

Hon. H. Seddon: The Agricultural Bank Bill provides for that.

Hon. E. H. ANGELO: And those that are hopeless should be wiped out altogether. It seems to me ridiculous, as we found during the investigation by the select committee, that there should be two sets of books and two sets of officers carrying out practically the same work, and in many instances working at cross purposes. The select committee also found that assistance granted under this Act extended to many things that were never anticipated. For instance, in addition to cropping, assistance was rendered for the purchase of cattle, horses, sheep, machinery, as well as medicines and even maternity cases. It is just as well that we should know a little more about the working of this Act, and I suggest that we do not completely pass the Bill until we have discussed the provisions of the Agricultural Bank Bill, which we hope to have before us in the near future.

HON. L. CRAIG (South-West) [5.10]: I have been informed that settlers under the Agricultural Bank, where they have failed to pay their interest, are charged 5 per cent. accommodation interest. That also applies to the settlers under the Soldier Settlement Scheme, but under the Industries Assistance Act, no accommodation interest is paid. I should like to ask the Chief Secretary whether that is so.

On motion by Hon. V. Hamersley, debate adjourned.

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

### *Second Reading.*

Order of the Day read for the resumption of the debate on the second reading from the 25th October.

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

*House adjourned at 5.12 p.m.*

## Legislative Assembly,

*Tuesday, 30th October, 1934.*

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

## QUESTION—LAND SETTLEMENT, ADVANCES.

The MINISTER FOR LANDS: With reference to the question asked last week by the Leader of the Opposition, the information that was given was not that which was asked for. I now supply the following:—

The position to date is—

	£
Amount received from Commonwealth	429,630
Expenditure to date	387,591
Balance unspent	£42,039

The instalments, which include principal and interest, due and unpaid, amount to £61,035 19s. 1d.

## LOAN ESTIMATES, 1934-35.

### *Message.*

Message from the Lieut.-Governor received and read transmitting the Loan Estimates for the year 1934-35 and recommending appropriation.

### *In Committee of Supply.*

The House having resolved into Committee of Supply to consider the Loan Estimates; Mr. Sleeman in the Chair.

*Vote—Departmental, £87,104:*

**THE ACTING PREMIER AND TREASURER** (Hon. A. McCallum—South Fremantle) [4.32]: I intend to follow the usual course adopted in presenting the Loan Estimates, namely, to outline the main headings,

but to leave the details to be supplied by the Ministers controlling the various Votes. It is proposed that £3,000,000 shall be spent from ordinary loan, and £150,000 in connection with the power house extension. This makes a total of £3,150,000 which has been approved by the Loan Council. Last year, under the heading of ordinary loan expenditure the amount was 23¼ millions, so that the Estimates I am now presenting show an increase over that year of £400,000. The aggregate loan expenditure of the Australian loan programme for 1934-35 is £26,860,000, and for 1933-34 it was £20,930,000, an increase of £5,430,000. I quote these figures to answer the contention that has been advanced by some members, and discussed outside this Chamber, that we are indulging in a heavy loan programme, and are actually borrowing too much money. It will be seen from the figures I have given that the average increase for the whole of Australia, that is, all Governments in Australia, is 26 per cent. Excluding the loan for the power house, our increase is only 9 per cent., and if the power house is included the increased loan expenditure for this State is 14½ per cent., compared with the Australian average of 26 per cent. We are not, therefore, launching out in any reckless loan expenditure, as some people have stated, compared with what other Governments in Australia are doing.

Mr. Sampson: In most of the States the loan expenditure would definitely be on account of advances for public works.

The ACTING PREMIER: That is the case here.

Mr. Sampson: That expenditure would not be under the control of the Loan Council.

The ACTING PREMIER: I am dealing with moneys made available by the Loan Council, not with moneys which boards, commissions and semi-Government authorities get. There is a definite comparison between ourselves and the other States in Australia. It will be seen that we are considerably below the general average of all the States.

Hon. C. G. Latham: It is a question of the revenue earnings from the loan expenditure.

The ACTING PREMIER: Yes. It is generally admitted that the first essential is to find work for the people. If the

unemployed have to be financed through the dole without work being created, that will mean much heavier taxation than the system proposed here will mean. The money will all have to come out of revenue. We cannot use loan funds for doles. Loan moneys can, however, be paid where work is done. If we are not to go on with loan expenditure, and create work, but are to pay men money for doing nothing, the expenditure will have to come out of revenue and, as I have said, additional taxation will have to result.

Mr. Stubbs: Will the works at the power house create much employment?

The ACTING PREMIER: A good deal of work requires to be done there.

Hon. C. G. Latham: It will be revenue-producing.

The ACTING PREMIER: Yes. The machinery could not be obtained in the Commonwealth. It is admitted that it is not made in Australia.

Mr. Stubbs: Has a tender been accepted yet?

The ACTING PREMIER: No; I will deal with that later. We have this year entered upon a more vigorous relief work campaign than was indulged in last year, or than covered the period since the depression started. It cannot be denied that that is reflected in the general improvement in the trade conditions throughout the State. Men have more money to spend, there is more in circulation, and all avenues of trade and commerce have benefited in consequence. The main essential is to get men to work. By that means a better chance is afforded of improving trade and doing good for the community as a whole. We are pleased to learn of the proposal that the Commonwealth Government will assist in coping with the unemployment situation. All I know is that we have been told through the Press that a conference between the State representatives and the Commonwealth Government is to be held in Canberra to-day, so that the position of the unemployed may be discussed, as well as proposals for new works. We know nothing about it; we have not had a line or a word or any information dealing with this conference. Whether the other State Governments have had word or not, I do not know. I have only the information that I saw in the Press, that one of the Federal Ministers states he has received statistical information from some of

the Premiers, and that they are going to Canberra armed with definite proposals for works in their States, and he hoped to be able to come to some arrangement with them.

Mr. Griffiths: We do not count here.

Mr. Stubbs: Are we on the map?

The ACTING PREMIER: We are taking no notice of what has appeared in the Press. If such a meeting is to be held, the Honorary Minister (Hon. W. H. Kitson), who is representing the State Government at the Loan Council will attend, and report to Cabinet. No committals can be made because we have no information on the subject. We welcome the suggestion of the Commonwealth Government that they will assist in combating this evil. It is generally admitted that most countries in the world are still marking time. It is obvious that Governments cannot cater for all men out of work. They are not doing it, and I do not think it would be reasonable to expect them to do it. The only alternative is to put in hand national undertakings. There is nothing to be gained by putting them on the dole, that being the last thing we want. The Minister for Employment gave members full information on the subject the other night. He said we had got down to about 1,000 unemployed, still on sustenance. The sooner we can clean up that 1,000, the better shall we be pleased. We want everyone to earn the money paid to him. The problem is to select the work that will return decent earnings. Each day that task is becoming more difficult. We are finding it more difficult this year than we did last year, and we found it more difficult last year than the previous Government did during their term of office. Each month we select the most favoured works and put them in hand, and as they are completed the more difficult does it become to find fresh work that will return to the Treasury decent interest on the money spent.

The Minister for Justice: And also to provide a large percentage in respect of labour.

The ACTING PREMIER: Yes, and to allow a decent percentage for the labour employed. We have to examine the position from those standpoints in respect of all works we endorse, and thus endeavour to keep the money in the State. We do not desire a large percentage of the expenditure to go in the purchase of materials, and we

do everything possible to assure the larger percentage being spent in wages, and the smaller percentage on materials. Wherever it is necessary to purchase materials, we endeavour to provide that as much of that expenditure as possible shall be within the State. That, of course, is the soundest policy to be followed, and even in that respect the task is becoming more difficult year by year. It is more difficult this year than it was last year to assure the higher percentage of the expenditure on wages as against other costs. All the proposed works have been closely scrutinised to ensure that they conform to the policy I have just outlined. The choice of the works decided upon by the Government, after close investigation of the whole of the circumstances, is indicated in the Estimates. To make a comparison with the proposed expenditure as against that of last year, it will be remembered that last year's expenditure of Loan funds represented £2,664,022, made up as follows:—

Departmental .. .. .	80,915
Railways and Tramways, etc. ..	319,890
Harbours and Rivers .. ..	234,661
Water Supply and Sewerage ..	792,795
Development of Goldfields ..	73,701
Development of Agriculture ..	910,401
Roads, Bridges, Buildings, etc. ..	251,659

This year's allocation of the proposed loan expenditure, amounting to £3,142,319, is as follows:—

	£
Departmental .. .. .	87,104
Railways and Tramways, etc ..	471,250
Harbours and Rivers .. ..	317,000
Water Supply and Sewerage ..	1,330,500
Development of Goldfields ..	70,000
Development of Agriculture ..	485,000
Roads, Bridges, Buildings, etc ..	381,465

Hon. C. G. Latham: There is a big drop in the Vote for the development of agriculture.

The ACTING PREMIER: Yes. From these comparative figures, members will realise at once there is a marked difference with respect to some of the allocations. I will deal with the items as I go along. The amount provided for water supply and sewerage works has been increased by £537,705, while that allocated for the development of agriculture, to which the Leader of the Opposition referred, is less by £425,401. I will give some of the details under the various headings. With regard to railways and tramways, the provision under that heading has been increased by £151,360 above the ex-

penditure for last year. That increase is represented wholly by the proposed extensions at the East Perth Power House. The member for Wagin asked about the tenders. We have received tenders for the power house extension but the Government are not inclined to arrive at a decision regarding the acceptance of any of the tenders until further advice is received from London. I gave information to the Press that Mr. Taylor, the manager of the Tramway and Electricity Department, had been sent to London to supervise the calling of tenders and to report to Cabinet. His report was against the acceptance of the lowest tender in favour of another tender that was approximately £20,000 higher. The Government cabled to Mr. Taylor to return to Perth in order to discuss the matter with Ministers, and we also asked the Agent General to approach the Imperial Government with a request that they should recommend to the Government a firm of consulting engineers who would be able to advise us on the matter. The British Government sent out the names of three firms from which we selected one. The representative of that firm went through all the tenders and recommended the acceptance of the lowest.

Mr. Raphael: That looks fishy.

The ACTING PREMIER: Mr. Taylor, after examining the firm's report, still held to his first recommendation, and the Government decided to submit Mr. Taylor's report back to London in order that a further investigation might be carried out. Until that further information comes to hand the Government do not propose to arrive at any decision, because there is £500,000 involved. From the financial side alone, we shall have to be very careful. As there is a distinct difference of opinion among the professional men regarding some technical features of the plant, the Government desire to be sure that the plant decided upon will be the most economical and, at the same time, the most efficient. Until we can assure ourselves under those two headings, we will not decide upon any one tender. It will probably be another month before we can get the desired additional information from London. The delay will be warranted if we are enabled to arrive at a sound decision. At any rate, all doubt will have to be cleared up, as far as possible, before Cabinet will attempt to arrive at a determination. The programme commenced last

year to cope with overdue maintenance and repair work on the railways is being continued. When the Revenue Estimates were before the Committee, Opposition members interjected to the effect that the Government were doing work out of Loan funds that ought to have been provided for out of General Revenue. That assertion was not entirely correct. It is not correct to say that that expenditure is to be permanently charged to Loan Fund. There was a recoup from revenue last year of £70,000 and provision is made this year for a further recoup of £100,000. Therefore, although the work had to go on and the first expenditure had to be made out of Loan funds, we are providing for revenue to recoup Loan funds from year to year. With regard to regrading and deviations, further work has been put in hand. The railway authorities in each instance have submitted proposals and have had to show that the work suggested would prove a profitable investment and would return a fair amount of interest. Thus all heavy gradients are being eliminated, and that will reduce train mileage costs by permitting heavier loads to be hauled. Ballasting is being continued, and the expenditure involved will reduce recurring costs in maintenance and allow increased speeds. Provision is also made for additional rolling stock, which, members are aware, is urgently required. Apart from the question of belated repairs, the principal works at present in hand are—

Ballasting—Coolgardie-Norseman, Southern Cross-Bullfinch, Waroona-Pieton Junction.

Regrading—Kukerin-Dumbleyung section of the Wagin-Lake Grace line.

Relaying—Bowgada-Morawa.

Water Supply—Williams.

