a miracle to put it on an even keel. The longer it continues the less money will there be for the selective security certificate holders. It is the duty of Parliament to safeguard the investing public from further losses. Before concluding I want to make one quotation from the report from which I have already read the recommendations. It refers to investment trust companies and says—

When transplanted to other countries, the investment trust idea has frequently been modified in such a way as to violate the principles which are laid down as axiomatic in Great Britain, and to make the investment trust a source of grave danger instead of an instrument of financial progress.

I feel that that is what has happened in Western Australia. We agreed that the underlying idea in Litchfields company is a very sound one, that the diversification of investments will safeguard the interests of investors and will ensure for them something over and above ordinary bank interest. Unfortunately, however, whilst the basic idea is sound, the method of running the company in question was a material departure from the principles laid down, and it is because of that, and because I am certain that Litchfields has no future, that I am prepared to take the step of placing in the hands of the security certificate holders the same power as is possessed by the shareholders.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Marshall in the Chair; Hon. C. G. Latham in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Certificate-holder to be deemed a creditor and may present petition:

Mr. McDONALD: The intention of the draftsman was probably that two or more security-holders might join in order to provide the qualification of £100, but I doubt whether that will be sufficient. The Bill might mean that each security-holder who files a petition in the court must himself have £100 as his undertaking to the company. I gather that all the security-holders are people who have put in for securities of £50 or less.

Hon. C. G. Latham: The £30 certificates were issued in 1936.

Mr. McDONALD: In order that there may not be any undue limitation of the security certificate holders able to take advantage of the Bill, I move an amendment—

That in line 4 the words "one hundred" be struck out with a view to inserting the word "fifty."

Hon. C. G. LATHAM: While I have no objection to the amendment, its adoption would necessitate reprinting the Bill, and the desire is that it should reach another place without amendment. Arrangements could be made to have the amendment inserted in another place, and thus obviate delay.

Mr. McDONALD: In view of the explanation I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clause 4—Evidence to be admitted by the court:

Mr. HUGHES: According to the clause, evidence taken by the select committee, on the certificate of the chairman, must be accepted by the court as evidence. To direct a tribunal that is to conduct a judicial investigation that it must accept this evidence would be improper, particularly as the evidence was not taken according to the rules of evidence. At the hearing, Mr. Barker was privileged to attend and call witnesses to give evidence on his behalf. He was privileged to question them, and when they did not answer as he desired, he promptly said, "You are a liar." All that is in as evidence.

Hon. C. G. Latham: It would not be regarded as evidence.

Mr. HUGHES: Mr. Barker occupied a specially privileged position before the select committee. He was allowed to attend the sittings, call what witnesses he liked, examine and cross-examine his own witnesses and abuse them if they did not give the evidence he wanted. Every witness that did not testify as he desired was promptly told by Mr. Barker that he was telling lies. Other people whom Mr. Barker was attacking were not allowed to be present or to examine witnesses. Therefore Mr. Barker was able to make wild charges, which the party concerned had no opportunity of refuting.

Mr. Thorn: And you all voted to give him that privilege.

The CHAIRMAN: Order!

Mr. Thorn: And you left me alone.

The CHAIRMAN: The hon. member will not have many privileges during this sitting if he does not obey the Chair.

Mr. HUGHES: Other witnesses had not an opportunity to cross-examine Mr. Barker or adduce evidence to refute what he said. Yet such evidence has to be accepted. Let me give one illustration, though I must apologise for its being a little personal. Mr. Barker called me as a witness. God knows why! I do not know. During the course of his cross-examination, he referred to a confidential conversation I had had with him. I did not care whether the world had a verbatim report of the advice I gave Mr. Barker at that interview. He said, "Did not you make a proposition to me on behalf of a party?" I replied, "No." I asked the chairman, in view of the fact that Mr. Barker had brought to the notice of the committee what purported to be a confidential conversation, whether Mr. Barker would give me permission to disclose what took place, but he refused point-blank. He said, "No, I am not going to allow you to give your version of what took place, because you will tell lies. I will tell the committee myself, and will tell the truth." Later on Mr. Barker again took the opportunity of telling the select committee that I had said at the interview that if he retired from politics, some party would say no more about it. He deduced from that statement that the party I referred to was a political party, when he knew quite well that the party I referred to was the police. The unfair part was that in the confidential conversation he was getting good advice for his own benefit.

The Minister for Labour: And free of cost.

Mr. HUGHES: Yes. The great mistake of giving people free advice is that nine-tenths of them do not appreciate it. Mr. Barker was able to get before the select committee what he said took place, but his statement was not true. Whilst he had the opportunity to violate the secrecy of that interview and give his version, he was able to deny the other party the right to say what took place. Under this clause, that will be evidence, and Mr. Barker can produce it in court as evidence of what took place. I would not be privileged to say that I should like to give my version. Right through the proceedings, other people who were attacked were not allowed to give their side. I cannot see that Clause 4 is necessary to the Bill. The substance of the measure is contained in Clause 3, while Clause 4 merely endeavours to relieve the judge making the investigation of the necessity of taking evidence. I do not wish to delay the passage of the Bill, but I should like to see Clause 4 deleted. If the tribunal that makes the investigation has a free hand, the person petitioning for the winding-up will call the evidence he wants and any other party interested may refute the evidence and be placed on an equal footing. Why should we say to a judge of the Supreme Court, "Here is evidence already garnered by a tribunal where the rules of evidence did not apply, and where parties were not represented but where one party had a free hand while others had not?" The tribunal should be allowed complete freedom to take whatever evidence is necessary, and thus place all parties on an equal footing as regards the submitting of evidence.

Mr. WATTS: The remarks made by the member for East Perth regarding certain aspects of the inquiry are accurate, but they hardly come into the question whether we should adopt this clause. The underlying reason for the insertion of the clause was a desire to minimise as far as possible the cost of the investigation. I pointed out, on the second reading, that most of the people interested as certificate holders do not have much money—persons who were encouraged, on somewhat false pretences I think, but still encouraged, to save up by instalments a small sum for investment. Now these people are to approach the court for the preservation of the money that they, and others like them, have invested. If there is to be be an investigation before a judge of the Supreme Court of anything like the same length as the investigation that took place before the select committee, or even one-quarter of that length, then no small financial burden will fall on the good people concerned. It was with the object of removing, as far as possible, this difficulty that the clause was inserted in the Bill. I do not for one instant imagine that any judge of the Supreme Court in reading a question which is a statement, or a statement put in the form of a question, or intended to be a question—as I admit a great number of Mr. Barker's questions were—would accept such matter as evidence. A judge would take the witness's answer if an answer was given, and confine himself to that aspect of the matter, taking no notice of the observations, quite correctly reported as far as the occasion went, when the member for East Perth was before the select committee. There is no need for us to fear any difficulty appearing in that regard before a judge of the Supreme Court. A judge of the Supreme Court would be quite able to distinguish between what is evidence and what is not. That the difficulty arose is a pity, but the member for East Perth knows that select committees are under some disability as regards the taking of evidence. In view of the circumstances of the case, I do not think anyone would dispute the reasonableness of permitting Mr. Barker to be present at meetings of the select committee.

Clause put and passed.

Clause 5—Application of principal Act to this Act:

Mr. HUGHES: The clause places selective security holders on the footing of ordinary creditors. That definitely takes away from the court any power to declare that the moneys are trust funds, as to which point I have no doubt. The danger in the clause is that it places certificate holders on the level of ordinary creditors, to rank equally with them. Tomorrow the company might enter into a contract for service with some person for a period of 10 or 15 years at a big salary. Immediately the company went into liquidation, that contract for service being a valid and sub-

sisting contract, the person would be entitled to come in and rank as a creditor. Thus there might be on one side certificate holders to the value of £12,000 and on the other side a gentleman with an agreement for service involving salary to the amount of £10,000. I suggest to the sponsor of the Bill that if the amendment can be made in another place, the clause should be amended to make certificate holders preferential creditors having preference over all other creditors, or at least having preference over all creditors for debts incurred subsequent to the passing of the Bill. This would amount to fair warning to anyone giving credit to the company subsequently. I regard the clause as really unnecessary. It represents a definite derogation of existing rights. The clause is like the cow that after giving a bucketful of good milk kicked it over and smashed the bucket.

Hon. C. G. LATHAM: I am impressed by what the member for East Perth has said, and I would agree to delete paragraph (a), which deletion I think would cover what the hon. member desires. The amendment could be moved in another place.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

MOTION—WHEATGROWING.

Control and Reduction of Production.

Debate resumed from an earlier stage of the sitting on the following motion by Mr. Seward (Pingelly):—

That in the opinion of this House, as wheatgrowing is the basis of farming operations in this State, and as unrestricted wheat production can only result in imperilling the solvency of the individual farmer, as well as seriously affecting the economy of the State, the Government should take immediate steps to—

(a) summon a conference of all affected parties with a view to adopting a plan for the future control of wheatgrowing in the State, and

(b) convene a conference of State and Commonwealth representatives in an endeavour through co-ordination of effort, to effect a reduction of wheat production that will impose equal action throughout Australia, and

(c) endeavour to secure through Commonwealth action international reduction of wheat production, provided that any such reduction applies with equal effect to all nations.

THE MINISTER FOR LANDS (Hon. F. J. S. Wise—Gascoyne) [12.38]: I deeply sympathise with the mover of the motion in his desire to hasten some conclusions for the benefit of the wheatgrowers of this State and of Australia; but even in spite of his desire I think that the motion, as moved, will not achieve much if it is to be considered a State responsibility to undertake the convening of conferences and the responsibility of reaching decisions at those conferences. The member for Pingelly and, I believe, all members are aware that this Government has taken a very keen interest in every move, either on a Commonwealth basis or on an international basis, in the interests of the wheatgrowers and the wheatgrowing industry of Australia. A very special review has been made of the world position in connection with this commodity. To all who have studied the question, it must be obvious that the causes of the difficulty are extremely deep-seated. In approaching them from the angle of one State, or assuming responsibility as a State, we can get but a very little way on the journey towards achieving the wished-for result. During recent years the Commonwealth Government has made an earnest endeavour to bring about agreement between the respective wheatgrowing States as regards the future of wheat in each State, and, in addition, has entered with other nations of the world into every possible kind of negotiation in the endeavour to bring about an international agreement. After the last war all countries that were dependent upon imports of wheat for their requirements took stock in this connection, and have since pursued a policy as nearly as possible tending towards self-sufficiency in regard to this and very many other commodities, with the result, as the member for Pingelly has pointed out, that previously importing countries have become the major producers of the world. The position to-day is that Europe is producing over 40 per cent. of the world's wheat; and it is left for countries suited to wheat production to find a market for the commodity at any price at

all. The markets are further contracting year by year, until we find that, although the attempted agreement of 1932 on an international basis was framed on an importation of 560 million bushels by importing nations, it is doubtful whether during the current year—even if the war had not been thought of—that there would have been handled 460 million bushels in international trade. Not only are we faced with the difficult position of nations which were previously importing nations having reached saturation point in regard to their own requirements, but the expanding production of exporting nations is intensifying the position. The motion will not get us very far. The first clause deals with control by States, or with a stock-taking by the States, to ascertain just how far they will expand or contract the industry. We know a sharp division of opinion exists between the States on that point. Those who have followed recent conferences in Eastern Australia know that the Premier of Victoria refused to consider reducing the area or production of his State, even if it meant a dislocation or a breakdown of a possible international agreement. We know, too, that the Premier of South Australia refused to consider reducing his State's plantings during this season. But in this State we have given earnest consideration to and have in progress a very well considered plan not only to contract marginal areas, but so to group holdings as to make the position safe for the farmers in the marginal areas, and thus assure them an area in each case for a diversified farming effort. Agricultural Bank officers at this moment have almost completed a report to be dealt with at a Commonwealth conference showing how far this State has contracted its wheat planting and how much further it is prepared to go in order to put the industry in those weaker districts on a sound basis. This State has therefore done its job in that connection and simply awaits the further consideration by all the States of an understanding on the matter.