Small amounts are also provided on the Estimates for the two new lines, these being £10,000 for the Yuna-Dartmoor line, and £10,000 for the Southern Cross southward line. There is also a small amount provided to finalise accounts on completed lines, to meet survey expenses, and for the settlement of land resumption claims. With regard to harbours and rivers, last year's expenditure was £234,661, and provision is made in this year's Estimates for the expenditure of £317,000. The increase is mostly on two items, these being the Ashburton jetty, £30,000, and the Esperance

jetty, £55,000. The provision regarding the Ashburton jetty is for the reconstruction of that part which was damaged by the cyclone last year. The Vote for the Esperance jetty is for the completion of the work. Present indications are that the Esperance jetty will be completed at under 75 per cent. of the estimated cost. Actually, the present figures show that the work will cost very little more than 50 per cent. of the original estimate, and certainly the work, when completed, will be within 75 per cent. of the original estimate. At Bunbury, the extension of the breakwater that was commenced last year is to be continued. As members are aware, work on the permanent renewal of Victoria Quay was suspended last year because reports were received that the North Wharf was collapsing, and was in a condition that would not enable the forthcoming wheat harvest to be handled. It was reported that there was danger of trouble with regard to shipping facilities, and it was therefore decided to transfer the whole of the work and expenditure authorised on Victoria Quay to the North Wharf. It is expected that the North Wharf reconstruction will be completed in April next year and then the operations on Victoria Quay will be resumed, and the two eastern berths and "G" and "H" sheds will be reconstructed. Wharf construction and dredging operations are being continued at Geraldton. This year the amount provided will be expended in the completion of the spur extension to the breakwater and the new goods shed. Dredging to a depth of 28 feet at two berths is expected to be completed this year. The principal work under the heading, "Improvements to harbours and rivers," is the reclamation at the Causeway. Provision has also been made to strengthen the existing jetties for ferry boats. For the North-West generally, an amount has been provided for increased jetty and shed accommodation. Provision has also been made for investigations and preliminary work in connection with a jetty and harbour facilities for the Roebourne district. The member for Roebourne has been inquiring about that matter for some time, and I am sure he will be glad to know that the matter has received consideration. With regard to water supply and sewerage operations, this section covers

the water supply, sewerage, irrigation and drainage requirements of the whole State. Respecting town water supplies, the principal works carried out last year were the completion of the Geraldton water supply reservoir roofing, and the relaying of the gravitation main. The new Mungallup scheme to serve Collie was commenced. This year the completion of that scheme is anticipated, and further work in connection with the Geraldton scheme will be carried out. In addition, provision has been made for improvements to other supplies, and investigations into new schemes. Regarding the water supply on stock routes, provision is made for improved supplies generally. In some areas there has been a change-over from cattle to sheep, and that means the necessity to provide additional stock wells at shorter distances apart. With regard to sewerage and drainage works in Perth and Fremantle, last year the extension of sewerage reticulation in the Subiaco area cost £15,500. A commencement was made with the construction of works for the sewage of the Claremont-Cottesloe area, and the amount expended was £45,000. In the drainage section, the Shenton Park work was completed. The main drain for Maylands from the river to the railway east of the Maylands Station was also finished. Drainage work was carried out at Nedlands, and the total expenditure on drainage last year was £87,500. The amount provided this year has been considerably increased. Sewerage works at the present time offer the best opening for the investment of loan funds. We can receive a more assured return from outlay on such an undertaking than from any other form of expenditure at the moment. Power is provided in the Metropolitan Water Supply, Sewerage, and Drainage Act compelling a rate to be struck that will cover all charges to be met. Those concerned have no option. If they are short one year, they must increase the rate to make up the deficiency. If there is a surplus in one year and the outlook is favourable, then they can reduce the rate. But we are assured there is at the moment no other item of expenditure from which the Treasury can be so certain of getting a fair return as from sewerage works in the metropolitan area.

Hon. C. G. Latham: Where you propose to put in sewerage works you ought to stop

the local authorities from putting in septic tanks.

The ACTING PREMIER: You mean in the suburbs. We have been in conference with the whole of the suburbs, and the local authorities know exactly where they stand. Nedlands was unfortunate enough to put in septic tanks only a little way ahead of the sewerage, but they did that in defiance of information given by the department, and so the responsibility is not ours. We have under consideration a comprehensive scheme of sewerage for the rest of the city and suburbs, those in more thickly populated centres such as Victoria Park, South Perth, Maylands and Inglewood. The scheme for that is just about complete. The engineers of the Water Supply Department have finished with it and passed it on to the Commissioner of Public Works, and we expect to have his decision on the scheme within the next few days. So we hope to make an early start with that work. The scheme proposes to provide for an ocean outfall, and ultimately to do away altogether with the filter beds at Burswood. It was suggested in the original design that the sewerage from Victoria Park and South Perth should go along the south side of the river and join up with the Fremantle scheme, but owing to the long length of unoccupied country intervening it was deemed more economical to bring the sewerage under the river and join up with the Perth scheme on this side, whence it would be pumped to the heights of Mt. Lawley and thence be reticulated to the ocean; with the provision that, later on, when the outer districts grow the engineers will be able to switch off and link up the scheme with Guildford and Midland Junction and take it down the south side of the river. All that has been investigated, and I expect it will mean the introduction of the activating sludge system, which is the latest method of treating sewage. The House can rest assured that while we are taking every precaution against pollution of our river, we are going to take equally good precaution that there shall be no pollution of our sea beaches either. Those instructions were given to the engineers, and we expect to have the report within the next few days.

Member: Have you considered the creation of a sewage farm?

The ACTING PREMIER: Yes, and ruled it out. It is being ruled out the world over. Recently South Australia has had to abandon her scheme of sewage farms, and the

authorities in Melbourne are now in great difficulties. When the Premier and I were in Melbourne in June there was a great outcry that the cattle on the sewage farm at Werribee had all developed the disease known as measles, but which is really tape-worm, and which is transmissible to human beings. No one in Melbourne would eat any local beef at all. And that is the history of the South Australian scheme also. The Melbourne sewage farm has been in operation for just about the same period as had the South Australian farm when it developed this trouble.

Mr. Stubbs: If you continue emptying the discharge from the Burswood filters into the Swan River, the same thing will happen to the Swan River in time.

The ACTING PREMIER: I do not see how the Swan River is going to contract measles. However, the world-wide experience is that the sewage farm is not the best method of treating sewage. There are the two definite instances in Australia we have heard so much about in this State, and we have been urged not to follow the example. The Premier and I put in half a day at the Werribee sewage farm, and the South Australian authorities told us they had entirely abandoned the idea, that there was no hope of overcoming the difficulty, that the area becomes sewage sick, and then various diseases develop. South Australia has installed the activating sludge system, discharging the effluent into the ocean. The engineer who showed us over the Werribee farm told us he was satisfied that by that system he could produce an effluent that would be quite as innocuous and clear to drink as rain water; but he added "I would not drink it." The engineers may be right in that regard, but we do not propose to take any risk of polluting our river.

Mr. Patrick: I remember that the South Australian farm had a smell when I was a youngster.

Mr. Doney: If what you say is correct, the inland towns will have great difficulty in getting ride of their sewage.

The ACTING PREMIER: But they have very small quantities to dispose of. You cannot compare country towns with great cities like Melbourne and Adelaide and the enormous quantities of sewage they have to deal with.

Mr. Doney: But inland towns of any size will find that difficulty.

The ACTING PREMIER: We satisfied ourselves, after the investigations made and the talks we had with the authorities in the two cities having sewage farms, that the method is by no means desirable. Sydney, as members know, discharges her crude sewage into the ocean, but it would cost a lot of money to do that here. In any event, the claim of the engineers is that the activating sludge system is the best.

Mr. Stubbs: Is that done with the aid of chemicals?

The ACTING PREMIER: No. When in London, I found that the Thames water, carrying all that shipping, is treated and used in the water supply of London.

Mr. Sampson: Beautifully clear and sparkling!

The ACTING PREMIER: However, we have had the best advice we are able to get, and we will take every precaution to see that the job is now done by an up-to-date system, providing against any possibility of pollution. We are pushing on with the work in the Cottesloe-Claremont area. The only drainage work that will be carried on and completed this year is the Maylands-Inglewood scheme. The first and second sections are completed, and the third and final section is now in hand. In the metropolitan water supply domain, the principal works carried out last year in the metropolitan section were reconditioning mains £63,000, while minor extensions and improvements absorbed £20,000. Practically all mains have now been reconditioned by cement lining, increased size of pipes, and general improvements, which have been responsible for a vastly improved service to all districts. Additional storage reservoirs have been a long felt want. This year, work has been put in hand for the construction of a new reservoir at Buckland Hill, estimated to cost £50,000. The storage in King's Park will be increased also, and preparatory work has commenced. The cost of this extension is estimated at £35,000. At the Canning dam, work was commenced in September of last year and is being carried out as expeditiously as possible. A wall has been erected to a height of 40 feet on each side of a gap through which the stream passes. As soon as the flow diminishes the water will be diverted through pipes set in the wall. The central gap will then be blocked in, and concrete across the full width will be brought to a level. We propose to put a second shift of men on that

wall within the next few weeks. We have also arranged for all the cement to be taken in bulk, which the engineers say will effect a saving of £60,000. We did not anticipate that there would be any water impounded this summer, but by putting on the extra shift for the summer months of this year it is estimated that the storage next year will be increased from 200,000,000 gallons to 500,000,000.

Mr. Raphael: What about the typhoid scare through having the men working there during the summer months? Have you put that to the engineers?

The ACTING PREMIER: I do not know what you are talking about.

Hon. C. G. Latham: He doesn't, either.

The ACTING PREMIER: The only typhoid scare I recall was that set up by those charged with the responsibility of giving a certificate to the Minister in charge of water supply, certifying that the water supply was wholesome. They objected to 200 men working on the catchment above the reservoir, and said they would not give us the certificate if those 200 men were left there. So we had to withdraw those men. However, what I am now talking about is men working on the wall. Although that storage of 500,000,000 gallons will be ample, I cannot hold out any hope that restrictions will be altogether unnecessary even then. The public must face restrictions this summer for a certainty. We will try to make them as easy as possible, but it will be impossible to allow a free use of water all the summer. It is to try to relieve the position for the following summer that we are undertaking this extra work. In view of the fact that this reservoir is so very important, and is one of the biggest public works yet undertaken in Western Australia—it is a gigantic dam—and with the work done on the southern portion, I was going to suggest that I arrange next month, when the weather takes up a bit, to give members an opportunity to go up and look at it. That was not practicable until the wall reached a given height from the foundations, nor was it while the rainy season was on. But as the weather improves and the engineers are able to close up the central gap in the wall, I will make arrangements for members to visit the site and see the work. Coming to the goldfields' water supply, last year 40 miles of the main conduit was reconditioned

or replaced with wood and steel pipes. This year it is proposed to lift, repair, line with cement and relay 30 miles of the old locking-bar pipes. In addition, portions of the old main will be replaced by 11 miles of wood-pipes, and nine miles of cement-lined steel pipes. The programme therefore covers a total of 50 miles. The great increase in the draw for mining supplies makes the reconditioning of the main conduit a question of urgency. Every possible action is being taken to speed up the work.

Hon. C. G. Latham: Are the wooden-stave pipes proving satisfactory?

The ACTING PREMIER: So far the wood pipes have stood up to their work very well and we propose to let an additional contract. We have made full investigations in the East. The wood used is karri from our own forests, and the only money that has to be sent out of the State is for the purchase of the steel wire to wrap around the pipes. All the other money is expended within the State. The use of wood pipes provides work in the forest, at the State Saw Mills and in the factory at Victoria Park. Wood pipes cannot be used where the water pressure is high, but there are great lengths of low pressure pipes in the main conduit and we are putting in wood pipes wherever it is safe to do so. When we deal with the items I intend to give the experience of other parts of Australia in the use of that class of water pipe. As to water supply, drainage and irrigation in agricultural areas, a number of major works of benefit to the South-West were completed or advanced to the final stages during last year. The Collie River dam to serve the Collie-Roelands irrigation area was completed and filled to its capacity. Irrigation channels were practically completed, and waterings will be made this year over the whole of the area. Harvey, Wagerup and Waroona drainage schemes were advanced and will be completed this year. With the completion of those schemes, and the Harvey River diversion work, it can be said that in the main the very necessary works between Waroona and Bunbury will have been completed. This year the money provided will cover also the enlargement of Waroona and Drakesbrook main drain, the work being undertaken in conjunction with the construction of irri-

gation channels. Boring operations will be carried out in the Balla-Dartmoor and Wandara areas. Urgent requirements in agricultural areas generally will be supplied wherever possible. The amounts provided for the Eastern goldfields, and Murchison and Peak Hill goldfields will be expended in the improvement of water supplies in those areas. The supplies at Norseman and at Meekatharra are the principal ones requiring attention. The amount provided for the development of mining is £70,000 compared with £73,701 expended last year. The prospecting scheme will comprise the main item of expenditure. There are still 1,000 men in the field under the scheme and altogether 3,000 men have been assisted since its inauguration in May, 1933. Of that number many have been absorbed in the industry as wages men; others have struck payable gold and have continued without assistance. Members have been fairly fully informed of the work being done to foster the industry and the great benefit that has accrued from the revival of gold mining. Any other information required will be given by the Minister when the item is under consideration. I think members will agree that the expenditure on the development of mining has been well worth while. Coming now to the development of agriculture, unfortunately for the State and the world in general, there has not been that improvement in the marketing of the produce of the soil that is so necessary, above all in this State, to complete recovery. In the past we have assisted agricultural pursuits even beyond the limits of our purse. The cutting down of the provision for this year does not mean that generous assistance will be withdrawn. The increase in the abattoirs vote is required to cover the cost of machinery now coming forward for emplacement in the additional space provided at Midland Junction last year. Portion of the decrease in the Lands Department vote is accounted for by the fact that expenditure last year included a transfer from an old suspense account, which carried expenditure properly chargeable to the Nornalup land settlement scheme. Reduction in the amounts provided for Agricultural Bank capital and for assistance to settlers reflects the determination of the Government to rehabilitate the finances of the Bank. The practice of capitalising uncollected interest is the first essential step towards placing the finances on a proper



footing. More than £250,000 is accounted for under the heading "Agricultural Bank."

Hon. C. G. Latham: That is due, of course, to the low price of produce.

The ACTING PREMIER: But the Royal Commission pointed out the danger of pursuing the old policy. It is fairly certain that the bulk of the money so capitalised will be lost, and that further losses from the same cause may be avoided if we put a stop to that policy. Group settlement expenditure last year included an amount of £71,000 for advances made previous to the year 1932-33. The advances have been held in suspense pending the finalisation of mortgages. The decrease in the forestry item to the extent of £10,000 is accounted for by a transfer last year to loan fund from loan suspense account of expenditure in the year 1932-33. The amount required under the Treasury item "Assistance to Industries" is determined by needs as they arise. Expenditure last year was incurred in the clearance of amounts that had previously been advanced. The expenditure this year from the various items will be for continuation of work in special areas, namely, Nornalup, Nannup, Napier River and South Busselton. Further assistance in those areas is necessary before the settlers can become self-supporting. Work is being continued on the reconditioning of holdings. Unemployed single men principally are engaged on that work. The amount provided for group settlement will be used mainly for sustenance and for the supply of super. Forestry work provides a good opening for the employment of labour; in fact, it is estimated that up to 90 per cent. of the expenditure represents wages. Apart from that, the work being done should prove highly remunerative to the State, but the difficulty is that a good many years must elapse before that stage is reached, and we have to carry on meanwhile. During pre-war years regeneration of timber in our jarrah forests was neglected, and it will take years to make up the leeway. Last year 29,410 acres were treated for regeneration, resulting in the establishment of a new crop of young jarrah. In addition, some 14,870 acres of vigorous young saplings were thinned. Top disposal operations have been carried out over 22,520 acres, so that lighter debris from logging operations may be burnt with a minimum of danger to immature timber that may remain on the cut-over forest. In

karri forests 3,780 acres of cut-over karri were restocked by natural regeneration from seed trees, and 428 acres carrying no seed trees were spot sown with karri seed. On poison land in the Narrogin district 1,430 acres have been cleared and sown with mallet seed. The young mallet trees are showing remarkable growth under the low rainfall and poor soil conditions. This is very encouraging and opens prospects for a highly profitable industry on otherwise practically useless land. The area of softwood plantations was increased during the year by 1,486 acres, bringing the total area of pines now established to 8,257 acres. Work for the current year will be conducted along very similar lines. As I informed members when discussing the Revenue Estimates, we expect to employ on forest work during the year between 900 and 1,000 men. The amount provided for roads and bridges is £100,000. In addition a sum of £75,465 will be recouped to loan suspense account to clear expenditure of last year in excess of the provision on Loan Acts. Expenditure last year, inclusive of the loan suspense amount, totalled £200,112. Works to serve present and future needs of the State have been carried out supplementary to the expenditure of Federal aid roads money. In some instances roads have been built to avoid or defer the need for greater expenditure on railways. However, every effort is being made to divert employment into more directly remunerative works. I appreciate that the previous Government were hard pressed to find employment for men, and put in hand the construction of roads, financing the work from loan funds. We have to complete the work started by our predecessors and we have just about completed it. Still, we do not subscribe to the principle of spending loan moneys on road construction, unless it is absolutely unavoidable. Where we have undertaken such expenditure, we propose to recoup the outlay from other road moneys at the earliest possible moment. Provision has been made for the continuance of the small loans scheme for additions and repairs to private property. Last year £20,000 was made available to the Workers' Homes Board and a similar sum will be made available this year. The maximum amount that may be approved to any one applicant is £300. Applications received during the year numbered 113. Undoubtedly this scheme has been

very helpful in assisting the building trade and building activities generally. A sum of £35,000 is being provided for additional capital for the Workers' Homes Board. Last year a similar amount was made available. The capital of the board from funds provided by the State amounted, at the 30th June last, to £650,491. This amount and repayments have been used in financing loans for 3,586 applicants totalling £1,464,894. During the year 1933-34, 60 loans were approved, totalling £41,594, an average of £693 per applicant. The amount actually expended last year on the erection of buildings amounted to £54,620. Sixty-four homes were completed, of which 42 were freehold and 22 were under leasehold conditions. A maximum period of 35 years is allowed for the repayment of loans on brick securities and 25 years on wooden securities. The total amount owing by borrowers is £692,349. The capital involved in properties that have reverted to the board amounts to £27,759. Most of those houses are occupied by weekly tenants. The value of reverted properties in proportion to the total sum expended on homes is exceptionally low, being less than two per cent. The position of the board is most satisfactory. Full interest is paid to the Treasury on all sums advanced, and in addition, profits are earned that are paid into revenue. The amount provided for public buildings is £130,000, compared with an expenditure of £91,093 last year. Due to neglect in recent years, it was necessary last year to expend a considerable sum in repairs and renovations. Much has been done to restore our buildings to good condition, but much is still required to be done before the deferred work is overtaken. Loan moneys normally would not be used for that work. However, no other funds are available, but it is proposed to recoup the expenditure from revenue when finances permit. Apart from repair work, the principal items of expenditure last year were for a new block and improvements at the Claremont Hospital for the Insane, and for additions to schools at North Perth, West Midland and Mt. Hawthorn, and smaller schools in the country. This year the major new works proposed are a new central school for girls at East Perth and a University Women's Hostel. Many new school buildings have been requisitioned by the Education Department. It will not be possible to carry out all the works, but works will be undertaken in the order of their urgency. It is

hoped that by the end of this year the major works for the preservation of buildings will be practically completed. This is all the information I propose to give to members at this stage. If they desire anything further, Ministers will be able to supply it under the heading of the different departmental votes.

Progress reported.

## **BILL—FORREST AVENUE CLOSURE.**

### *Second Reading.*

Debate resumed from the 25th October.

**HON. P. D. FERGUSON** (Irwin-Moore) [5.31]: This Bill provides for the closure of portion of Forrest-avenue in Perth. After inspecting the locality, I am satisfied there is every justification for this step. Forrest-avenue runs in a diagonal direction towards the old East Perth Cemetery. This particular portion of the avenue bisects a block of land which, we have been told, the Government intend to utilise as a site for a girls' high school. If it was intended to use the locality for ordinary business or residential purposes, I do not think the closure of the portion of the thoroughfare in question would be justified. In view of the purpose to which it is intended to put the land, it would be futile to leave this portion of the street in use, because it would interfere with building operations. The closure of this part of Forrest-avenue will not interfere in any way with the ordinary traffic in the locality. The usefulness of this part of the avenue is very questionable, because the main arteries of traffic there are not interfered with. There will be plenty of avenues to carry the traffic; consequently no harm can be done to any individual or to the travelling community if that end of Forrest-avenue is closed.

**MR. SAMPSON** (Swan) [5.34]: I question whether it is wise to erect a high school in this particular vicinity, seeing that the two blocks concerned are situated on either side of a road which carries a great deal of traffic.

**MR. SPEAKER**: I hope the hon. member does not desire to discuss the erection of a school. We are only discussing the closing of the road.

Mr. SAMPSON: May I be permitted to ask the Minister for further information with respect to the erection of the high school?

Mr. SPEAKER: No. It has nothing to do with the closing of the road.

Mr. SAMPSON: Would I be in order in asking if it is proposed to have the playground on one side of the road, and the school on the other?

The Minister for Justice: Yes.

Mr. SAMPSON: If so, I question whether we should approve of the closing of the road, because that would constitute a very serious danger to the children who, later on, will attend the school. The road which remains open is Plain-street.

The Minister for Justice: We are not discussing Plain-street.

Mr. SAMPSON: That street divides the two blocks, and will remain open. Plain-street is in the nature of a speedway. I know something about it, because I live in the locality. It is an exceedingly busy thoroughfare, and provides a short-cut from the Causeway to the subway at Mt. Lawley. The House should have further information on the matter. If the Minister for Justice states that the playground is to be on one side of Plain-street and the school on the other, I contend that is not right in the interests of the pupils.

The Minister for Justice: They will all be over the seventh standard.

Mr. SAMPSON: And will be more venturesome than younger girls would be. If the playground is to be on one side of that busy street and the school on the other, I am sure the Minister will live greatly to regret his support of the proposal. There is no doubt the locality is an excellent one for a school, as it is very high. About 60 years ago, Forrest-avenue was the most favoured of any part of Perth. It was the fashionable part.

Mr. Thorn: How do you make that out: because it was close to the cemetery?

Mr. SAMPSON: This is a matter which will affect the girls of the capital city for many years to come. Until I have further information on the subject I regret being unable to support the measure. It would not be wise for the House to agree to the school being erected on the site in the circumstances disclosed.

Mr. LAMBERT (Yilgarn-Coolgardie) [5.37]: I take no exception to the Bill, but do think the Minister should have had prepared a locality plan showing the street that will be closed.

The Minister for Justice: A plan has been laid on the Table of the House.

Mr. LAMBERT: I am addressing the Chair, not the Minister. A paper could be laid on six tables, so far as I am concerned. My wish is that when a Bill of this nature is introduced, the Minister in charge of it should display a plan showing the road or roads it is proposed to close, instead of members being called upon to visit the locality, in this case East Perth, and find out all about the situation. I am pleased to know that a plan has been laid on the Table of the House, but that is not what I desire. We have just as much responsibility in this matter as has the Minister. The least a Government can do in bringing down a Bill authorising the closure of a road is to request the Survey Department to make a display plan for the information of members.

**THE MINISTER FOR LANDS** (Hon. M. F. Troy—Mt. Magnet—in reply) [5.39]: This Bill deals with the closure of a portion of Forrest-avenue, which divides two locations. It has nothing to do with accidents to girls, or with preventing girls from straying. The closure of the road will give the Government an opportunity to provide facilities for the building of a high school, which could not otherwise be provided. The City Council are in accord with the proposal, as are also the Government. In this matter I have followed the usual practice, namely, to bring down a plan and lay it on the Table of the House.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Sleeman in the Chair; the Minister for Lands in charge of the Bill.

Clause 1—agreed to.

Clause 2—Closure of portion of Forrest-avenue, Perth:

Mr. SAMPSON: I want some information from the standpoint of the pupils who will attend the girls' high school. There is every evidence to show that grave danger will exist for them so long as the land is

served by Plain-street. I am surprised that the Minister for Employment, who represents the East Perth electorate, has not expressed his opinion. I do not believe in schools being intersected by roads.