The second paragraph of the motion deals with the convening of a conference of State and Federal representatives to impose an equal reduction or an equal sacrifice upon all the States to bring about the desired result. And that is no easy task. For example, we know that Queensland has expanded her wheat production. From producing a few million bushels per annum, Queensland now has a prospect of being also an exporting State. With the clearing of the prickly pear from millions of acres, she is hoping to expand her wheat acreage by a like area. Queensland has therefore real reason for opposing the new restriction; that State would rather desire an expansion.

Mr. Patrick: Is the land suitable for wheat growing?

The MINISTER FOR LANDS: Yes. The country extending from Burnett to the New South Wales border, which was seriously infested with pear a few years ago, is amongst the best wheat-growing land in Australia. It is capable of producing a heavy yield without fertiliser. So that the differences between the States are very real. Each Minister and each Premier of each State is jealously guarding his State's production, particularly when the production is or has been slightly below the State's own requirements.

The third point deals with the question of an international basis. We are all aware that the agreement which was proposed last year was on almost identical lines with the agreements reached in 1932 and 1934, when Argentine broke away from the agreement. That clearly shows the chances are slight—even in peace-time—of nations being satisfied with a wheat quota on an international basis. There are too many conflicting international interests and too many selfish interests in the way. The price of wheat and the flow of wheat are an indication of the value of trade throughout the world. That has been an accepted fact for centuries. We find that when the wheat trade is stagnant, it reflects the position of world trade; so that the wheat trade has perhaps more far-reaching effects in its ebb and flow than has the trade in any other commodity.

I have no very serious objection to the motion, but I submit that in its present form it would be almost futile. When the member for Pingelly announced a few days ago that he intended to move it, I immediately wired to the Minister for Commerce to ascertain what progress had been made with the proposed conference, stating that I was anxious to know when he proposed to arrive at the basis of an agreement between the States, and also what was being done with regard

to the international position. This is his reply, which is three days old—

The date of conference to consider wheat problems not yet decided. We may desire consult Premiers and Ministers about middle of December for preliminary consideration, with further conference early in the new year.

Since the last conference, which was held when the Premier was in Canberra four weeks ago, we understand rapid developments have taken place and that all the States are nearer to reaching an agreement than ever they were before. If that is so, there is some hope that at least within a matter of weeks we can arrive at a basis of prospective acreages and yields, with an allocation to each of the States. I intend to move that the motion be amended by adding the word "Commonwealth" before the word "Government" in line 6, and by substituting in paragraph (a) the word "States" for the word "State." By so doing, it will be possible for all available information to be obtained by the Ministers of the States and the Commonwealth. Not only do I think the amendment would meet the desires of the hon. member, but it would give us a chance, with the Commonwealth Government, of giving this matter further consideration. I move an amendment—

That in line 6 of the motion the word "Commonwealth" be added before the word "Government."

On motion by the Premier, debate adjourned till a later stage of the sitting.

BILL—LAND TAX AND INCOME TAX.

Council's Message.

Message from the Council notifying that it continued to press its requested amendment to delete the word "ten" in Clause 3 and substitute the word "twenty," now considered.

In Committee.

Mr. Withers in the Chair; the Premier in charge of the Bill.

The Schedule—second part:—Delete the word "ten" in the third line of Clause (3), on page 3, and substitute the word "twenty":

The PREMIER: Members will recall that some 12 years ago a rebate of 33 1-3 per cent. was allowed under the provisions of the Land Tax and Income Tax Act, and that some four or five years ago the rebate was reduced to 20 per cent. By the present Bill it was sought to reduce the rebate to 10 per cent., but the Government now proposes to reduce the rebate to 12½ per cent. I move—

That the amendment be made, subject to the modification to substitute the words "twelve and a half" for the word "twenty."

Question put and passed; the Council's amendment, as modified, made.

BILL—FINANCIAL EMERGENCY TAX.

Council's Message.

Message from the Council notifying that it continued to press its requested amendments to the Schedule, now considered.

In Committee.

Mr. Withers in the Chair; the Premier in charge of the Bill.

On motion by the Premier, it was resolved that the amendments pressed by the Council be not made, and that the following alternative amendments be made:—

1. In column 1 of the second part of the Schedule strike out the words and figures "is not less than £260 but less than £338" where they occur in column (a) and the word "fourpence" where it occurs opposite such words in column (b), and insert in lieu the following:—

(1) "Is not less than £260 but less than £299" in column (a), and opposite such words in column (b) the word "fourpence."

(2) "Is not less than £299 but less than £338" in column (a), and opposite such words in column (b) the word "fivepence."

2. In column 1 of the third part of the Schedule strike out the words and figures "is not less than £5 but less than £6 10s." where they occur in column (a) and the word "fourpence" where it occurs opposite such words in column (b), and insert in lieu the following:—

(1) "Is not less than £5 but less than £5 15s." in column (a), and opposite such words in column (b) the word "fourpence."

(2) "Is not less than £5 15s. but less than £6 10s." in column (a), and opposite such words in column (b) the word "fivepence."

Resolution reported, the report adopted, and a message accordingly transmitted to the Council.

MOTION—WHEATGROWING.

Control and Reduction of Production.

Debate resumed from an earlier stage of the sitting.

MR. SEWARD (Pingelly—in reply) [1.10 a.m.]: I accept the Minister's amendment and thank him for the information he gave the House about the programme sent to the Minister for Commerce.

Amendment (to insert before the word "Government" in line 6 of the motion the word "Commonwealth") put and passed.

The MINISTER FOR LANDS: I move an amendment—

That the word "State" in line 4 of paragraph (a) of the motion be struck out and the word "States" inserted in lieu.

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

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 1).

Second Reading.

Debate resumed from the 22nd November.

THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn) [1.11]: The Bill seeks to amend Section 41 of the Road Districts Act. I have examined the measure, which has also been examined by the Local Government Department and the Crown Law authorities. Both departments consider it a good Bill and I am hopeful that the attempt to secure its passage through Parliament will be successful.

Mr. Patrick: Has it not been previously before the House?

The MINISTER FOR WORKS: I do not know that the measure is exactly the same as that which was previously submitted.

Mr. Marshall. Yes, it is.

The MINISTER FOR WORKS: The departments I have mentioned consider that this is as good an attempt as has been made in the past, and I have no objection to the measure. I give the Bill my benediction. I hope it will be passed and that it will give the local authorities the power they desire. I am not sure that the local governing bodies or the road boards have asked for the measure but they did on the last occasion. In any event, I do not oppose it.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and transmitted to the Council.

BILL—SUPREME COURT ACT AMENDMENT.

Second Reading—Rejected.

MR. McDONALD (West Perth) [1.16] in moving the second reading said: This Bill is to provide a new ground for the dissolution of marriages, namely, where the parties have been separated for five consecutive years. Although members may have different opinions on the subject of divorce—a highly controversial one—I am sure all are agreed that the last word has not been said on the question of divorce legislation. The views regarding divorce in different countries vary from the Irish Free State, where no divorces are allowed, to the Communist theories of Russia, where divorce is very similar to the dictum laid down by Bernard Shaw, who said that divorces should be as easy, as cheap, and as private as are marriages. The theory of our divorce law in British countries up to the present has been based on the idea of a matrimonial offence. It might almost be said to have a semi-criminal basis. Legislation is provided so that the court may dissolve a marriage only if one of the parties has been guilty of a matrimonial offence. Such offences range from desertion and non-payment of money ordered under the decree of the court, or payable under a decree of separation, on the one hand, to imprisonment, habitual cruelty and habitual neglect to provide maintenance, and certain serious crimes that are punishable under the Criminal Code, on the other hand. The whole idea of our current divorce law is that there should be a more or less serious offence of such nature that would be condemned by society. There has been a growing feeling that this conception of our divorce legislation is not sufficient to cover the whole