The CHAIRMAN: The hon. member is not in order in discussing the children who may attend this school.

Mr. SAMPSON: I shall oppose the clause unless I get further information. The difficulty could be overcome if a site further east were chosen. According to the plan, land is available there.

The Minister for Justice: Further east is the cemetery.

Mr. SAMPSON: It is not shown on the plan as such. We want a good site for the high school.

The CHAIRMAN: There is no reference to the high school in this clause.

Mr. SAMPSON: It is the duty of members to oppose it.

The Minister for Justice: You can discuss this on the Loan Estimates.

Mr. SAMPSON: I shall vote against the clause. I am anxious to get the Minister for Employment on his feet as member for East Perth, in order that I may learn what he has to say with regard to protecting the children attending the school.

The Minister for Employment: I consider that an excellent site has been chosen for the school, and that the school will be perfectly safe, and likewise the children.

Mr. SAMPSON: For the safety of the school children, we should vote against the clause.

The MINISTER FOR JUSTICE: The member for Swan will be intensely gratified and satisfied because of having got one Minister on his feet to talk about the high school girls. A portion of the land on which the road is now, and which it is proposed to close, is not to be used for playing on, but as a sports ground. The ordinary playground is within the school grounds, and so the children will play within the school grounds. They will not run across a street with fast-moving traffic to their playground.

Hon. C. G. LATHAM: I understand that the proposal now is to close a road running diagonally across a block of land on which the school will not be built, that the school is to be built on the west side of Plain-street. Then the piece of land on the east side is to be used for a playground. It

is a pity the matter was not taken up earlier and Plain-street closed as well.

The Minister for Justice: No. There was a race on the part of the Perth City Council and others as to that.

Hon. C. G. LATHAM: Is there not a bit of a cutting near the site?

The Minister for Justice: That is on the top of the hill.

Hon. C. G. LATHAM: From an inspection of the plan, I am perfectly satisfied that there is plenty of opportunity to go to the church which has been referred to, by walking round this piece of ground instead of across it.

Mr. SAMPSON: As hon. members have not had an opportunity of inspecting either the ground or the plan, the Minister might report progress.

The Minister for Justice: I see no reason to report progress.

Mr. SAMPSON: I move—

That progress be reported.

Motion put and negatived.

Clause put and passed.

Clause 3—Land vested in His Majesty:

Mr. SAMPSON: Is the Bill to be forced through and are children's lives to be endangered? I would like to hear what the member for North-East Fremantle has to say on the subject.

Clause put and passed.

Schedule, Title—agreed to.

Bill reported without amendment, and the report adopted.

## BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

*Second Reading.*

THE ACTING PREMIER (Hon. A. McCallum—South Fremantle) [5.52] in moving the second reading said: There are four of these emergency Bills, and I do not propose to detain the House by going through the whole of their history and the reasons for their previous enactment. We almost know them off by heart, this being the fourth year they have come up for discussion. My intention is to deal only with the provisions it is proposed to amend, and to explain the amendments. Hon. members

are aware that in connection with the Budget the Government announced their proposal to raise to £500 the limit of £293 in respect of which relief has been given to public servants. The whole of that matter was explained during the delivery of the Budget, and details were then given as to what other States were doing, and the Commonwealth have done, in that respect. It would be unfair if Western Australia were left the only State not to give some relief. Last year relief was given from the application of the financial emergency cut up to a limit of £293, the amount of the fall in the basic wage being imposed on all employees up to that grade. Now it is proposed that up to £500 the only reduction suffered by public servants shall be the extent of any fall in the basic wage consequent on any fall in the cost of living. To annual salaries over £500, the existing provisions will continue to apply. To make that proposal fully effective and free of limitations between different services, it is necessary to provide means of overcoming the operation of the 1931 reclassification of public servants and teachers. It will be remembered that in 1931 the Public Service Commissioner made a classification reducing the figures by six per cent., while the cuts were made on the 1930 classification. Thus it is necessary to take that factor into consideration as regards these amendments. Public servants and teachers on the goldfields are debarred by the classification from receiving the full benefit of basic wage adjustments. This is due to the altered maximum automatic range. The variation in the basic wage on the goldfields since June of 1930 amounts to only £8 per annum. Thus the basic range of railway officers and others whose rates vary with the basic wage has been reduced from £288 to £280 per annum. However, public servants and teachers are debarred from receiving that difference of £8 on account of their classification, and cannot receive more than £270 instead of being placed in the same position as the railway officers. The Government propose to remedy that so as to give public servants and teachers a benefit of the same amount as the railway men will receive.

Hon. C. G. Latham: That applies only to the goldfields?

The ACTING PREMIER: Yes. The basic wage on the goldfields is somewhat different from that here. On the goldfields the basic

wage has not varied so much. Variations there are mainly accounted for by high rents. However, it is an anomaly if, when the railway men are receiving a benefit, public servants and teachers are debarred by their classification from receiving it. The Bill removes that anomaly. Provision is made for pro rata reductions to apply in the case of those receiving less than the maximum male adult basic wage rates, which in 1930 were £228 in the metropolitan area and £222 on the goldfields. The principle has been extended to junior workers under awards. Those officers who benefited from last year's amendment will not derive any immediate benefit from the present proposals. As the basic wage goes up they will, of course, receive the benefit of that; but the Bill does not propose to extend further benefits to the section that benefited last year. The measure provides that in respect of men on an annual basis basic wage fluctuations shall not be made operative unless the difference amounts to at least £5 per annum. On the other hand, wherever the rate is less than the basic wage, a proportionate improvement will be granted. After careful consideration of the operation of last year's measure, as compared with the percentage of improvement all round, the Government have come to the conclusion that the safe, logical and right thing to do is to adopt the basic wage as a foundation, as was done last year. The proportion of salary in excess of £500 will remain subject to the percentage reductions provided in the original Act, but no officer on a higher salary than £500 will receive a greater benefit than that given to officers in receipt of £500. The benefit under the Bill will be £58 per year. Officers receiving salaries of more than £1,000 will be subject to the basic wage reduction plus £12 10s. The effect will be to make up the difference between the 20 per cent. and the 22½ per cent. reductions on the first £500. Otherwise anomalies will arise in those cases.

Hon. C. G. Latham: What will the salary reduction be in those cases?

The ACTING PREMIER: £12 10s. There will be the basic wage reduction of £42 and, on top of that, £12 10s. reduction in place of the 20 per cent.

Hon. C. G. Latham: Such officers will get less relief than the officers on £500.

The ACTING PREMIER: No. No advantage will be given to anyone. If the Bill

did not provide for that extra reduction of £12 10s., the officers in question would have an advantage over other officers, owing to the reduction on the first £500 being at the rate of 20 per cent. instead of 22½ per cent. If we did not do that, officers in receipt of more than £1,000 would benefit to the extent of £12 10s., compared with other officers. Variations in the basic wage will be applied as under the Act of last year. To avoid adjustments to reflect minor variations in the basic wage, provision is made to aggregate the variations until they represent a total of £5 per annum. The provision in the 1934 Act for the adjustment of anomalies is deleted because under the Bill I am now presenting to the House there can be no clashes such as existed under last year's legislation. The amendments embodied in the Bill will not restore the margins in full, but in no instance will there be a total loss of margin, and two grades cannot be brought to the same mark. The conditions applying to salaries will be extended to pensions. There are no other alterations proposed in the other provisions of the Act which, with the amendments, will be re-enacted for a further 12 months. The estimated additional cost for the balance of the current financial year is £45,000, or a total of £90,000 for a full year. Provision has been made in the Budget accordingly. I discovered an hour or so ago that the section this House agreed to insert in the Act last year, after a conference with the managers of the Legislative Council, which provided that employers could apply, within one month, to the Arbitration Court for the amendment of awards or industrial agreements, must be deleted because it is not operative now. For that reason I have given notice of my intention to move an amendment to deal with the matter.

Hon. C. G. Latham: At any rate, that particular provision has become a dead letter.

The ACTING PREMIER: Yes, it was operative for a month only. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## **BILL—CONSTITUTION ACTS AMENDMENT ACT, 1931, AMENDMENT.**

*Second Reading.*

**THE ACTING PREMIER** (Hon. A. McCallum—South Fremantle) [6.3] in moving the second reading said: The object of the Bill is to provide the amendment necessary to grant relief to those whose salaries are provided for under the Constitution Act. Under the Bill, as under the Financial Emergency Act Amendment Bill, there is a provision for £42 instead of the 20 per cent. cut, and no one will benefit by more than £58 per annum. In lieu of the basic wage, a flat rate deduction of £42 is made on salaries up to £500 per annum. The only person concerned in that respect is the private secretary at Government House. Judges who receive over £1,000 per annum will have their salaries reduced by £54 10s. in lieu of the 22½ per cent. cut on the first £500, and then by 22½ per cent. in respect of the remainder of their salary. This will give the same relief as that accorded other officers in the Public Service whose salaries are over £1,000 per annum. Relief to Ministers and the Clerk of the Executive Council is not provided under the Bill, because they are provided for under the Financial Emergency Bill. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## **BILL—DRIED FRUITS ACT CONTINUANCE.**

*Second Reading.*

**THE MINISTER FOR AGRICULTURE** (Hon. H. Millington—Mt. Hawthorn) [6.5] in moving the second reading said: The object of the Bill is to continue the operation of the Dried Fruits Act of 1926. The legislation was originally introduced as the result of urgent and persistent requests by the growers. The Act was given a limited currency at the outset, and it has been re-enacted since 1930. It expires in March, 1935, and if it is to be continued, it is necessary again to re-enact it. I do not propose to elaborate upon the work of the board functioning under the Dried Fruits Act, but it can be said the board have given great satisfaction. The Act, as interpreted by

the board, has done much to safeguard the interests of the industry, which, when the legislation was first introduced, was in a far from satisfactory condition. The measure of control was essential because it had to be realised that Australia was producing an enormous surplus of dried fruits. I am not sure of the percentage at the present time, but at that stage 75 per cent. of the output had to be exported and 25 per cent. only was disposed of locally. The legislation provided a stabilising scheme under which all growers had to export a percentage of their produce, so that no one grower should receive any undue advantage. That had the effect of preventing some growers from selling their produce in Australia and reaping the advantage of local market prices, while others had to be content with the lower prices secured from their exported products. That scheme has worked out very well. At the outset there was some litigation in respect of those who would not conform to the requirements of the Act, but ultimately that difficulty was overcome, particularly with the passage of the Federal legislation, which gave an added measure of control. The local Dried Fruits Board is composed wholly of growers' representatives. The members of that body waited upon me recently and asked that the measure should be re-enacted, intimating at the same time that they did not desire any amendment to the Act. There were a few minor alterations that they discussed with me some time ago, but they did not pursue those matters and told me that they would be satisfied if the measure were re-enacted.

Hon. W. D. Johnson: Did they agree to the limitation of the Act to 1938?

The MINISTER FOR AGRICULTURE: They asked that the Act should be continued.

Hon. W. D. Johnson: That is vastly different.

The MINISTER FOR AGRICULTURE: A three-year period should be sufficient.

Hon. W. D. Johnson: It is useless.

The MINISTER FOR AGRICULTURE: Not at all. The Act has always been extended for a term.

The Minister for Justice: In the past it has been re-enacted for one year at a time.

The MINISTER FOR AGRICULTURE: Yes; so the Act cannot be useless if it is extended to 1938.

Hon. P. D. Ferguson: Re-enactment for three years is better than re-enactment for one year.

The MINISTER FOR AGRICULTURE: Such a board representative of the growers have a good deal of power in their hands, and that power has not been abused.

Hon. W. D. Johnson: Do you not appreciate the fact that the time limit prevented them from exercising any power?

The MINISTER FOR AGRICULTURE: On the other hand, the board exercised very considerable powers. When Parliament places in the hands of representatives of producers powers such as are contained in the Act, and the measure has to come before Parliament periodically for review, that in itself has a tendency to react on the board, because if those interested in the production of dried fruits are to be represented, the public also have their rights. It was because of the serious condition into which the industry had lapsed that the measure of control was agreed to. There are people who are out-and-out supporters of controlling legislation, but the necessity for the Act was the difficult position of the industry at the time. Because of that, there was necessity for the protection of growers.

Mr. Thorn: And they are very well satisfied.

The MINISTER FOR AGRICULTURE: That is so. I do not see any difference between merely re-enacting the measure from year to year and the proposal in the Bill to extend the operations of the Act to 1938, which gives an additional period of three years.

Hon. P. D. Ferguson: Is a time limit included in the Acts passed in the other States?

The MINISTER FOR AGRICULTURE: Yes, but I believe efforts are being made to have the limitation done away with. The Government do not want to limit the usefulness of the board, and there is an advantage to be gained in permitting Parliament to review the work of the board periodically if they so desire. It affords Parliament the opportunity to act, should the occasion arise, when public interests need to be protected. As evidence of the beneficial effects of the legislation upon the industry, I may mention that in 1927 the quantity of dried fruits produced in Western Australia was 1,597 tons, and in 1933 the total production was 2,236 tons, or an

increase of 639 tons. Those figures include the production of sultanas and, as members are probably aware, at one time we did not produce sufficient sultanas to cope with our own requirements. That position has definitely improved under this measure of control. In 1927 our growers produced 93 tons of sultanas, whereas in 1933 they produced 441 tons. I think our sultana production must have reached the total requirements of the State.

Mr. Thorn: Yes, it has.

**The MINISTER FOR AGRICULTURE:** At one time Western Australia was a good market for sultanas grown in the Eastern States. In view of those results, I think Parliament can safely continue to vest the necessary powers in the board to control the industry, particularly as we can review the legislation periodically.

Hon. C. G. Latham: Of course, it would be better if the time limit were excised.

**The MINISTER FOR AGRICULTURE:** The Bill represents the views of the Government, and indicates that they are not prepared to re-enact the legislation for a longer period. By extending the life of the Act for three years, we do not limit the power of the board.

Hon. W. D. Johnson: Yes, we do.

**The MINISTER FOR AGRICULTURE:** It will not alter the policy of the board. They are satisfied with the powers they possess under the legislation and have not requested any amendment regarding the period specified in the Bill, namely, three years.

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

**The MINISTER FOR AGRICULTURE:** I think both sides of the House agree to the principle embodied in the measure, and therefore there can be no objection to its renewal. The only difference appears to lie in the question of period. Under such a measure the growers, through their board, get control and consequently the local price is raised above the normal price. If this be done and the public are prepared to pay a reasonable price for the local product, irrespective of the overseas price, it is not unreasonable to ensure that the public and Parliament, through this legislation, shall have a chance of checking the work of the board and its policy. It is true the Minister to an extent has control over that policy, but I think it not unreasonable that

Parliament also shall have control, since Parliament represents the public interests. I am sure the public agrees that a reasonable local price for the commodity shall be paid.

Hon. P. D. Ferguson: Parliament still has control, because it can repeal the whole of the measure.

**The MINISTER FOR AGRICULTURE:** Yes, that is a check on the administration. The producers themselves have sole representation on the board of management, so they can have no complaint in that direction, nor can they have a grievance if measures are taken to see that the legislation is renewed periodically. It may be that, as time goes on, this form of legislation will become the policy of Australia, but at present it is still on its trial.

Mr. Thorn: It has been on its trial for 3½ years. We did not find it necessary to restrict the Whole Milk Bill.

**The MINISTER FOR AGRICULTURE:** The principle has proved effective in respect of certain commodities, but not so with others. In this State we have treated the industry fairly, and this legislation has had the effect of stabilising it and putting it on a reasonably sound basis. Even so, the prospects of the industry depend largely on the overseas markets, because of the large percentage of the product which is exported. Moreover, it has been the highly satisfactory price obtained overseas which is responsible for the recent prosperity in the industry.

Mr. Thorn: Yes: we export about 80 per cent.

**The MINISTER FOR AGRICULTURE:** So we can be under no illusion as to the effectiveness of the control measures. Just now we are dealing with dried fruits alone. If the board continue the policy they have put into operation, they should have no difficulty in getting successive Governments and Parliaments to renew the powers contained in the Bill. I do not think the growers have anything to fear. There appears to be no diversity of opinion about this. The public are satisfied and there is no outcry. There certainly have been differences of opinion regarding detail matters of principle, but that will always be so. It can safely be said the public in this State support this measure for the control of the dried fruit industry. Earlier difficul-



ties have disappeared and the administration has improved as the board have gained experience. I move—

That the Bill be now read a second time.

**HON. P. D. FERGUSON** (Irwin-Moore) [7.35]: I will support the second reading of the Bill which has done so much to stabilise the dried fruit industry, not only of Western Australia, but of Australia as a whole. Those members who had experience of the industry in Western Australia prior to the introduction of this legislation will agree that the Act has been responsible for lifting the industry from a state of chaos into one of reasonable profit for those engaged in the industry, and on the mercantile side has transformed chaos into an orderly and commonsense marketing. Those who were engaged in the industry eight or nine years ago were the worst paid producers in the State, whereas to-day they are making a reasonable living from their properties. While I will support the second reading, I regret the Government have not seen fit to remove altogether from the Bill the provision for the time limit. The Bill provides for an extension of the legislation from 1935 to 1938, but in my opinion, now that the measure has had eight years of satisfactory operation, there is no necessity for any time limit whatever. The Minister mentioned that because the controlling authority consists solely of growers' representatives, Parliament should have some control over their actions and over the legislation. That is just what Parliament has. Not only can Parliament repeal the legislation at any time should the producers who are controlling those operations do anything prejudicial to the community, but in addition every action of the board is subject to the veto of the Minister. There can be no doubt the control exercised by the producer representatives on the board has been entirely beneficial to those in the industry, and altogether for the good of the community as a whole. There is no greater need for a time limit to this legislation in Western Australia than there is in any other part of Australia. This legislation exists in the Federal arena and in four States. In two of those States there is no time limit, while in the third serious consideration is being given to the deletion of the time limit.

Shortly Western Australia will be the only State retaining a time limit over the operation of the measure, so I urge the Minister to give the matter reconsideration with a view to the deletion of that provision in the Bill.

**HON. W. D. JOHNSON** (Guildford-Midland) [7.40]: I agree with a good deal, perhaps all, the Minister said as to the advantages this legislation has bestowed upon the producers of dried fruit. When the original Bill was introduced, the industry was in a very parlous condition. The measure gave the producers opportunity to improve their condition, but unfortunately the time limit definitely restricts them and their organisation. It is true the local Act enabled them to become directly associated with the Commonwealth Act and the combination has worked advantageously in the export of fruit on a definite percentage basis—that is, orderly marketing by direction of legislation. But when it comes to the local handling, there is very poor organisation. The trouble is—and I appeal to the Minister to realise it—the board cannot function to-day because they cannot interfere with existing organisations, for the simple reason that if they did, in three years' time the Act might be allowed to expire, and then they would have no organisation at all. The growers say, "We do not agree with the conditions, but we cannot alter them, because if we do that we may lose what we have, and that which we create will not get into working order before Parliament may wipe out the Act altogether." In the beginning a time limit was put on because the legislation was experimental in this State, and a number of people had not thoroughly studied this system of marketing. Therefore the time limit was accepted on that basis. But it was understood that it was simply for the purpose of testing the legislation and the form of marketing. We have now had the Act for eight years. It has worked wonderfully well with its limitations, but that the producers could improve their lot and their standard of living, prevent exploitation and generally protect the public and themselves to a larger extent if they had no limitation, goes without saying. The Minister says there is no agitation. But there is agitation in this sense, that the producers contend, "If we say too much we might lose what little we have." We should not have the producers in that frame of mind. If we have a measure

which enables the producers to improve their lot, we should encourage them to go a little further and see if they cannot get away from this distribution of profits amongst unnecessary organisations too numerous for the quantity of fruit produced. The overheads are too large to-day, and the overheads cannot be interfered with because of the danger of destroying the existing without having permanency in which to create the new. The producers have suffered and put up with this condition for eight years. There can be no danger in removing the time limit, and it would afford them opportunity to give better service and be better understood by the public. Also it would give them greater opportunity for organising on a thoroughly practical and commonsense basis, whereas to-day there is this irksome limitation. Every practical mind in the House will agree that we give the producers power to create an organisation for three years, and if the period is too short for the establishment of the industry and the proof of its efficiency, it is of no value. That is what we are doing every three years. The conditions to-day show no improvement on those that prevailed three years ago, but the disabilities of three years ago still exist. Therefore I trust that when the Bill reaches the Committee stage the limitation will be struck out. We could then say to those controlling the industry, "You have proved your ability to organise and look after your industry. You have improved it under legislation of limited duration. We will now repose full trust in you, and leave it to you to maintain the organisation and raise your standard of living." That, I take it, is the main object of the measure. As the member for Irwin-Moore (Hon. P. D. Ferguson) said, if they abused the privilege of controlling the commodity, Parliament could always step in and repeal the legislation. There is no fear of their doing that. They have been educated to the needs of the industry; they are efficient, and they have a fine organisation animated by a fine feeling, but there is just that limitation on their operations that could be removed.

**MR. THORN** (Toodyay) [7.47]: I agree with the two previous speakers, and admit feeling disappointed that the Minister has not seen his way to make this legislation permanent. On the last occasion when a continuance Bill was before us, I was successful in getting it amended to provide for an extended period, and I was hopeful

that when it was again brought before us, the limitation would be removed. This legislation has had eight years' trial and, as the Minister said, the growers are unanimously in favour of it. The board have co-operated with the Minister in a manner that has been both agreeable and friendly, and it stands to reason that they would feel much more secure if the Act were made permanent. They would feel that their efforts for the industry would be more or less of a permanent nature, and would not be restricted to the limited time stated in the measure. The Bill was originally introduced in 1926 and the growers were thankful to the Government for introducing it, and to succeeding Governments for continuing it. The Act brought stability to the industry. As members know, it is almost impossible to organise primary producers without having some form of compulsion. That has been proved in the whole milk industry. It was not necessary to limit the operation of the Metropolitan Whole Milk Act, and I cannot see it is any more necessary to limit the operation of this Act. In 1930, a continuance of the Act was proposed for 12 months. A similar proposal was made in 1931, but on that occasion the House accepted my amendment to extend the duration of the Act till March, 1935. I hope that after the passing of the second reading, the Minister will defer the Committee stage to permit of the Crown Law Department being consulted regarding the framing of suitable amendments. The Minister has the final say in the matter. He has full power to veto anything the board may do. Even if the Act were made permanent, the Minister would still have control. The growers greatly appreciate the work of the board in the interests of the dried fruits industry. The board consist purely of growers, which fact has contributed largely to the success of their efforts. It is true that 80 per cent. of the tonnage produced in Western Australia is exported, but the Act made possible the successful organisation of the industry. Though other industries have suffered through the depression, the organisation of the dried fruit industry, the up-to-date methods adopted, and the uniformity of grading, packing and marketing have enabled prices in London to be maintained and have secured stability for

the industry. We in this State do not want to lag behind the other States. South Australia has seen fit to make its Act permanent, and legislation is being prepared in Victoria and New South Wales to make their Acts permanent. While I thank the Minister for the consideration he has extended to the board and to the industry, I ask him to accept an amendment to abolish the limitation. Such action on his part would be appreciated by the growers. They would feel far more secure, and the board would feel that they could act with greater certainty.

**MR. J. H. SMITH** (Nelson) [7.54]: I support the second reading, and cannot help thinking how fortunate we are to have a sympathetic Minister. The member for Toodyay (Mr. Thorn) must feel grateful that the Minister, without being subjected to any pressure, has proposed to extend the Act to 1938. I have nothing to say against making the Act permanent, but I would remind the hon. member that half a loaf is better than no bread. The Act was continued year by year until the member for Toodyay, with his persuasive manner, induced the Government to extend it to 1935. The Minister has now proposed to extend it to 1938.

Mr. Thorn: I appreciate that.

Mr. J. H. SMITH: We should appreciate it. I cannot help reflecting, however, that in these times of stress that sheltered section of the community is very fortunate indeed. I only wish that the whole of the primary producing industries, particularly the fruit industry, could be placed on the same footing.

Mr. Thorn: That will come.