ground. A recent school of thought holds that our law is not covering a great many cases to which the theory of matrimonial offences does not apply. There are many persons whose marriage becomes a failure without there being any matrimonial offence present. There are those who separate and remain separated simply because they recognise they are temperamentally incompatible. They may be people who are exemplary in their private and public lives, but they have realised and appreciated the fact, after experience, that married life together is impossible. If they are temperamentally incompatible, they will, of course, separate whether this law is made or not, and they do separate for that reason. They separate often on terms by which they maintain mutual respect for each other, though deciding to go their different ways. In such instances, the marriage is dead except in name. It ceases to exist in fact, and does exist only in name. The idea of the Bill is to recognise that circumstance and to provide relief under our divorce law for that class of people, where there has been no matrimonial offence of the kind contemplated by our present law, but where the marriage has in effect come to an end in all but name. This class of people, whose marriage has ceased to exist except in name, is more numerous than is thought. It is believed by many that the law should be extended to meet such cases. The Bill does not propose there shall be any hasty dissolution of the marriage of such people, but that they must have been separated for five successive years before either party is able to approach the court and seek a dissolution of the marriage. The guarantee against any hasty appeal to the courts is effected by reason of the provision that this separation must have continued for not less than five successive years. Divorce can now be obtained for adultery, insanity in certain cases, desertion for three years or more, and where there has been a separation agreement between the parties, or where the parties are living apart under a decree of the court by which the husband is bound to maintain the wife but fails habitually and repeatedly to pay the wife's maintenance for three years or more. These are cases where the law now gives the injured party relief by dissolving the marriage. Such cases may be described as being based upon something in the nature of a matrimonial offence, whether it is a crime under the Criminal Code, whether it is cruelty, whether it is misconduct against the marital tie in the case of adultery, or whether it is wilful desertion without excuse for more than three years. There are many cases that are not met by the existing law, where the marriage has in effect ceased to exist, and exists in name only. Some people have agreed to separate because they find that married life together is insupportable. They have recognised the fact and have agreed that they shall both go his and her way. There is no desertion in such a case, because desertion only takes place where one party leaves the other without excuse, and against that other's will. If one party leaves the other without lawful justification and against the other party's will, at the end of three years the deserted party may apply for the dissolution of his or her marriage with the other. Desertion means that one spouse, the one who leaves, has formed the opinion that the marriage is no good, and the other spouse who is deserted, maintains that the marriage could still be good and wants it continued. In that case, after three years' desertion, if the deserted party thinks fit the court will dissolve the marriage, although one party had been desirous of having the marriage maintained. If the two parties separate by consent, and if they realise that their chances of living together are quite hopeless, then there can be no desertion and there can be no divorce. In case of desertion where one party only agrees that the marriage is a failure, there can be a divorce, and, in the case of separation by consent, where both parties agree that the marriage is a failure, there can be no divorce. Take the further case of the husband and wife who are separated by agreement made between them for separation and maintenance, or where they have separated in pursuance of the decree of the court under which maintenance is payable. If the husband repeatedly and habitually fails to pay maintenance for three years, the court will step in under the existing law at the request of the wife, and dissolve the marriage. Where the husband has failed to meet his obligations under the agreement or decree of the court, the law is prepared to dissolve the marriage. Where the husband fulfils his obligation, where

he takes a responsible attitude and pays maintenance under an agreement or order of the court, he is penalised because in that case the court or the law will not step in and allow the marriage to be dissolved. The law in one sense is more willing to dissolve a marriage where a husband does not meet his proper obligations than in the case where the husband loyally carries them out.

Mr. Patrick: The law may sometimes help him to meet his obligations.

Mr. McDONALD: Not always. If the husband is bound to pay maintenance, but likes to defeat his wife's intentions, it is hard for the court to compel him to pay, unless he is in a good position. In many cases it is impossible to get money from the husband, and he thus repeatedly and habitually fails to pay maintenance, and in the end the wife has ground to divorce the husband if she thinks fit. There are sometimes cases where the husband or the wife has committed adultery. That is a perfectly legitimate ground under the present law under which the other party may secure a divorce. It is often the case that the party, who may be called the injured party, is not prepared to petition the court on the ground of adultery. The husband or wife who has been injured by the misconduct of the other party may not desire the publicity of court proceedings, and the humiliation that is brought upon him or her and children of the marriage by having these matters dealt with in the court. Although there may be legitimate cause for the dissolution of the marriage, the party who could take advantage of the circumstances is not prepared to do so for the reasons I have given, and also in some cases because the publicity regarding the case may cause the husband, if he is the person guilty of the misconduct, to lose his position. The wife has to consider this aspect. If she took advantage of the present law that entitles her to divorce on the ground of adultery, then the exposure that would follow upon proceedings taken in a public court might result in her husband losing his position. In those circumstances he would be unable to provide for his wife and children. She is therefore compelled by circumstances to desist from any such proceedings. There are other cases that I could cite to the House where difficulty arises in taking advantage of the present law. It may be that the husband has gone away in the first place with the consent of his wife and has gone to some other State or country. Although three years may have expired since the separation, she is not able to divorce him on the ground of desertion, because she cannot prove her claim. The husband went away with her consent and it may be that she cannot trace him or get in touch with him at all. In that case she cannot establish circumstances from which the court could infer that the husband formed the intention of deserting his wife. Thus she would be without a remedy.

Mr. Patrick: The husband would have to provide maintenance.

Mr. McDONALD: If he goes away he may not pay maintenance. It often happens that a man who goes away is not bound to pay maintenance by means of a written agreement or decree of the court. Only in such circumstances does failure to pay maintenance become a ground for divorce. In the absence of any written agreement or decree of the court, then the failure of the husband to pay maintenance is no ground at all for divorce. To give members another instance, I may mention that there are cases of what are known as forced marriages. People get married in order to give their child a name, but the parties have no intention of living together, and never do. After marriage they separate straight away. Those people cannot secure a divorce by reason of separation, because after marriage they consented to separate. Unless some other cause for divorce supervenes, such as what are known as matrimonial offences, those young people are bound together for the rest of their lives. There are other causes as well. I shall not attempt to go through them all to illustrate those cases that are not now covered by our divorce laws. I shall mention a few. There are causes such as those where the husband and wife are not happy together, or do not live together because the husband may be cruel. I do not mean "cruel" in the sense that the courts interpret the term. It is possible to be quite as cruel with words as with blows.

Hon. C. G. Latham: Dumb cruelty.

Mr. McDONALD: Yes. Separation of married couples arises from all kinds of causes that do not come within the compass of the existing laws. A certain degree of drunkenness, neglect, or slighting behaviour towards one's wife or children, or other circumstances that are not so serious or so gross as to come within the scope of the

existing law, may be sufficient to bring about separation between husband and wife. Those causes cannot be regarded as light but, in the experience of many members, are quite sufficient to make responsible people think they cannot live together. In all such instances—particularly in the case of a husband and wife who are quite responsible people and have committed no matrimonial offence, who are incompatible, cannot live together and recognise that fact and agree to go their own respective ways—the courts provide no remedy at all. The people I refer to are not undeserving of the assistance of the law because they behave reasonably towards each other and do not desire to be guilty of any of those acts that now come within the causes of divorce under our existing law.

In South Australia, Parliament has gone some distance towards the objects sought to be attained by the Bill now before members. Last year an Act was passed there which contained, as a ground for divorce, the provision that "during five years preceding the commencement of the action, the husband and wife had been living separately under and in pursuance of a decree or order granting judicial separation or relief from cohabitation." Thus in South Australia, when the parties have been separated under a decree or order of the court for five years, then, without any other cause, they are entitled to obtain the dissolution of their marriage. In the South Australian Act, however, there is this safeguard, that if the claim for divorce is made by the husband, against whom the decree or order of the court has been granted, the court may refuse an order for divorce until the husband has made such provision for the maintenance of his wife and children as it deems proper. In South Australia, although the separation must be for five years under a decree or order of the court, much the same can happen as in this State. In many instances that decree or order of the court is made by consent of the parties and therefore the decree or order is similar to the position that exists regarding an ordinary agreement that may be made outside the court. In New Zealand since 1928 it has been a ground for divorce that the "petitioner and respondent are parties to an agreement for separation whether made by deed or in writing or verbally, and that such agreement is in full force and has been in full force for not less than three years". In the same Act provision is made, as a ground for divorce, that parties have been separated under a decree of the court for three years or more. Therefore, in New Zealand the mere fact of separation for three years or more is a ground for divorce. A safeguard has been included in the Act, with which I shall deal at a later stage. We find therefore that South Australia has gone some distance towards the objective of the Bill now before members, and that in New Zealand the Legislature has enacted a provision very similar to that included in the Bill under consideration.

Members will recollect that a similar measure was before Parliament last year, but objection was taken to the fact that if the divorce took place on this ground, the wife, in the event of the death of her former husband, would not be able to benefit by the provisions of what is now styled the Testator's Family Maintenance Act. It was held that if the husband died, the wife could not claim any portion of the estate although she had been receiving maintenance, particularly when the divorce was not due to her fault. Under the legislation passed recently, a divorced woman receiving maintenance from her former husband, was placed in the position of a wife, and, in the event of the man's death, she was entitled to a share in his estate and her maintenance was preserved to her in the same way as if she were still his wife. So that objection no longer holds good.

Mr. Styants: What is the position if there is no estate?

Mr. McDONALD: Then the woman would be in no worse position if divorced than she would have been if still married. Again, attention must be drawn to the fact that if there has been a divorce, the possibility always arises that the husband may marry again and have a second family. His means may not be sufficient to maintain reasonably his former wife and her family and his second wife and her family.

Mr. Cross: Which wife and family would take precedence?

Mr. McDONALD: In such an instance neither would take precedence. The rule of the judges is to order a man to make the fullest provision he can and to distribute the proceeds between the two wives and two families because they are on an equality.

Thus each is entitled to a fair share of the man's earnings. Under the Bill, should it become an Act, if the husband divorces his wife, that will not in any way deprive her of the right to secure maintenance in the ordinary way. Although the wife may be the respondent party, after five years of separation, the husband being the petitioner in proceedings that may be taken, the wife has preserved to her under the existing legislation the right to go to a judge and ask for an order for her future maintenance to be paid by the man. Thus her rights are protected under the existing law, and there is no need to make provision to that effect in the Bill. The measure provides, in a very short clause, that if the parties have been separated continuously for five consecutive years, then at the end of that period either may apply for divorce. The Bill goes on to provide that either party may apply for a divorce, notwithstanding the provisions of Sections 75, 77 and 79 of the Supreme Court Act. I shall make short references to those sections for the information of the House. Section 75 provides that the court is not bound in any case to grant a dissolution of marriage if there has been collusion between the petitioner and the respondent. Section 77 also gives the court a like discretion as to decreeing the dissolution of a marriage if the court finds that the petitioner has, during the marriage, been guilty of adultery or if the petitioner, in the opinion of the court, has been guilty of unreasonable delay in presenting the petition, or has been guilty of cruelty towards the other party of the marriage. Section 79 says that if in the opinion of the court the petitioner's own habit or conduct induced or contributed to the wrong complained of, the petition may be dismissed.

The Bill proposes to eliminate those three sections; that is, in the case of an application for divorce on the ground of five years' separation, to eliminate any question of collusion, to eliminate any bar to the petition by reason of the fact that the petitioner has committed adultery or has been guilty of cruelty, and to eliminate the question whether the habits or conduct of the petitioner contributed to the wrong complained of. The section regarding collusion should be eliminated and also Section 79 as to the habits of the petitioner contributing to the wrong complained of, but in Committee I propose to move to strike out the reference to Section 77. That would mean that on a petition under this Act the court would still be entitled to take into consideration the conduct of the petitioner and, if it thought fit, on account of the petitioner's adultery, to refuse the application.