Mr. J. H. SMITH: A difficult problem is involved. Legislation has been foreshadowed, and it may prove to be of some benefit. I think it would be wrong for the hon. member to press for an amendment, as he suggested, because the Minister might take umbrage and reduce the extension to a period of 12 months. We should wait until conditions become more settled and the whole of our primary industries have been placed on a better footing before proposing the removal of the limitation. If we accept the Bill, we shall be acting wisely. Should the Minister deem it wise to accept an amendment on the lines indicated by the member for Toodyay, it will have my support.

**THE MINISTER FOR AGRICULTURE** (Hon. H. Millington—Mt. Hawthorn—in reply) [7.57]: Two points have been raised that call for reply, one by the member for Guildford-Midland (Hon. W. D. Johnson) regarding the management of the local control board. I agree that there is too great a disparity between the prices received by the producer and the retail prices. Some years ago I was chairman of a select committee that inquired into the cost of living, and we traced the prices right through.

Mr. Thorn: You are referring to the pool price.

**The MINISTER FOR AGRICULTURE:** We discovered that the prices paid to the producer in the processing shed and the prices paid by the public at that time showed considerable disparity. I believe the wholesale agent paid 6d. per lb., and the public paid 10d. per lb. I am not defending that. The desire was to take advantage of established organisation for the distribution of dried fruits. It was pointed out that dried fruits constituted a negligible product. Merchants' agents travelling the country and selling goods of all descriptions handle dried fruits as an incidental line.

Mr. Thorn: Consumption does not average half a pound per head of our population.

**The MINISTER FOR AGRICULTURE:** It was necessary to take advantage of existing organisation to distribute the dried fruits. The agent who handles the whole of the product of one processing shed is responsible for seeing that the correct proportion is sold locally, that the balance is exported, and that the scales are held evenly. The board, representing the producers, state that that arrangement suits them. I consider that ways and means could be discovered to provide for a smaller rake-off for those who handle the product, but the board state that they cannot establish such an organisation. Not only that, but I say, for the benefit of the hon. member, they do not want to do it. If to-morrow this legislation were made permanent, they would not do it, because they realise that they could not finance it. In the case of these control measures a certain amount of goodwill must exist amongst those who are handling the goods. We are not sure where we stand legally in this matter. The board admit that it is not as easy as people think to enforce the

law. I do not wish to create suspicion concerning the extent of the powers of the board.

Hon. W. D. Johnson: It is a Commonwealth difficulty after all.

The MINISTER FOR AGRICULTURE: It is a difficulty that is experienced by the board in this State.

Hon. W. D. Johnson: But it is a Commonwealth law.

The MINISTER FOR AGRICULTURE: The board were elected directly by the producers. There can be no doubt they are the representatives of the producers, and that they are carrying the policy of the producers into effect, otherwise they would not remain in existence. I am prepared to accept the views of the representatives of the producers as expressing the wishes of the producers. I contend that the system that is followed for the disposal of the products of the industry is too expensive, but those concerned in the industry claim that the expense cannot be avoided. After all, this is a favoured industry, and the public have done more for it than they have done for any other industry in Australia. Take the case of butter, for instance. Admittedly there is equalisation there, but both the public and producers pay for that equalisation.

Hon. P. D. Ferguson: In the case of butter that equalisation affects 100 per cent. of the product, but it only affects 20 per cent. of the dried fruit industry.

The MINISTER FOR AGRICULTURE: In the case of butter this takes the form of a levy. The producer has to export nearly 60 per cent. of the butter produced in Australia.

Hon. C. G. Latham: You are introducing a new subject.

The MINISTER FOR AGRICULTURE: The hon. member cannot have followed the debate. The dried fruit producers are in a particularly favoured position. My understanding of the situation is that they would be well satisfied to have this measure continued for three years. I only wish the same principle could be followed in respect to other lines of primary production.

Mr. Thorn: That could be done if you applied this class of legislation to those other lines.

The MINISTER FOR AGRICULTURE: It has failed in respect to other commodities.

Mr. Thorn: It is successful in the case of milk.

The MINISTER FOR AGRICULTURE: We cannot do it in the case of wheat, for instance. Australia has not agreed to pay the production price for its wheat. The dried fruit industry stands out amongst them all. In Western Australia, without any cost to the producers or without any special levy, a reasonable price has been fixed for the local commodity.

Mr. Thorn: The producers contribute a levy with which to pay the board.

The MINISTER FOR AGRICULTURE: That is a small amount, compared with the levy that is made to cover export charges in other cases. The Government have gone into the question as to whether this legislation should continue for three years or be made permanent. This Bill represents the utmost to which we are prepared to go. It is as far as any previous Government went, although the matter has been dealt with by several Governments. This represents our final decision. Had it been shown that producers would be placed at any disadvantage we would have been prepared to listen to such a case, but no such evidence has been shown. The proposition is a very fair one. Those connected with the industry are being fairly treated, and I consider the Bill should be allowed to go as it is.

Question put and passed.

Bill read a second time.

*As to Committee stage.*

The MINISTER FOR AGRICULTURE (Hon. H. Millington—Mt. Hawthorn) [8.5]: I move—

That the Speaker do now leave the Chair, and the House resolve itself into a Committee of the whole for the consideration of the Bill.

HON. W. D. JOHNSON (Guildford-Midland) [8.5]: I trust the Minister will not proceed with the Committee stage this evening. This is a very important question. The Minister has stated that he has met the producers. I had quite a lot of notes prepared showing that it is essential in the interests of the industry that we should go further into this matter, if we desire to provide special services for the pro-

ducers. It would be unfair to proceed with the Committee stage now. I prepared notes fully three months ago from the marketing point of view. I do not think there should be any limitation such as is proposed in this Bill. The Committee stage should be postponed so that we may go further into that very important matter.

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

Ayes	..	..	..	20
Noes	..	..	..	17

Majority for	..	..	3
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## AYES.

Mr. Clothier	Mr. Nulsen
Mr. Cross	Mr. Raphael
Mr. Hawke	Mr. Rodoreda
Mr. Kenneally	Mr. Sleeman
Mr. Lambert	Mr. F. C. L. Smith
Mr. McCallum	Mr. Troy
Mr. Millington	Mr. Wausbrough
Mr. Moloney	Mr. Willcock
Mr. Munsie	Mr. Withers
Mr. Needham	Mr. Wilson

(Teller.)

## NOES.

Mr. Brockman	Mr. Marshall
Mr. Ferguson	Mr. Piesse
Mr. Griffiths	Mr. Sampson
Mr. Hegney	Mr. J. H. Smith
Mr. Johnson	Mr. Stubbs
Mr. Keenan	Mr. Thorn
Mr. McDonald	Mr. Warner
Mr. McLarty	Mr. Doney
Mr. Mann	

(Teller.)

Question thus passed.

*In Committee.*

Mr. Sleeman in the Chair; the Minister for Agriculture in charge of the Bill.

Clause 1—agreed to.

Clause 2—Continuance of principal Act:

Mr. SAMPSON: I appeal to the Minister to report progress so that the desires of the growers may be given effect to, and the Act made permanent. It is waste of time to bring down Bills like this every few years.

Hon. P. D. FERGUSON: It had been my intention to move an amendment to this clause so that it would conclude with the words "the principal Act shall continue in operation." This amendment, however, might not achieve the object we have in view.

The Minister for Lands: What is it that you desire?

Hon. P. D. FERGUSON: To delete that portion of the clause which restricts the

duration of the Act to 1938 and no longer. There is no necessity for such restriction now that it has been proved that this legislation is what the producers require. Every Act of the board is subject to veto of the Minister or Parliament, and the organisation could do nothing against the interests of the industry that would not immediately be known.

Mr. Withers: Is the board elected for an indefinite term?

Hon. P. D. FERGUSON: Its life depends upon the duration of the Act. The Minister would be studying the interests of those concerned if he agreed to report progress.

Mr. THORN: I have done my best to prove to the Government that the Act has stood the test of time. When it terminates under the Bill as introduced, it will have been in operation for 8½ years. South Australia has a permanent Act of this kind, and other States are preparing legislation on the same lines. The people I represent desire our Act to be made a permanent statute. Failing that, the Government might agree to an extension of three years.

The MINISTER FOR LANDS: I understand that members opposite want delay in order to consult the Crown Law Department as to an amendment making the Act permanent or extending it for three years. Such an amendment is quite simple, and there is no need for delay so that the Crown Law Department may be consulted. When the concession was originally granted to the dried-fruit growers, they regarded themselves as highly fortunate. They have used their power under the Act to exploit the people of Western Australia.

Mr. Thorn: That is not correct.

Hon. W. D. Johnson: And it is not fair.

The MINISTER FOR LANDS: I introduced the original measure giving the growers this concession, and I say they have exploited the people. A few years ago they secured fine prices in England, and made a good deal of money; but they have never given the Western Australian people any consideration.

Mr. Thorn: Growers of wheat and of wool also got good prices.

The MINISTER FOR LANDS: They are not protected by legislation. This Act

gives the dried-fruit growers a statutory right to exploit the people.

Mr. Thorn: They have not exploited the people. You cannot show me where they have charged a halfpenny a lb. in excess.

The MINISTER FOR LANDS: In good times and in bad times they can exploit the people of Western Australia. They are greedy now.

Mr. Thorn: Not at all.

The MINISTER FOR LANDS: They want this legislation definitely and permanently. Nearly every Bill of the same kind proposed by this side of the Chamber is held up by another place and restricted to one year's operation. The West Australian consumer has no idea of how, little by little, he is being tied up by the growers. Speaking as a primary producer myself, I do not believe in such legislation as this. A Labour Government brought in the Act because it was considered necessary in order that the industry might be saved. I object to any legislation of this nature being made permanent.

Mr. Thorn: It should be made permanent because it has proved itself.

The MINISTER FOR LANDS: It never has proved itself. If dried fruit was an important article of diet, as important as bread or meat, there would have been an outcry against the Act. The growers have become greedy.

Mr. Sampson: That does not affect the principle.

The MINISTER FOR LANDS: I regard the principle of this legislation as extremely dangerous. Is it not nearly time the dried-fruit growers stood on their own feet? They control the whole of the Australian market. Dried fruit cannot be bought at a reasonable price to-day, because of this legislation. Yet the growers are not content, but want to exploit the community, want to put their hands in the pockets of the community and extract what they like.

Mr. Thorn: The dried-fruit growers only get bread and butter now, in the same way as the wheatgrowers; and you do not want us to get bread and butter.

The MINISTER FOR LANDS: The wheatgrower has to accept the price obtainable in the markets of the world. He is not protected by any legislation such as this. The privilege granted by the Act does not apply to any other section of the community.

Hon. C. G. LATHAM: The Government are not doing quite the fair thing in preventing members on this side from getting assistance to draft their amendments. It does not necessarily follow that such amendments will be accepted. The Bill was only introduced this afternoon. We merely desire to test the feeling of the Chamber, but the Minister for Lands raises objection. The hon. gentleman says this legislation exploits the public. The legislation was originally introduced by the Minister himself, and I do not believe for one moment that he would introduce legislation to exploit the people. Even if the Act is made permanent, there is power for the Minister to veto anything done by the board. Growers have to make provision for years ahead. If there is a market for sultanas, lemons or currants, they plant accordingly. I am surprised the Minister for Lands should say that there is unfairness in asking that a measure introduced by himself, and administered with equal fairness by other Ministers, should be made permanent. I wish the Minister would balance himself up a bit and acknowledge that members on this side of the Chamber can be as fair as he is himself, and I hope the Government will allow members on this side time to draft their amendments. I hope the Minister for Agriculture will agree to report progress. If he does so, it may help him to get the Bill passed more quickly.

The Minister for Lands: He should drop the Bill.

Hon. C. G. LATHAM: The Minister for Lands said that we desired to exploit the public. Nothing of the sort. The primary producers are to be allowed to work as long as they can and it does not matter what return they get for their produce! Anyone else who has something to sell, such as labour, can get all the protection he requires. It is time the primary producer had some protection.

The Minister for Lands: It is merely an electioneering advertisement.

Hon. C. G. LATHAM: I do not know what the Minister for Lands implies.

The Minister for Lands: What about the Royal Commission's report?

Hon. C. G. LATHAM: If the Minister for Lands is going on in that way, he can get all the opposition he is entitled to. During the last 18 months there has been no obstruction in this House, but if the Minister for Lands is going to challenge us, he

will certainly get opposition. I appeal to the Minister for Agriculture to give members time to draft an amendment, and then let the Committee decide the issue.