The Bill would be improved and the objection of a number of people would be removed if we added a section such as that which appears in the New Zealand Act. I invite any hon. member to move an amendment for the inclusion of that section. Failing its being moved by somebody else, I am prepared to move the amendment myself. The section in the New Zealand Act states that in every case where the ground on which relief is sought is one of those cases of mere separation as is provided for in the Bill, if the respondent opposes the decree and it is proved to the satisfaction of the court that the separation was due to a wrongful act or to wrongful conduct on the part of the petitioner, the court shall dismiss the petition. Many women fear that their husbands may, without any reason at all, leave them with the object of ultimately qualifying for the right to obtain a divorce under this measure. They fear that in such instances the husband will be the person who has really brought about the separation unreasonably and the wife will have no redress. If the section from the New Zealand Act is inserted, however, it will mean that in the event of a husband leaving his wife, thus being the person to bring about the separation, and if the wife does not want the marriage to be dissolved, she may oppose the petition and if she shows that the husband is really responsible by his wrongful act or conduct for the separation that has taken place, the court will dismiss the petition. Although there may have been separation for five consecutive years, if at the end of that time—looking at it from the wife's point of view—the wife does not want the marriage to be dissolved, she will have the right to appear and oppose the application for a divorce, and by proving that the husband effected the separation will be able to defeat his application.

Hon. C. G. Latham: Would she be any better off than she is now?

Mr. McDONALD: Yes. What would happen would be this: There are cases of the kind I have mentioned where the parties hesitate to bring a petition for a divorce because they do not want acts of misconduct to be brought before the public notice for a variety of reasons, particularly where there is a family old enough to take cognisance of the facts. Even though a husband may himself be the one to bring about the separation, if he applies for a divorce the wife may say, "I do not want to oppose the application. I would sooner the marriage was dissolved." In this way there is nothing before the court, even though something may have happened in the past that would humiliate the parties concerned. If the wife (or husband) does not oppose the petition, all the petitioner has to do is to show that there have been five years of consecutive separation. The petitioner does not have to allege adultery or cruelty or the commission of a crime or any other misconduct the disclosure of which would be humiliating to the parties concerned. There would be what people sometimes call a clean divorce, a divorce of the kind that could be obtained without the parties being put to the ignominy of having to explain all the happenings of their private lives that led to the separation. It would be a help to those married people who both want a divorce but who hesitate or shrink from going before a public tribunal and exposing all the happenings of their married lives, in order to prove the commission by the husband of a matrimonial offence of the kind specified in our existing law.

That is the idea of the Bill. I am sorry it has come before the House at such a late stage of the sitting. The idea is to provide for a not inconsiderable class of deserving people not covered by the present law and to help those people who are agreed upon the desirability of a divorce to obtain one without the humiliation attendant upon exposing to the public notice happenings of their married life. I move—

That the Bill be now read a second time.

MR. NEEDHAM (Perth) [1.55]: Amongst the last words uttered by the member for West Perth (Mr. McDonald) were those to the effect that he intended to move an amendment when the Bill was in Committee. I hope the Bill will not reach the Committee stage. The hon. gentleman said that the last word regarding divorce laws had not yet been spoken. In my opinion the sooner the last word is spoken, the better. This is the second time within 12 months that this Chamber has been asked to alter the divorce laws of the State to make the obtaining of divorce easier than it is today. Twelve months ago, towards the end of last session, about the same hour as this, a measure sponsored by the member for Katanning (Mr. Watts) was rejected. I hope that notwithstanding the fact that this measure is sponsored by the honourable and learned member for West Perth, it will receive the same treatment.

I followed closely the speech of the hon. member, in which he gave reasons why the Bill should become law and the path to the divorce court made easier. Five years' seperation, irrespective of the ground for that separation, would be sufficient to secure a divorce. That is the pith, the gravamen, of the Bill. Five years' separation, no matter what the cause of the separation—that is all that is required to break the bonds of matrimony! Surely this House should halt before it gives assent to a a measure of this description, and so destroy the last remaining vestige of the sanctity of the marriage tie. Reference has been made to the innocent party suffering because of incompatibility of temperament. No mention is made of the other innocent people who will suffer because of this desecration of the marriage tie. I refer to the innocent children of the marriages that are to be destroyed by this easy method of approach to the divorce court. Irrespective of whether or not we believe in divorce or the indissolubility of marriage and the sanctity of the marriage tie, there is always a social stigma attaching to divorce. The divorced man or woman always has a social stigma attached to his or her name.

Mr. F. C. L. Smith: Not in Hollywood!

Mr. NEEDHAM: There is no marriage tie at all at Hollywood. I am talking of civilised countries and of sane people living in them. I contend that the easier the road to the divorce court is made, the greater is the possibility of that road being crowded. People will be jostling each other to get there, and then we may have a condition resembling that obtaining at Hollywood, or

that other place, Reno. Those supporting the measure further to relax the marriage tie, also speak about the sanctity of the marriage tie not being interfered with. They cannot have it both ways. Either there is sanctity in the marriage tie or there is not. Already I consider that the road to the divorce court is too easy. As a matter of fact the divorce court is working overtime, and if we pass this measure, we might have to appoint an extra judge to deal with divorce cases. The statistics of all countries show that once the principle of the indissolubility of the marriage tie is abandoned, the conception of the sanctity of marriage goes by the board. Divorce made easy encourages flippancy and frivolity so far as marriage is concerned. G. K. Chesterton, whose memory is revered, said that if people can be separated for no reason, they will be all the easier to unite for no reason. The contract of marriage will not be entered into with the sense of responsibility necessary to preserve it, and its sanctity will disappear altogether. The member for West Perth put forward a great deal of legal argument in support of the second reading. I am not concerned about the legal aspect at all; I am concerned about the moral aspect, and I say it is a danger to the community to loosen those ties and make the road to the divorce court easier than it is today.

Just now we are all asked to render service to the British Commonwealth of Nations because of the fact that we are again involved in a struggle for the preservation of the liberties we cherish. We shall not be rendering that service if we pass a measure of this description. The birth rate of Australia is falling. We are not alone in that regard; it is falling in the British Commonwealth of Nations. If we are going to retain the liberties we cherish and the heritage which is ours, this is not the way to do it. I have nothing more to say except to express the hope that this Bill will not reach the Committee stage, but will receive the same summary treatment that was meted out to its predecessor 12 months ago. I hope that never again in this Chamber, or in this Parliament, will an attempt be made to make divorce laws easier or to make the road to the divorce court easier, but that on the contrary we shall endeavour to observe the divine injunction, "Those whom God has joined together let no man put asunder."

MR. HUGHES (East Perth) [2.5]: I do not propose to support the second reading, but notwithstanding what the member for Perth (Mr. Needham) has said, there is need for some revision of the divorce laws to provide for the divorce of people who are separated and are not likely to come together again. To give an illustration. A woman might have a dispute with her husband and in her anger might ask for a separation and give definite instructions that maintenance is not to be demanded. Although she is advised that she should get maintenance, she will not accept the advice because she is angry, and so she gets a separation without maintenance. Then, for the rest of her life, she cannot get a divorce. If she had got maintenance and if the husband made default for three years, she could, at the end of three years, get a divorce. If she neglects to get maintenance, she has no chance whatever, and therefore for the rest of her life she remains tied to a man who has no obligation to keep her. She has to work for herself and she can be tied up for the rest of her days. Surely where a man has lived apart from his wife for 10 years and contributed not a penny to her maintenance, if a time arrives when someone else is prepared to give her a second chance in the matrimonial business, the man who has provided nothing for her maintenance should not have the right to say that she shall not marry again. Maintenance orders are made and the husband, frequently through fictitious evidence as to his income, gets the order reduced to 1s. a week, and so long as he pays the 1s. a week, he has the wife tied up. Why should a woman in such circumstances be tied to the man for the rest of her life? I agree there is need for some further relief in respect of divorces, but this Bill has the most far-reaching effect, particularly as it wipes out the discretionary power given to a judge. I agree with the member for West Perth (Mr. McDonald) that there is in the New Zealand Act the genesis of amendment to our Act that would give relief where relief should be given, namely, to the innocent party, and safeguard the community against the man

who marries, defaults on his obligations, and leaves the State to maintain his wife and children, and thus to prevent his doing the same thing again. In the dying hours of the session it is rather late to start trying to revise this Bill and make it into a measure to cure the deficiencies that exist in the divorce laws at present. I suggest that the Bill be defeated on the second reading and that before next session a Bill on the lines suggested by the member for West Perth be prepared. If such a Bill is introduced, I shall be prepared to support it.

MR. J. HEGNEY (Middle Swan) [2.9]: I move an amendment—

That the word "now" be struck out and the words "this day six months" be added.

Amendment put and passed.

Bill rejected.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Second Reading.

MR. McDONALD (West Perth) [2.10] in moving the second reading said: This is a small Bill to correct an anomaly in the Road Districts Act. Section 23 of the Act contains the qualification for a member of a road board. It provides that a member of a road board must be an adult person, a natural born or naturalised subject of the King, and other things including eligibility to be registered as an elector. That is to say, he is eligible to be placed on the voters' roll of the road board. He need not be on the roll; all that is required by the Act is that he shall be eligible to be entered on the voters' roll. Members familiar with the Act know that before a man can be a candidate for a road board, the nomination paper must be submitted, signed by the candidate or someone else. Section 70 deals with the nomination paper. Paragraph (c) states that every person who shall knowingly sign any nomination paper nominating any person as a candidate for any election, not being himself qualified to vote at such election, shall be liable to a penalty not exceeding £20. The nomination paper may be signed by the candidate himself, but before he can sign the nomination paper he must be entered on the voters' roll. If he signs his nomination paper without being entered on the voters' roll, he is liable to the penalty.

The anomaly is that a man may be elected a member of a road board without being on the voters' roll if he is merely eligible to be on the roll, but he cannot sign his nomination paper for election unless he is actually on the roll. So the stipulation is more rigid for the signer of a nomination paper than for a member of a road board. The Bill, as sent from another place, is rather peculiar in that it gives this House two alternatives. By Clause 2 it proposes to amend Section 23 of the Act by striking out the words "eligible to be registered as an elector" and inserting the words "whose name appears on the electoral roll of the district or where the district is divided into wards, for any ward thereof." In other words, the amendment is intended to provide that a person elected as a member of the board must be on the voters' roll, and not merely eligible to be on the voters' roll. It brings the qualification to be a member of the board into line with the qualification to sign a nomination paper. The alternative amendment leaves Section 23 as it is, and amends Section 70 by adding a proviso that "this section shall not apply in the case of a candidate who is qualified for election signing his own nomination." So the Bill gives two alternative choices. If we adopt one, the other will not be necessary. If I may venture a suggestion to the House, it is that during the Committee stage we pass the first proposal, Clause 2, and delete the second proposal in the subsequent clause. This would mean that a member of the road board must be, at the time he is a candidate, on the voters' roll and registered as a voter for the board. He will then be in a position to sign his own nomination paper. It will not be too much to ask that the aspirant to a seat on the board should see that his name is on the voters' roll. I may just add this. The Bill is not merely theoretical. It has actually happened in a certain road district that a candidate for election to the board who was eligible to be on the voters' roll and therefore eligible to be elected, unwittingly signed his own nomination, and thus committed an offence under Section 70 and was prosecuted and fined. It is to prevent any such inadvertent happenings that it is thought advisable to remove the anomaly now existing in the law. I move—

That the Bill be now read a second time.

THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn) [2.16]: This Bill has also been examined by officers of the local governing department and the Crown Law authorities, and they see no objection to it. I notice, however, that the member for West Perth in moving the second reading preferred the first alternative. I am not too sure whether that alternative requires a qualification merely to be on the roll. I know that in connection with the Legislative Council one can be on the roll but dare not vote because one has lost the qualification. I should say that being on the roll would not necessarily carry with it the qualification to vote, as the person may have lost the qualification. I know that some people, if they get knowledge of a personal case, bring it before Parliament. Again, some people as soon as they arrive in a district, see whether they are on the roll. I think they should wait to get on the roll before rushing in to represent a new district. I warn the member in charge of the Bill that what he speaks of may not necessarily be a qualification.

MR. SAMPSON (Swan) [2.19]: I would like the second portion of Clause 2 to be made clear. I see no objection or difficulty in respect of the position as it stands today, that the words "eligible to be registered as an elector" shall be deleted, and that there shall be inserted in lieu thereof "whose name appears on the electoral roll for the district." I take it that means the road board roll.

The Minister for Works: Yes.

Mr. SAMPSON: That relates to the road board roll, and not to the district electoral roll?

Mr. Watts: Not the Parliamentary roll.

Mr. SAMPSON: In those circumstances I shall not object to the provision, although the name may be on the roll because of an error made in the office, and the elector would need to have other qualifications. The Act, as expressed at present, says he shall be eligible to be registered as an elector: and that seems to me the most reliable method by which his qualification to sit as a member may be judged.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Marshall in the Chair; Mr. McDonald in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 23:

Mr. WATTS: I would like to have it made plain that this amendment will not affect the right of a candidate for road board honours to be elected for one ward if his qualification exists in another ward. It has been suggested to me that the effect of the Bill may be to have that position disturbed.

Mr. McDONALD: Subsection (2) of Section 23 says that when a district is divided into wards, it shall not be necessary that the land owned or occupied shall be within the ward for which the person has been or is proposed to be elected as a member. In reply to the member for Swan, the words "electoral roll" are used later in the Act; and I think the reference to it is sufficiently clear. The Minister for Works has pointed out that there is a possibility, in the event of Clause 2 being passed, that some question may arise in the case of a man who is on the roll but has lost his qualification. There may be something in that contention of the Minister, and in the circumstances I think it might be safer to adopt the second alternative in the Bill—to pass Clause 3 in place of Clause 2. This would enable the candidate to sign his own nomination paper without incurring a penalty. Therefore I propose to ask hon. members, if they think fit, to vote in Committee against Clause 2 with the idea of letting Clause 3 take its place.

Clause put and negatived.

Clauses 3 and 4, Title—agreed to.

Bill reported with an amendment, and the report adopted.

Third Reading.

Bill read a third time, and returned to the Council with an amendment.

BILL—MARKETING OF EGGS ACT AMENDMENT.

Second Reading.

MR. THORN (Toodyay) [2.28] in moving the second reading said: Hon. members will recollect that a Bill was introduced elsewhere for the purpose of regulating the

marketing of eggs. The measure came to this Chamber, and here was somewhat mutilated. I admit that the framework remained, and that it was proclaimed an Act. Sufficient was left to justify an endeavour to amend that Act this session in such a way as to make it workable, and acceptable to those engaged in the industry. I sincerely hope the Minister will accept this measure. We should consider ourselves fortunate that it passed another place. Of the two vital amendments to the parent Act, one deals with the poll to be taken of producers. The amendment reduces the majority from three-fifths to one-half, and I hope that will be agreed to. The other amendment deals with the composition of the board. The amendment proposes that three of the elective members shall be representatives of the producers and that three additional members shall be nominated by the Governor. In most of our marketing Acts we have provided for a majority of producer representatives.

The Minister for Lands: Only in the Dried Fruits Act, and that was in deference to you.

Mr. THORN: The Minister will admit that that Act is working well indeed. I hope members will agree to the amendment I have just outlined, because producers are subjected at all times to the domination of commercial interests, who always seem to be in the majority on boards such as this. The board constituted under the Dried Fruits Act is functioning successfully. Its chairman is a commercial gentleman. I say that in the past producers have been dominated by commercial interests.

The Minister for Works: I do not like that reflection.

Mr. THORN: It is a fact. Members will be safe in giving producers majority representation on this board. They are not likely to do anything to harm the industry, but will do their best to control it in an orderly manner. I am glad the Bill seems to be causing members merriment. That will put them in good heart and I hope facilitate the passage of the measure.

Mr. Rodoreda: Tell us all about the Bill.

Mr. THORN: I have already done so. The member for Roebourne knows the Act well, and the Bill was distributed early so that all members would have a chance to study it. It was introduced in another place in August last. I move—

That the Bill be now read a second time.

MR. SAMPSON (Swan) [2.31]: I desire to add a word in favour of the Bill. Unfortunately, when the principal Act reached this Chamber last session it received a very rough handling and was so altered as very seriously to limit its usefulness.

The Minister for Lands: It was a dreadful Bill.

Mr. SAMPSON: It was drastically amended, and the Minister had something to do with that. The producers are entitled to three representatives on the board. After all, the eggs are the property of the producers, who should be given the authority which this Bill aims that they should have. Further, the voting should be on a fifty-fifty basis, and not three-fifths, as provided by the parent Act. It was desired to reduce the number of female poultry to 50 head, but the proposed amendment was defeated in another place. I join with the member for Toodyay in the hope that the House will pass the Bill. It will take us a little farther, but not as far as we desire. However, the Bill is an improvement upon the unfortunate Bill that passed this Chamber last year and which, as I said, received rough treatment during the course of the Committee stage.

THE MINISTER FOR LANDS (Hon. F. J. S. Wise—Gascoyne) [2.34]: It is remarkable to expect a Bill of this nature to receive favourable consideration by this House at so late a stage of the session.

Mr. F. C. L. Smith: The late stage ought not to be an excuse.

The MINISTER FOR LANDS: I was amazed at the member for Swan strongly supporting a simple majority, when in no other State of Australia, where legislation of this kind has been considered and enacted, is there provision for a majority other than three-fifths in the formation of a board.

Mr. Sampson: A simple majority is sufficient to secure a seat in Parliament.

The MINISTER FOR LANDS: This Bill is illogical. It proposes that we should agree to a simple majority for the formation of a board, but that three of the five members shall be producers. The parent Act provides for a fair and representative board. Although the

member for Swan has suggested that I spoilt the Bill introduced last session, I wonder whether members can recall just what sort of obnoxious measure it was when it reached this Chamber. No provision at all was made for an election. Producers owning 75 head of poultry and upwards were to be coerced into forming this board without an election. That was the basis of the Bill. It was also proposed—after the Bill had been proclaimed—that those producers should contribute and be subject to the board. The hon. member has the temerity to suggest that I spoilt the Bill because I made it necessary for an election to take place before a board could be formed.

Mr. Sampson: You gave it a very rough reception.

The MINISTER FOR LANDS: I think the alteration to that Bill made it workable. There is no excuse at all for introducing this Bill, the purpose of which is to conduct an election to ascertain whether a board shall control the marketing of eggs in this State. If hon. members will refer to the parent Act, they will find that provision is made for a board constituted of five members, two of whom shall be producers; of the remaining three, to be nominated by the Government, one shall be the Government's nominee, another shall represent the consumers and the third shall be a person of mercantile and commercial experience. Surely that is a representative board, composed as it would be of men experienced in the trade. I strongly oppose the measure now before us. I am not averse to accepting the simple majority; because, although the measure as submitted to this House is different from that introduced by Mr. Wood in another place, he could not succeed in amending the definition which brought within the scope of the measure owners of 250 fowls as well as owners of 75 head. Should this Bill reach the Committee stage, I shall move to delete paragraphs (b) and (c) of Clause 2, thus leaving the representation stand as it is in the parent Act.

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

Ayes	30
Noes	8
Majority for	22

AYES.

Mr. Berry	Mr. Sampson
Mr. Boyle	Mr. Seward
Mrs. Cardell-Oliver	Mr. Shearn
Mr. Cross	Mr. F. C. L. Smith
Mr. Hawke	Mr. J. H. Smith
Mr. Hill	Mr. Styants
Mr. Holman	Mr. Thorn
Mr. Hughes	Mr. Tonkin
Mr. Latham	Mr. Triat
Mr. Leahy	Mr. Warner
Mr. McLarty	Mr. Watts
Mr. Needham	Mr. Willmott
Mr. Panton	Mr. Wilson
Mr. Patrick	Mr. Withers
Mr. Rodoreda	Mr. Doney
	(Teller.)

NOES.

Mr. Coverley	Mr. Nulsen
Mr. W. Hegney	Mr. Willcock
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Lambert
	(Teller.)

Question thus passed.

Bill read a second time.

In Committee.

Mr. Marshall in the Chair; Mr. Thorn in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 3 of the principal Act:

The MINISTER FOR LANDS: I move an amendment—

That paragraphs (b) and (c) be struck out.

These paragraphs refer to the constitution of the board. The proposed amendment in the Bill would make the board ill-balanced, when at present it is a very representative body.

Mr. THORN: I am sorry the Minister has adopted that attitude. The proposals contained in the Bill would have worked very well. I am anxious to save as much of the measure as I can, for the Minister has been generous enough to allow the provision for a simple majority vote to remain in the Bill.

Mr. SAMPSON: I have received a copy of the report of the director on marketing in Queensland. I was pleased to note that there were 12 candidates for the appointment of five representatives on a particular board. In Queensland the producers are recognised, and are given a majority on tribunals of this kind. Producers have a greater right to a say in the marketing of eggs than have the other members of the board.

Amendment put and a division taken with the following result:—

Ayes	20
Noes	15
Majority for	5

AYES.

Mr. Coverley	Mr. Nulsen
Mr. Cross	Mr. Panton
Mr. Hawke	Mr. Rodoreda
Mr. J. Hegney	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Tonkin
Mr. Holman	Mr. Triat
Mr. Lambert	Mr. Willcock
Mr. Leahy	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Wilson
	(*Teller.*)

NOES.

Mr. Berry	Mr. Seward
Mr. Boyle	Mr. J. H. Smith
Mr. Hill	Mr. Thorn
Mr. Hughes	Mr. Warner
Mr. Latham	Mr. Watts
Mr. McLarty	Mr. Willmott
Mr. Patrick	Mr. Doney
Mr. Sampson	(*Teller.*)

PAIRS.

AYES.	NOES.
Mr. Collier	Mr. Keenan
Mr. Fox	Mr. Abbott
Mr. Styants	Mr. Mann
Mr. Raphael	Mr. Stubbs

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

Clauses 3 to 7, Title—agreed to.

Bill reported with an amendment, and the report adopted.

Third Reading.

Bill read a third time and returned to the Council with an amendment.

INVESTMENT COMPANIES SELECT COMMITTEE.

As to Consideration of Report.

Order of the Day read for the consideration of the report of the select committee.

HON. C. G. LATHAM (York) [2.57]: It is not necessary for me to say much on this matter, but I would like the House to agree to the adoption of the report. I also have the opportunity to express to those members who were associated with me on the select committee my best thanks for their excellent work. I deeply appreciate the manner in which they carried out their duties. Company law is quite foreign to me.

Mr. SPEAKER: Is the hon. member moving a motion?

Hon. C. G. LATHAM: I should like the report to be adopted.

Mr. SPEAKER: The hon. member has already fully discussed the subject.

Hon. C. G. LATHAM: That is all I wish to say. I move—

That further consideration of the report be postponed.

Question put and passed.

MOTION—FEDERAL TAX ON GOLD.

Debate resumed from the previous day on the following motion by Mr. Cross (Canning) (as amended):—

That, in the opinion of this House, the strongest possible protest be made against the Federal Government's action in imposing an unjust gold tax, which will operate very seriously against the mining industry of this State, and will cause considerable loss and increased unemployment.

to which Mr. Styants (Kalgoorlie) had moved an amendment as follows:—

That the following words be added:—"for the following reasons:—

(1) That with the rise in price of gold, on account of the war, there has been a corresponding rise in price of essential mining commodities, and while the gold price is unlikely to further increase, the prices of commodities are rising daily.

(2) That the gold produced by the prospector and small mine owner who earn bare livings will be subject to the same rate of levy as that produced in a large mine.

(3) That although gold has increased in value during recent years, the producers have not reaped the full benefit of such rise, as they have concentrated on low grade deposits, and have brought the average grade of ore mined in the State down from 13 dwts per ton in 1930, to 6.24 dwts. per ton in 1938.

(4) That many companies operate on a much lower grade even than the average, and with the tax and further costs may be unable to continue operations, thus causing unemployment, and reducing the State's export, and the Commonwealth trade balance.

(5) That much of the State's ore is refractory and very costly to treat.

(6) That many other persons, and industries, beyond those actually employed in mining operations, rely on the mining industry for livelihood, and will be seriously affected by any diminution in the industry.

(7) That the time has arisen when additional encouragement to produce gold should

be given rather than deterrent taxes imposed, as gold will be the one acceptable form of payment to the United States for the many commodities now expected to be purchased. A constant gold production is essential for the successful prosecution of the war."

MR. TRIAT (Mt. Magnet) [3.0]: I strongly support the amendment moved by the member for Kalgoorlie (Mr. Styants). I do not know that much good will result because, according to the report that appeared in the "West Australian" this morning, the Federal Government intends to continue with its proposal. Nevertheless, it is of vital importance that the people of Western Australia shall make their objection to the procedure widely known. Apparently the Federal Government is determined to levy the impost. Nevertheless, the voice of the people of Western Australia should be heard until such time as the matter is finalised. Previous speakers mentioned that mining conditions were peculiar. It has been said that much low-grade ore has been buried and will never be unearthed. That is a fact. In Kalgoorlie alone I can say, without fear of contradiction, that over £1,000,000 worth of gold has been buried and that ore will never be recovered. That ore was set aside because the then price of gold did not warrant the treatment of dirt carrying 5 dwt. or 7 dwt. values. That gold is lost to the State for all time. In these days low-grade propositions have proved payable, but, in view of the proposals of the Federal Government, it is likely that much of that low-grade ore will not see the light of day. There are low-grade propositions at Mt. Magnet and Hill 60 and if the impost is levied it is possible that the ore will not be treated. The result will be that so much more of our gold will be lost to the State for all time. The Federal Government has levied the impost on the gold, but if the levy had been on profits I would have raised no objection to the impost. Merely to levy a tax on gold because it is valued today at £10 13s. in Australian currency, is decidedly wrong. Let members consider the position of a small mine where gold is being produced to a value that is less than the cost of production. If the Government persist in their excise proposals, those mines will not be able to operate because of the high costs. Then there is the position of the prospector. He is the man I am most anxious to protect. He probably goes out for 12 months and his transport facilities will cost him from £50 to £60. Then there is the cost of his labour during that period, together with the expense involved in purchasing food supplies and mining requisites. Notwithstanding all that, should the prospector secure one ounce of gold he must pay to the Federal Treasurer excise duty amounting to 16s. 6d. Surely members will agree that is most unjust and unfair to small syndicates and prospectors. Moreover, it is unfair to the State because it will mean the loss of many thousands of ounces of gold that would otherwise have been produced by low-grade propositions. If the imposition of a tax on gold is necessary to raise revenue for the Commonwealth Government, it would surely be equitable if a similar impost were charged against all other metals, the price of which will increase because of war conditions. We know that the price of those metals has risen appreciably since war broke out, and yet no impost has been placed upon them. I trust that, by persisting in our expressions of disapproval, the prospectors and the small syndicates at least will receive relief from the excise charge levied by the Federal Government. If the charge were against the profits, the big mines could afford to pay the amount. On the other hand, those battlers outback who only succeed in getting further into debt month by month in their search for gold, certainly cannot afford to shoulder the added burden upon them. The cost of production of gold today is well over £10 per ounce on the average. Many concerns have been battling for more than 12 months and have not produced a single ounce of gold. I support the amendment moved by the member for Kalgoorlie, and I trust some good will result from the action taken by Parliament. I must confess I am afraid that any steps we may take will not have much effect.

MR. LAMBERT (Yilgarn-Coolgardie) [3.5]: That Parliament should find it necessary to protest against the action of the Commonwealth Government is most regrettable, particularly when it concerns a heavy impost upon gold. Instead, we might well have expected assistance to be extended

to the industry. Particularly do I resent the imposition in that the Federal Government has seen fit to impose what amounts to a sectional tax applicable to Western Australia. Much development lies ahead of the industry, and I prophesy that even today Kalgoorlie has not been discovered, although part of the goldfield has been developed. If the Federal Government is empowered to levy such an impost upon gold, as apparently it has the right to do, that impost should be extended to other metals. During the previous war the rich Zinc Corporation sold its output to the Imperial Government for a term of 25 years. I do not know if that arrangement was set aside.

Mr. Patrick: I think it went by the board long ago.

Mr. LAMBERT: I do not know that it has. I do not think the corporation let the Imperial Government out of the arrangement.

Mr. Patrick: It sold lead very favourably.

Mr. LAMBERT: Yes, and zinc as well. The attitude disclosed in that transaction constitutes a distinct contrast to the treatment of the goldmining industry by the Federal Government at this juncture. I am pleased that the member for Canning (Mr. Cross) launched the motion, but the member for Kalgoorlie (Mr. Styants), in his useful contribution to the debate, set out the definite objections that we have to this sectional tax. I trust the Federal Government will take notice of our protest and that our Federal representatives, recognising that we are in earnest, will attempt to secure some relief for the industry.

Amendment put and passed; question as amended, agreed to.

BILL—AGRICULTURAL BANK ACT AMENDMENT (No. 1).

Second Reading—Defeated.

Debate resumed from the previous day.

MR. PATRICK (Greenough—in reply) [3.10]: In view of the time of the day and the fact that the Minister has advanced no substantial opposition to the Bill, I do not propose at this stage to pursue the matter any further, but will leave the measure with the utmost confidence to the decision of the House.

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

Ayes	.. .. ..	17
Noes	.. .. ..	22
Majority against	..	5

AYES.

Mr. Berry	Mr. Sampson
Mr. Boyle	Mr. Seward
Mrs. Cardell-Oliver	Mr. J. H. Smith
Mr. Hill	Mr. Thorn
Mr. Hughes	Mr. Warner
Mr. Lambert	Mr. Watts
Mr. Latham	Mr. Willmott
Mr. McLarty	Mr. Doney
Mr. Patrick	*(Teller.)*

NOES.

Mr. Coverley	Mr. Panton
Mr. Cross	Mr. Rodoreda
Mr. Hawke	Mr. Shearn
Mr. J. Hegney	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Styants
Mr. Leahy	Mr. Tonkin
Mr. Marshall	Mr. Willcock
Mr. McDonald	Mr. Wilson
Mr. Millington	Mr. Wise
Mr. Needham	Mr. Withers
Mr. Nulsen	Mr. Triat
	(Teller.)

PAIRS.

AYES.	NOES.
Mr. Keenan	Mr. Collier
Mr. Abbott	Mr. Fox
Mr. Mann	Mr. Johnson
Mr. Stubbs	Mr. Raphael

Question thus negatived.

Bill defeated.

BILL—APPROPRIATION.

Returned from the Council without amendment.

MOTION—ECONOMIC PROBLEMS.

Commonwealth Bank and National Credit.

Debate resumed from the previous day on the further amendment moved by Mr. Berry, to add the words "by and through the Commonwealth Bank without inflation" to the amendment moved by Mr. Boyle to add the words "the National credit of the Commonwealth should be used in the interest of defence, the primary industries and the general welfare of the people of Australia" after the word "midst" in the following motion moved by Mr. Marshall (as amended):—"In view of the deplorable state of our primary industries, and the ever-increasing poverty and unemployment in our midst."

MR. MARSHALL (Murchison—on further amendment) [3.16]: I appreciate the effort of the member for Irwin-Moore (Mr. Berry) to save what factors of importance remain of the original motion. Without this amendment the motion will be ruined. I cannot understand what inspired the member for Avon (Mr. Boyle) to move his amendment. I regret that I was not in the Chamber when the amendment was made. I cannot understand the attitude of my own supporters. My motion was in conformity with the platform to which they all subscribe, but the amendment does not conform to that platform. I do not know what happened. I now find that I must support the further amendment of the member for Irwin-Moore which I willingly do, because without the addition of that amendment the motion has little substance. For hon. members to talk about the national credit of the country being used and to say that the credit base ought to be developed and to use other phraseology generally employed in arguments of this kind is of little value unless reform is achieved through the medium of the Commonwealth Bank, which is a national department. That is the only bank that can be expected to do the job economically, and it is the only medium through which this particular motion can be given any effect.