Mr. THORN: I must correct the wrong impression the remarks of the Minister for Lands may create. I can produce figures to prove that the dried-fruit growers, so far from exploiting the public, are to-day receiving lower prices for their products than they obtained before the industry was controlled. At the outset there were a few blacklegs in the industry, who hawked their fruit and sold it at under the recognised rates. The growers had their organisation and fixed prices, below which they would not sell. Surely the Minister for Lands would not approve of blacklegs who would sell below the stipulated prices. At that time there were some men, including some soldier settlers, who were in the industry merely for what they could get.

Hon. C. G. Latham: Borrowing Government money.

Mr. THORN: Yes, and they did not pay a penny by way of interest. They were only in the industry for as long as the authorities would stand them.

The Minister for Lands: Where were they?

Mr. THORN: Some were in the Swan district, where the industry is carried on. The organising of the industry saved the growers, but I do not want the Committee to let the public believe that they are being exploited.

The Minister for Lands: They have been badly exploited.

Mr. THORN: That is not so. It takes four or five pounds of fresh fruit to make one pound of dried fruit, and the price we obtain for our product cannot be regarded as evidence of exploitation. The Minister for Lands is not fair. He comes into the Chamber bad tempered, and makes a speech from which he would have the public believe that the dried-fruit growers are exploiters. It is not so. The industry is still struggling.

Mr. CROSS: It is interesting to listen to the member for Toodyay talking in such a strain. I have been reading what he said when a similar Bill was previously before the House when his Government were in power. Why did he not move a similar amendment then instead of moving to extend the operations of the Bill for two

years, claiming, as he did then, that they only wanted it for a short period?

Mr. SAMPSON: The member for Toodyay was perfectly right in the action he took on the occasion referred to by the member for Canning. At that stage the legislation was comparatively new. To-day, after a long experience of its operation, there is a desire on the part of some members to move an amendment to make the Act permanent. I hope the Minister will agree to report progress so as to enable the amendment to be framed. I was astonished at the remarks of the Minister for Lands who, in 1925, introduced the Primary Products Marketing Bill, which was passed in this Chamber but was defeated in the Legislative Council. That measure was a general marketing Bill, and I supported the Minister wholeheartedly. Now the Minister says that the Bill before the House is one to exploit the public. He made no such statement when he introduced a more comprehensive marketing Bill in 1925. What has caused his changed opinion? I know the Minister was sincere in his advocacy of that legislation. There was positively no justification for the statements he made this evening. What principle is outraged, seeing that many Bills become Acts of Parliament and are repealed when circumstances require that course to be followed? He says that it is dangerous to support such a measure if it is to go on indefinitely.

The Minister for Lands: I think the Minister for Agriculture will drop the Bill altogether.

Mr. SAMPSON: The Minister for Agriculture will do nothing of the sort.

Mr. McDONALD: There should be a limitation placed upon the operation of the Act, and I think the extension to 1938 is reasonable.

Hon. C. G. Latham: We should limit the Barristers' Board!

Mr. McDONALD: That is another proposition. If one industry is to be given indefinite protection, other industries are entitled to the same consideration. I strongly urge the Minister to report progress so that the required amendment may be drafted, and then the Committee can decide the issue.

The MINISTER FOR AGRICULTURE: I have no desire to force the Bill through at this sitting, but I want to make it clear that the Government intend to adhere to the Bill as it stands. If we agree to report progress, it must not be thought that we

agree to the Bill being amended to make it a permanent measure. No one has given any reason why the Bill should be made permanent.

Hon. C. G. Latham: Members will furnish those reasons in support of the amendment.

**THE MINISTER FOR AGRICULTURE:** Nothing of the sort has been attempted so far, although the member for Guildford-Midland said he had information to show how the board had been limited in their operations. He has not produced that information.

Hon. W. D. Johnson: I told you, and that shows that you are unfair.

**THE MINISTER FOR AGRICULTURE:** The Bill gives them time enough for anything they may wish to do. Also there is reasonable assurance that, if necessary, the legislation will be continued beyond that date. However, if any member moves to report progress, I will agree.

Progress reported.

## **BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.**

### *Message.*

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

### *Second Reading.*

**THE ACTING PREMIER** (Hon. A. McCallum—South Fremantle) [9.47] in moving the second reading said: This Bill is merely the assessment Bill, and the only amendments are to meet the exemptions provided in the taxing measure. Consequently, explanation will be needed on that Bill, not on this one. Apart from that, this is merely a continuation of the existing Bill. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## **BILL—FINANCIAL EMERGENCY TAX.**

### *Message.*

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

### *Second Reading.*

**THE ACTING PREMIER** (Hon. A. McCallum—South Fremantle) [4.45] in moving the second reading said: This tax, as the House knows, expires on the 31st December. The original Act provided for a flat rate of 4½d. in the pound on all incomes over £52 per annum, or wages of £1 1s. per week. For the seven months of that year in which the Act operated it brought in £202,339. The tax ceased to operate on the 30th June, 1933. The present rate of tax is on a graduated scale, beginning at 4d. in the pound and rising to 9d. in the pound. That was considered to be a more equitable basis than the flat rate. Last year we provided for the exemption of married persons on the basic wage. At that time the basic wage was £3 9s. 6d. It was subsequently increased to £3 10s., and it has since gone up to £3 11s. So, although at that time we exempted persons on the basic wage, to-day they are not exempt, but are paying the tax. The single men we still leave at £1 10s. per week, but we are now providing to continue the principle that was included in the Bill brought down last year, namely, to provide exemption for persons on the basic wage of less than £3 12s. The present minimum wage in the metropolis is £3 11s., in the South-West £3 11s. 6d., and on the goldfields £4 2s. The exemption provided in the Bill will cover the metropolis and the South-West, but not the goldfields, for we cannot afford to go that far at the moment. So we are making only that one amendment, to increase the exemption to £3 12s., and we are not interfering with the exemption provided for single men. Other amendments contained in the Bill are consequential upon that one principal amendment. The tax is mainly collected at the source, and in the nine months ended the 30th June, 1934, £411,716 was collected. However, that includes £28,000 arrears of tax from the previous year, and from the tax of 4½d. in the pound. It is estimated that the Bill will return for the current year £550,000. So there is really only that one amendment, making an increase in the exemption so as to relieve married men on the basic wage from the tax and making it £187 per year, or less than £3 12s. per week. Apart from that, there are only one or two



minor amendments, clarifying the provisions of the Act. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## **BILL—GOLD MINING PROFITS TAX ASSESSMENT.**

### *Second Reading.*

Debate resumed from the 25th October.

**HON. C. G. LATHAM** (York) [8.53]: I am not going to oppose the Bill. I am glad the Government have seen fit to impose the tax on profits of the gold-mining companies, rather than on gold by fixing it at so much per ounce, as is done in other parts of the world. There are two or three things I would ask of the Minister. The first is whether he has given consideration to individual owners and syndicate owners. Apparently they are to be completely free from the tax. I know that probably they pay a little more through the income tax than do the companies, but even so they are paying less than 1s. 4d. in the pound.

The Minister for Mines: They are paying a lot more than that.

Hon. C. G. LATHAM: I do not know whether the Minister has given thought to the individual owners.

The Acting Premier: Yes. I even quoted the figures.

Hon. C. G. LATHAM: I worked it out, and I thought the companies and their shareholders were paying considerably more in taxation than the syndicate or individual owners. In view of the concessions the gold-mining industry has had for a number of years, and while the price of gold is so high, I suppose the tax is only a fair proposition. I know the Government will give serious consideration to anything that might prevent the introduction of capital into the industry. The Minister has informed the House that the companies have agreed to the tax as being fair and reasonable. So the main thing is that the incidence of the tax should be as fair and equitable as possible between those engaged in the industry. I have no objection to this form of taxation, and I hope that, as the result of getting £80,000

from this source, the Minister will give relief from taxation to other channels of industry that cannot afford to pay taxation. We on this side will watch closely to see whether it is proposed to give any relief from taxation during the coming year, and we shall be able to see how far the Minister is astray in his estimate. Personally I think he is a long way out, for his estimate will require that an additional quantity of gold shall be won.

The Acting Premier: Not necessarily.

Hon. C. G. LATHAM: We cannot expect much from the prospector and the small mine, but if a company gets more gold, it will have greater profits, and on greater profits will pay a greater amount of tax. I will not offer any objection to the Bill, but I should like the Minister not to go beyond Clause 5 in Committee this evening.

Question put and passed.

Bill read a second time.

### *In Committee.*

Mr. Sleeman in the Chair: the Acting Premier in charge of the Bill.

Clauses 1 to 4—agreed to.

Progress reported.

## **BILL—AGRICULTURAL BANK.**

### *Second Reading.*

Debate resumed from the 18th October.

**HON. C. G. LATHAM** (York) [8.58]: The Bill, of course, is principally drawn from the Agricultural Bank Act, at it is to-day, and the Finance and Development Board Act. I regret the draftsman has not carried out the usual practice of placing in the marginal notes references to the sources of the clauses. That has necessitated a good deal of additional work in ascertaining whence the clauses have been drawn. The Minister in moving the second reading pointed out that the purpose of the Bill is to appoint three Commissioners. He said he was displeased because certain appointments had been made by the previous Government and he had no power to get rid of the appointees. After looking carefully through the Bill, it seems to me the main

intention of the Minister in bringing down the Bill is to get rid of those officials and trustees in whom he seems to have lost faith.

The Minister for Lands: Officials! I said one officer.

Hon. C. G. LATHAM: No, the Minister said appointments had been made. He also said that a certain officer had made advances for work that had not been done, and that though this was known, no action had been taken. Irrespective of who appointed the officers, I had no reason to find fault with them. I believe they rendered good service to every Minister, regardless of his political faith. I wish to deal with the proposed appointment of commissioners. It is intended to appoint two commissioners who will have full-time employment. But the Minister wants to associate with them another commissioner who may be any officer drawn from the Treasury. Surely that will be a weak link in the control of the Bank! It is proposed that the Under Treasurer in his official capacity shall be a member of the commission, or any other officer he likes to appoint as his deputy. The Under Treasurer will be far too busy to attend every meeting, and from time to time he may send any officer on whom he can lay hands. I hope that proposal will not be approved by the House. It is such an important measure and the relationship to the Treasury will be so close, as I propose to show, that we should have a permanent officer from the Treasury to be part and parcel of the commission, and he should be there at all times, not now and again as suggested by the Bill. The whole success of this legislation will depend upon the men whom the Minister proposes to appoint. As to who the appointees will be, the Minister has not taken us into his confidence. I do not know whether he proposes to appoint the present trustees, but before the Bill passes the Committee stage, we will test that point and see whether he has any confidence in the men who have rendered such long service to the country. The Minister has not asked the House to limit the amount of fees that the commissioners may draw. They can be paid anything he likes, £10,000 or £200 a year. I think this is the sloppiest piece of legislation that has ever been introduced into the House. It bears evidence of

having been prepared in a hurry, and introduced in a hurry, but it will not pass through this House in its present form in a hurry. If the Bill be accepted as introduced, the chairman of course will be the board. He is to have a deliberative as well as a casting vote, so that when the members who are doing the administrative work, not the financial work, meet, he will be the board. We do not know who the chairman will be, and we certainly ought to know who will be the commissioners to whom we are to hand over the great responsibility which is to be theirs without any control by Parliament. The present trustees are the most capable men to be appointed commissioners. They know the difficulties that the industries are suffering to-day; they know all about the organisation. If a change is to be made at the present time when the farming industry is passing through probably the worst experience of the last 10 or 12 years, at least we should have qualified men. We should not start experimenting in the interests of those people who have carried on a national industry at a loss for the benefit of the State. I hope that the Minister, instead of appointing two strangers to those positions, will subject them to a probationary period. I know it will be difficult to get men possessed of the necessary qualifications, and we should not appoint men without having a knowledge of their qualifications. Hence they should be appointed for a probationary period. Their appointment should be ratified by Parliament, just as the appointment of the Commissioner of Railways has to receive Parliamentary approval. To show how sloppily the Bill has been drafted, no provision is made for carrying on in the absence of commissioners. If two commissioners fell ill, the whole business would be held up.

The Minister for Lands: They are going to fall ill together, are they?