Mr. Hughes: The bank is the only currency issuer.

Mr. MARSHALL: Yes, but that is not all it should do. It should not merely have control of the note issue, while private individuals have possession and ownership of what rightly belongs to the Commonwealth Bank, namely, the expansion of credit. One member after another opposite made a plea on behalf of the unfortunate farmers. Members on my left have spoken for the unfortunate unemployed. The deplorable state of our public utilities was discussed when the Estimates were under consideration. Right throughout complaint has been made about the effect, but the cause has not been attacked. The member for Subiaco (Mrs. Cardell-Oliver) wants free milk for school children. It is a disgrace that we should have to plead for that when £60,000,000 worth of wealth is produced every year in Australia for interest purposes. I do not know what inspired the member for Avon to interfere with the motion, which had only a deeply humane intent. My sole concern is the welfare of the people of this country. Unless the further amendment is carried, the rest of the motion will be useless, and the hon. member who mutilated the motion will be remembered on the public platform during the next election campaign. Every time an attempt is made to point out the real cause of our troubles, some hon. member is anxious to maintain the authority of the private institutions. Those institutions never seem to be without a mouthpiece in this Chamber. Every attempt to give back to the people their sovereignty and rights whereby they may enjoy a full, wholesome life of freedom amidst plenty is baulked by some individual prepared to defend the financial institutions. Unless the further amendment is carried the motion will be of little value. The Commonwealth Bank is the only institution that can give real effect to the motion. I plead with members to support the further amendment.

MR. J. H. SMITH (Nelson—on further amendment) [3.22]: I propose to support the further amendment moved by the member for Irwin-Moore (Mr. Berry). I regret that the motion moved by the member for Murchison (Mr. Marshall) was not allowed to stand unaltered. I can see, and I presume every other hon. member can perceive, what is going to happen in the future. We shall have the same thing occurring as occurred previously. We shall spend millions of borrowed money that we shall never be able to repay. That is what is causing our misery today. Everybody is taxed up to the hilt. If this state of affairs continues I can visualise the time when our Treasurer will be up against greater difficulties than he is facing today. Every avenue of taxation will be taken from him because the loans raised are free of State taxation. That diminishes the field our Treasurer has to work in for the raising of finance to carry on the affairs of this country. There is only one solution of the problem. We have no control of the financing of the country, and the only thing we can do is to make a recommendation to the Federal Parliament. I greatly regret that the motion moved by the member for Murchison was not carried as it was originally presented.

MR. J. HEGNEY (Middle Swan) [3.24]: I move—

That the further amendment be amended by striking out the words "without inflation."

Those words are superfluous. Their inclusion presupposes that the Commonwealth Bank will carry out a scheme of inflation, but the Commonwealth Bank having a knowledge of finance—and members of the board were appointed because of their ability—is not likely to take such action. This is a most important question from the point of view of the people as a whole because there is no doubt that the financial institutions are the masters of the people's destiny. They can make and unmake a country. They are the masters even of Parliaments. We in this House are subservient to them. Although there is a Financial Agreement in existence, when it comes to the question of raising funds, the Commonwealth Bank is supreme. The State Premiers and the Commonwealth Treasurer meet as a Loan Council and agree as to what sums shall be raised, but almost invariably when the intermediary goes from the Loan Council to the Commonwealth Bank Board to state the position, he is advised to return and tell the Loan Council that the pruning knife must be used on the proposals no matter how urgent may be the requirements of the various States. The financial institutions are superior to Parliament. With the banks I bracket the insurance companies which possibly have as much influence. They are a great power in the land. The motion expressed the opinion that the Commonwealth Bank should function in the interests of the people of this country and that its resources should be marshalled to the end that poverty might be abolished, and a new social order instituted. I am sorry it was not agreed to.

MR. HUGHES (East Perth—on further amendment) [3.27]: I support the further amendment. The Commonwealth Bank is going to inflate the currency: it has no alternative. In view of the load of debt incurred by the Commonwealth and by the British Empire the proposed three-years war could not be prosecuted without inflation. That inflation will be carried out in a respectable way. The bank will devalue the gold standard. If we obtain eight notes to-day for an ounce of gold and ten notes tomorrow, is not that inflation? I would not be surprised to see the price of gold go to £15 or £20 an oz. if the war lasts four or five years, because the war could not be financed in any other way. The easiest way to inflate is to continue increasing the price of gold. If we could get £15 in Australian notes for 1oz. of gold it would mean a great increase in the currency, and incidentally that would be of immense benefit to gold-producing States like Western Australia. To ask the Commonwealth Bank to utilise its powers without inflating the currency is to ask it to do something everybody knows it cannot do. When we find men like Mr. Stevens, ex-Premier of New South Wales, talking about using the credit of the country and Mr. Spender making remarks of a similar kind, it is obvious they are only paving the way to ease the position by inflating the currency, by increasing the number of notes that can be obtained for a fixed quantity of gold. On somewhat different grounds diametrically opposed to those of the hon. member I support the amendment.

MR. BERRY (Irwin-Moore—on further amendment) [3.30]: I included the words I submitted merely because this bogey of inflation is being continually thrown in our faces. I fully realise what the member for East Perth (Mr. Hughes) says. There is no question that we have sailed steadily into inflation for years, and I think that inflation is a sin only if it is found out. If we have a form of inflation and people do not know of it, apparently it is not a sin. I do not mind whether those words are struck out. Frankly I inserted them as a sop. As I said, this bogey of inflation is thrown in our faces every time we talk of financial reform.

MR. MARSHALL (Murchison— on further amendment) [3.31]: I am surprised to hear the ideas of some people regarding what is described as inflation. Writers on orthodox banking ideas are continually endeavouring to scare the people by implying that unless private ownership of the public credit is retained, inflation, as they term it, is bound to occur. What is inflation? That is the point to be cleared up. I say that inflation is a reduction in the buying value of money. It means nothing more and nothing less than that. I point out to the member for East Perth and others who think with him that the Commonwealth Bank has more ways than the increasing of the note issue in order to bring money into circulation. The bank should control the expansion of credit with every regard to equation, for without this safeguard it is the most dan-

gerous form of increasing currency in any country.

Mr. Hughes: I wish you would tell me one means that the Commonwealth Bank has.

Mr. MARSHALL: Authorities on managed currency agree that gold has no more than a psychological effect in any country. For years we have not had an ounce of gold to back our currency. We have linked up with sterling, which is the spirit of gold. The psychological effect created in the minds of the people is that the gold is there when they want it, but it is not. If all the people went to the bank at the one time to get it, they would be disappointed. So long as managed currency is brought into circulation to equate with the amount of real wealth produced, that is goods and services, and consumed at the same time, there can never be inflation. Currency does not outstrip production; it merely supplies the consumer with sufficient money in order that goods and services produced and required will be consumed. Against inflation and deflation by private institutions in all these years, there has never been a squeal. When the Scullin Government attempted to put £18,000,000 of fiduciary money on the market, a hue and cry was raised, "You are going to ruin the currency by inflation and you will deflate the value of money." Had the Scullin Government gone to the people, it would have won easily, and I have cursed it ever since for not having done so. Since that date we have added hundreds of millions of currency by the expansion of credit through the private institutions. Nothing has been said, and yet the people have been impoverished in the process. I should like the words to remain. The history of the Commonwealth Bank is a sad one. If the Commonwealth Bank was properly controlled by a Government having the welfare of the people at heart, I would have no fear if the words were struck out, but having regard to what Sir Earle Page, Mr. Stanley Bruce and others have done in the way of legislation, and to their interference with the mechanism and operations of the bank, to the detriment of the people and to the benefit of a few private owners, I am afraid it would be possible so to manipulate the expansion of credit as to out-pace production and bring about a state of inflation. The words provide a safeguard, and I hope members will not interfere with them. Later I propose to move another small amendment and then there will be some substance of the original motion left.

Amendment on amendment (to strike out words) put and negatived.

Amendment (to insert words) put and passed.

MR. MARSHALL (Murchison) [3.36]: I move an amendment—

That after the word "inflation" the words "or any charge" be inserted.

In asking the House to accept this amendment, I am not doing more than giving effect to what modern writers contend, namely that an institution like the Commonwealth Bank can do this work free of charge. I need not go beyond the report of the Royal Commission on Banking. I quoted the remarks of Mr. Spender in the Federal House that the Commonwealth Bank can do this and do it free of charge. Therefore, I am not asking for any more than we have been told is quite possible. We are only expressing an opinion—one in conformity with the report of the Royal Commission and the statements of Mr. Menzies and Mr. Spender in the discussion on the Federal Estimates, as well as the statements of other authorities. All of them pointed out the stupidity of any Government permitting the private ownership of public credit allowing private institutions to charge interest, to get huge rake-offs on each flotation as well as repayment, though repayment can be obtained only by way of interest.

Mrs. Cardell-Oliver: What about administrative charges?

Mr. MARSHALL: This applies to the Commonwealth Bank, which is a State institution just as our Treasury is a State institution. The officers of our Treasury are paid by the State, and whether they do certain work or not, their salaries go on. There is no occasion for the Commonwealth Bank to make a charge, though I admit an ordinary bank would be entitled to do so. As the Commonwealth Bank is a public utility and as the employees are civil servants, there is no occasion for any charge.

Amendment on amendment put and passed.

Amendment as amended put and passed; question as amended agreed to.

Sitting suspended from 3.41 a.m. to 5.30 a.m.

BILL—LAND TAX AND INCOME TAX.

Council's Further Message.

Message from the Council received and read notifying that it had agreed to the Bill as amended by the Assembly.

BILL—FINANCIAL EMERGENCY TAX.

Council's Further Message.

Message from the Council received and read notifying that it had agreed to the Bill as amended by the Assembly.

BILL—COMPANIES ACT (LITCHFIELDS LIQUIDATION) AMENDMENT.

Council's Amendments.

Schedule of four amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Hon. C. G. Latham in charge of the Bill.

No. 1. Clause 3—Delete the words "one hundred" in line 11 and substitute the word "fifty."

Hon. C. G. LATHAM: All the amendment does is to alter the figure "100" to "50." I am agreeable to the alteration being made. It provides for a holder of one £50 certificate being in a position to take the necessary steps to wind up the company. The only reason why the alteration was not made before was that it would have been necessary to re-print the Bill. I move—

That the amendment be agreed to.

Question put and passed: the Council's amendment agreed to.

No. 2. Delete the word "shall" in line 32 and substitute the word "may."

Hon. C. G. LATHAM: I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 3. Clause 5: Delete.

Hon. C. G. LATHAM: This clause dealt with instructions to the judge. It was felt that the judge should have discretionary power in this matter, and for that reason the clause was deleted in another place. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 4. Title: The Title is amended by deleting the words "define what property shall be included in the assets of the company for the purposes of the winding up."

Hon. C. G. LATHAM: It became necessary to alter the Title when Clause 5 was struck out. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolutions reported, the report adopted, and a message accordingly returned to the Council.

Sitting suspended from 5.33 a.m. to 7 p.m.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Council's Message.

Message from the Council received and read notifying that it had agreed to the amendments made by the Assembly.

BILL—MARKETING OF EGGS ACT AMENDMENT.

Council's Message.

Message from the Council received and read notifying that it had agreed to the amendment made by the Assembly.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 1).

Council's Amendment..

Amendment made by the Council now considered.

In Committee.

Mr. Withers in the Chair; Mr. Marshall in charge of the Bill.

Amendment. Clause 2:—In paragraph (b) on page 2:—Insert after the word "sell" in line 9 the words "or use."

Mr. MARSHALL: I move—

That the amendment be agreed to.

This amendment gets over the difficulty as regards farmers, who use implements, oils and so forth in the course of their farming operations.

Question put and passed: the Council's amendment agreed to.

Resolution reported, the report adopted and a message accordingly returned to the Council.

ADJOURNMENT—COMPLIMENTARY REMARKS.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [7.5]: The business of the session now being concluded, it is my pleasant duty as well as my privilege, Mr. Speaker, on behalf of members of the House to wish you the usual compliments on the approach of the festive season, and to express the hope that you, Sir, and every member of the Chamber will enjoy a prosperous new year. I extend, on behalf of the House, the same good wishes to the Chairman of Committees, the Deputy Chairmen of Committees, the officials, the "Hansard" staff, and the Press, from all of whom we have received valuable assistance in carrying out the duties imposed upon us. Without that help, which has been rendered most cheerfully by all, we could not have done our business in nearly so expeditious a manner as we have been able to do it. I believe I echo the sentiments of every member of the Chamber in congratulating you, Mr. Speaker, at the end of your first session in the Chair on the manner in which you have upheld the best traditions of your high office. The same remarks apply to the Chairman of Committees. We have had both of you gentlemen in charge of the House during the session, and certainly it has been most pleasing to all of us to note the impartiality and the courtesy which have marked your tenures, and the desire to assist which you have shown on every occasion. In these remarks I also include the Deputy Chairmen of Committees. It must be highly satisfactory to you, Sir, and the Chairman of Committees that we should have found amongst our members two who are capable of filling those positions in such a manner that after four or five months of strenuous work you can be unanimously congratulated on the success which both of you have achieved. Certainly, it is a matter of congratulation to members generally.

We close the session in very troubled times. The session opened in an era of peace, and before it had proceeded far the calamity of war broke over the Empire, and it has had its effects on our country, as on many other countries throughout the world. We from our standpoint are a united and determined people. We are united in the faith that that the cause for which the Empire is at war is a righteous and a just one. Particularly does that fact come home to us in an institution such as this Parliament. The maintenance of free institutions is one of the objects for which we are at war. We hold that we should not be dominated by any outside power. That, I repeat, is one of the issues for which we are fighting, and which I hope we shall be successful in maintaining. Necessarily we shall experience trials and troubles. We shall experience calamities, undoubtedly; these invariably happen in war time; but we are buoyed up by the feeling and the confident hope that the cause behind which the Empire stands so very solidly will be vindicated. I trust that the peace which must come at the conclusion of the present hostilities may not be too long delayed. Still, however long it may be delayed, we know that our people will remain united in that faith which we have exhibited since hostilities began.

I desire to thank the Leader of the Opposition and the Leader of the National Party for their courtesy and their assistance. Some people can be very nasty, and delay and obstruct business; but during this session, as during the last three or four sessions, I have received nothing but the readiest aid from not only the Leaders of the opposing parties, but from every one of the members of the various parties in this House. To our own supporters I am under a deep debt of gratitude, because from them I have received more than consideration. Not only have I received their ready assistance, but on all occasions they have shown an ever-present desire to help me in the onerous duties cast upon me as head of the Government. The same courtesy has been extended to other members of the Ministry. We freely acknow-

ledge that assistance and are grateful for the manner in which their esteem and the spirit of goodfellowship have been displayed. Public life would perhaps not be worth while if we were not animated by a desire to help each other and to realise that we all wish to do something of advantage to advance the best interests of this State of ours. I do not desire to prolong the proceedings. I wish through you, Mr. Speaker, to extend the compliments of the season to the officials of the House and to members sitting on both sides of the House. I hope that during the year to come, even though we may pass through troublous times on account of war conditions, the State of Western Australia and the members of this House will enjoy a prosperous period.

HON. C. G. LATHAM (York) [7.12]: I join with the Premier, with the closing of the year and the approach of the festive season, in wishing you, Mr. Speaker, the Chairman of Committees, the Deputy Chairman and the staff of the House, a very happy and prosperous period in the New Year. I hope you, Sir, will spend your well-earned rest, which has been earned because of the work that has been carried out during the last few months, in a manner that will be of great benefit to you. I desire to express my gratitude to the Premier, his Ministers and members on both sides of the House. Sometimes we are a little bit hurt by hard things that are said about public men, but I believe we can claim to understand each other and appreciate the work that is being done, irrespective of political parties. We cannot always agree politically, but we can admit that each member of this House, in his own way, endeavours to do his best for his constituents and for the State generally. I am very pleased if I have been of any assistance to the Premier. The year has been very strenuous for him, and it must always be so when our nation is in conflict with another country. While we may not play a very important part in determining the international policy of Australia, a responsibility does rest upon each one of us. In times such as these the leader of the political party holding the reins of government, must feel the responsibilities attaching to his high position. Thus if we have been of any assistance to the Premier, I can assure him that we are always very willing indeed to render that assistance and are grateful to him for his acknowledgment. To the Leader of the National Party and those associated with him, I am indebted for kindnesses extended to me during the year. As to my own supporters, I do not think there could be a more loyal body of men.

Mr. Cross: They never slipped you up.

Hon. C. G. LATHAM: And for that I am very grateful. They made the work of the session much lighter for me and were of material assistance to me throughout. I am particularly thankful to those members who were associated with me in the difficult task that confronted the recent select committee. More especially does that apply to those who were not of my own party. The services rendered by the two members from the Government side of the House were most useful and beneficial, because they possessed knowledge that I did not have. They gave me every assistance in every way possible.

It is always very pleasing to be associated with the staff that we have here. I refer not only to the officials of the House and to the "Hansard" staff, but to every employee whether in the dining room or elsewhere. They have always shown themselves to be very willing and anxious to make the lot of members easier and more comfortable. As the years go by, we possibly appreciate this more and more. I know I do so more now than in the early days of my association with Parliament. I am grateful for the assistance and kindness extended by all members of the House. I take this opportunity to wish you, Mr. Speaker, and your staff and members generally the compliments of the season. With the Premier, I hope that when we reassemble our nation will once more be at peace. That is what we all desire. We want to be allowed to carry on our avocations without fear or dread hanging over our heads. We are a long way from the seat of war, but one cannot tell how quickly hostilities may be transferred to our midst. In the Press we read of a nation that has been friendly with us for a long period, announcing that if it experienced a shortage it would look southwards. Perhaps that does not mean Australia, but at any rate, it threatened to turn its attention in a southerly direction. We may yet have to show the world, as we attempted to do in this Chamber last year, that we are united, and

that if we are to suffer defeat, we shall suffer it as a united people. I hope we shall never be confronted with that crisis. We have always before us an ideal that has characterised our nation over many generations. It is the desire to do what is fair and right by all people, irrespective of who they may be. We set an example to foreigners in our midst, and even enemy subjects are treated with a great deal more kindness and respect than I am afraid would be displayed towards us if we were in their country. We must carry on that tradition in the interests of the British Commonwealth of Nations.

I hope that every member will have a happy and enjoyable holiday, and that the Premier will not find it necessary to call Parliament together at too early a date. Members are at least entitled to a respite. The session has not been as strenuous as on many previous occasions, because this is the first all-night sitting we have had. I am indeed grateful for the spread of work during the session. May I once more extend to all every good wish for the Christmas and New Year seasons.

MR. McLARTY (Murray-Wellington) [7.18]: I regret the unavoidable absence of the Leader of the National Party. On behalf of members who sit on the Opposition cross-benches, I desire to express our gratitude to you, Mr. Speaker, for the many courtesies extended to us during the session. I agree with the Premier and the Leader of the Opposition that you have carried out your duties impartially and with credit to yourself and to the House. I also thank the Chairman of Committees for the manner in which he has conducted our business in Committee. I take this opportunity of expressing, on behalf of those on this side of the House, the hope that you, Mr. Speaker, will enjoy a Merry Christmas and a Happy New Year. I shall be glad if you will convey the same good wishes to the officers and the staff and also members of the Press who have been associated with us during the session. To the Premier and his Ministers, as well as to all the followers of the Government, I should like to convey our best wishes for the New Year. With the Premier, I hope it will not be long before peace reigns again. We know what an anxious time those who hold responsible positions experience during such a period. Nothing causes more anxiety or more uncertainty than does war. The Premier knows that we are prepared to do everything possible to assist him to overcome the difficulties confronting him, and he appreciates that we shall certainly not take advantage of the occasion to use any political weapons against him. The best I can wish the Premier and his followers is that peace will soon come again and, as a consequence, government will be made all the easier. To the Leader of the Opposition and his followers I convey our good wishes, and express the hope that the primary producers will enjoy better times in the near future. I thank you, Sir, for the courtesy we have received from you, and to all members I wish the compliments of the season.

MR. SPEAKER (7.21): On behalf of the Chairman of Committees, the Deputy Chairmen, the Clerks, the "Hansard" staff, the staff generally and members, I acknowledge the very kind expressions for the festive season. I wish personally to thank the members of the staff for the very valuable assistance they have rendered me in this my first session in occupancy of the Chair. The valuable assistance of the staff and the conduct of members generally have made my task fairly easy. But for this help and co-operation, I would have found the work very difficult. As a private member I had no idea of the excellence of our staff, but having occupied a position in which I have needed the help of the staff, I have been able to appreciate what a wonderful staff we have. Unfortunately, because of the war, this Christmas is not going to be a happy one for thousands of people such as past Christmases have been, but I hope that before we meet again, peace will have been restored and that peace on earth, goodwill to men may reign for many years. I wish you and all yours a very happy Christmas and a prosperous New Year.

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [7.22]: I move—

That the House at its rising adjourn till a date to be fixed by Mr. Speaker.

Question put and passed.

House adjourned at 7.23 a.m. (Thursday).