Hon. C. G. LATHAM: It is quite possible. In other legislation of the kind relating to the appointment of a Commissioner of Railways or anyone else, provision is made for deputies in the event of the head being ill or absent from the State. The commissioners will be entitled to annual leave, and while one is away the other might fall sick, and the whole business would be held up. That shows how little consideration has been given to the drafting of the

Bill. The commissioners are to take over all the powers exercised by the Bank trustees, and administer the following Acts:—Industries Assistance Act, Discharged Soldiers' Settlement Act, Group Settlement Act, Group Settlers' Advances Act, Finance and Development Board Act, Wire and Wire Netting Act. They are to administer all those Acts, and be removed from the control of this House or of the Minister. That is a serious business. The commissioners are to be appointed for seven years.

The Minister for Lands: What do you mean when you say they will be removed from the control of this House?

Hon. C. G. LATHAM: They will be removed from the control of this House. They are to be permitted to borrow all the money they want, and to expend all the money they desire to expend, and this House will be able to say neither yea nor nay.

The Minister for Lands: Subject to the Treasury.

Hon. C. G. LATHAM: Yes. Subject to the officer representing the Under Treasurer, any officer he likes to send along. There is no doubt that that officer will do the advising, and that whatever he says will be the determining factor as regards the money the commissioners will get. I hope that provision will not be approved by this House. Under it this House will have no control at all over the commission. The commissioners are to be appointed for seven years, and even the Minister will not have anything to do with them. I think the Minister is afraid of some of the departments under his control, and so intends to throw the responsibility for group settlement, for instance, on to the commission, who will be permitted to do as they like. Then when the Minister visits the group areas, he will be able to say, in reply to any requests or complaints, that it is a matter for the board, and the board will have to accept responsibility. Parliament represents the people, and the people will have to back the debentures that the commissioners will be permitted to sell. Therefore Parliament ought to have some knowledge of what the commissioners do, and ought to be able to exercise some control over them. In addition, the commissioners are to determine the agricultural policy of the State in future. The people's representatives will not have any say in that policy;

it will be left entirely to the commissioners to determine.

The Minister for Lands: That is absolutely wrong.

Hon. C. G. LATHAM: I daresay the Minister has not read the Bill; otherwise he would have discovered for himself some of the things I have pointed out. I know he has not read it seriously, or the Bill would not have been submitted to the House.

Mr. Warner: Perhaps the office boy prepared it.

Hon. C. G. LATHAM: If the office boy had prepared it, perhaps he would not have made such a mess of it. A handful has been taken out of the Agricultural Bank Act, and a handful out of the Finance and Development Board Act, and the Minister has added a few spiey bits to give it flavour, and now I am stirring it up. The commissioners are to take full responsibility for all their officers. Surely that is a new departure for a Labour Government! Almost every session we have legislation introduced to give the right of appeal from the decisions of the authorities who control the service and the staffs, but the officers to be employed in the Agricultural Bank in future are to be taken from the control of the Public Service Commissioner. They will have no right of appeal, and may be subjected to any treatment the commissioners like to mete out to them. I hope the officers of the Bank understand that. If an officer of the Public Service is dissatisfied, he may appeal to the tribunal appointed under the Public Service Act. The officers of the Bank will not be permitted to do that. The commissioners may appoint whoever they like to positions in the Bank. They may dismiss every officer who is now in the service of the Bank, and may appoint strangers from outside the service. The Minister has offered to the present officers the solace that they may go back to the Public Service whence they came. Many of the officers of the Bank were transferred from the Public Service. Though they may not have desired it, they were taken from departments and put into the Bank. Now they are to be sent back to the service, and probably there will be no vacancies for them. That is a poor return for men who have given good service in the Bank, men who probably had some standing in the service previously and who ought to have some standing to-day.

Hon. P. D. Ferguson: Probably some of them will be retired.

Hon. C. G. LATHAM: The commissioners may refuse to take over some of the present officers. They will be sent back to the Public Service and probably a few of them will secure vacancies, but the rest of the men will find themselves out of employment. Those whose services are retained will lose any rights of classification and will lose all the privileges they enjoyed under the Public Service Act. If a charge is laid against one of the officers of the Bank, a penalty of £20 may be inflicted, and regardless of whether the officer has had a fair hearing or not, he will have no right of appeal against the decision. It is extraordinary that the Minister for Employment should be insisting upon everybody he employs belonging to a union, while the Minister for Lands says that everybody employed by the Bank in future shall not be a union man.

The Minister for Lands: That is not so.

Hon. C. G. LATHAM: The only union an officer of the Bank could join would be the Public Service Association, and the association would not be able to confer one iota of benefit on him.

The Minister for Lands: Do you know that the Bank officers to-day are members of the Public Service Association, and the association cannot do anything for them?

Hon. C. G. LATHAM: Of course it can. Those men are to be removed from any opportunity to get assistance from the association. They will not even have the right of appeal to the appeal court. Any officer who is retained by the Bank will have no chance of securing promotion in the Public Service because he will have lost his seniority. The Bill will really make the Bank a branch of the Treasury. The Treasurer will have all the say regarding the conduct of the business. The Treasurer is the man to whom the commissioners will have to go. Subsequently any proposals will go to the Governor, but anyone with experience knows that the Treasurer will sign the Executive Council minute, and the Governor or Lieutenant-Governor will peruse it, and of course will have to sign it also. This proposed authority with the approval of the Treasurer and the consent of the Governor merely means handing everything over to the control of the Treasurer. The main thing reported by the Royal Commission was that this institution should be

removed from political control. That is what the Minister said he wanted, but he is now handing control over to the Treasury.

The Minister for Lands: It has never been politically controlled. You do not complain that it is being removed from political control, and in the next breath you say it is under political control.

Hon. C. G. LATHAM: I wanted the Minister to make that statement. The Bank has been under political control. Because of that fact, in all probability the findings of the Commission are what they are. The Royal Commissioners blame the trustees and the staff, when actually Ministers in Parliament ought to be blamed.

The Minister for Lands: Not this Minister, anyhow.

Hon. C. G. LATHAM: That Minister is no freer than anyone else.

The Minister for Lands: I have never given a direction to the trustees.

Hon. C. G. LATHAM: Does the Minister tell me he never gave a direction to the trustees?

The Minister for Lands: Not in regard to their clients.

Hon. C. G. LATHAM: What did you do about the 3,500 farms scheme?

The Minister for Lands: That was a question of Government policy.

Hon. C. G. LATHAM: I am not like the Minister. I do not divulge things that I get to know about. That was not the right thing to do. If the Minister has the slightest opportunity afforded to him, he blurts out anything.

The Minister for Lands: I never interfered with them.

Hon. C. G. LATHAM: I tell the Minister definitely that he did instruct them to make an advance of £1,500 to every settler in that area.

The Minister for Lands: For what I say in this House I take the fullest responsibility.

Hon. C. G. LATHAM: The Royal Commissioners were dissatisfied with the type of administration of the Bank. Is the Minister contending that, under this Bill, he will get any better administration? Of course he will not. He will say that his proposals will inspire greater confidence in the Bank.

The Minister for Lands: Is that not right?

Hon. C. G. LATHAM: No. The Minister is just as likely to make mistakes as is anyone. I do not think we are going to get any better administration under this Bill. We shall probably get worse administration because the Bill sets up commissioners who will not be responsible to anyone. They will be responsible neither to the Treasury nor to Parliament, but only to themselves for a period of seven years. It is provided that the commissioners may—

With the approval of the Treasurer suspend, postpone payment, and, with the approval of the Treasurer and the consent of the Governor, release payment of the whole or any portion of the indebtedness of any borrower from the Bank, or any of the transferred activities; and in relation thereto to join in and be bound by any mutual scheme, arrangement or composition between any such borrower and his creditors for the adjustment of his affairs, whether made voluntarily or under the provisions of any Act of Parliament.

Are the Government going to hand this great power to two men, over whom they will have no control? It means that the commissioners may write off every penny of debt on all farms to which advances have been made for wire netting, permanent improvements, stock and plant, and money received through the Industries Assistance Board. We should not give power to write off amounts like that. If any writing off is to be done, it should be done by Parliament. We have to find the money, and we represent the taxpayers. The authority should rest with Parliament. I do not know what "mutual composition between such borrower and his creditors" means. I have not been able to understand it. Apparently someone can say, "What about making a composition in respect to Mr. Brown's debts?" The commissioners can then say, "Yes, we will make one," and bind themselves accordingly. I will deal with the writing down later. This is a slipshod way of handing over to men the authority to write off liabilities. I obtained from the Minister particulars of the liabilities these commissioners will have to take over. I was not able to follow the figures given to the House to-night, but I find that the amount involved is over £16,000,000. The Minister has provided that if the commissioners are dissatisfied, and think the assets are not equal to the liabilities they are carrying, the Treasury will write these

down accordingly. The commissioners are to have power to borrow an unlimited amount of money. They may issue debentures up to any sum, and may fix any rate of interest, after consulting the Treasurer, but they do not have to consult Parliament. The Bill binds the State to foot the bill, if the Commissioners make any losses. The debentures as well as the interest may be a burden upon the State. The Act itself limits the borrowing powers of the trustees under the method of raising loans to 5½ millions. I am going to attempt in Committee to impose a limitation upon the borrowing powers, to provide that Parliament shall from time to time authorise the appropriation of moneys and the fixing of the rates of interest. There are two sources of revenue open to the Commissioners. One is by the issue of debentures which, under the Agricultural Bank Act, were called mortgage bonds, and under the Finance and Development Board Act were called debentures, and the other source is by appropriation by Parliament. Is it intended that this borrowed money should be advanced under each of the branches of activity the Commissioners are to take over? Are they to be permitted to advance money under the Agricultural Bank Act, under the Industries Assistance Act, and under the Wire and Wire Netting Act, without consulting Parliament? The Bill is silent on that point. Are they to be permitted to make advances under all these activities, or will they be restricted entirely to the activities under the Agricultural Bank Act? They can pay what interest they like, and there is no limit to the rate they may charge. Under the Act it was provided in the early stages that the rate of interest should not exceed 5 per cent. in the case of permanent improvements, or 6 per cent. in the case of stock and plant. Subsequently it was provided that the rate of interest should not be more than one per cent. above the amount which the Crown was paying for the money advanced. Under the Bill the Commissioners may vary the rate of interest under any conditions they like. In the minds of the farmers is the idea that because interest is charged on interest in arrears, it is a penal interest. No penal interest has been charged by the Bank or any other State institution. It has been interest capitalised, and

interest has been charged on the capital amount. Penal interest is an additional interest charged over and above the usual rate.

Mr. Griffiths: For non-payment.

Hon. C. G. LATHAM: Yes. With regard to the issue of debentures, the Treasurer and Governor are to approve of the terms and particulars, but as the State has to guarantee the payment of principal and interest, the financial decision should rest with Parliament. Are we to be mere figureheads, and merely listen to what the Treasurer has to say? Are we not to determine whether the people can afford the interest rate, or to accept the liabilities which the Bill will heap upon them? Is it intended to vest in the Commissioners any moneys that are to the credit of the wire and wire netting fund? I understand there is a trust fund at the Treasury, representing a grant made by the Commonwealth Government for the purchase of wire netting. The arrangement was that this money, when repaid, was to be re-advanced. Is it proposed to vest in the Commissioners the money obtained from this source? The Bill provides that the Commissioners may make advances for improvements. This portion of the measure is so drafted that it is difficult to understand its meaning. It is provided that the Commissioners may make advances for permanent improvements, stock and plant to work the land. Does "stock and plant" mean stock for working the farm only, or does it embrace sheep also? Sheep are not usually utilised for working the land, so I take it to refer only to working horses. Is it proposed to enable the Commissioners to make short-dated advances under the Agricultural Bank Act for the purchase of fertilisers and cornsacks, or will the Industries Assistance Act be used for that purpose? The Minister proposes to protect the Bank against an inspector or his wife holding land, and obtaining an advance for it. He was not very careful in drafting that part of the Bill, as further on he provides for a male or female member of the same family over 16 years of age receiving an advance. What is the difference between a man's wife or his son or his daughter obtaining land? This particular clause should be tightened up.

The Minister for Lands: I would not attempt to stop a son or daughter taking up land, but we must stop somewhere.

Hon. C. G. LATHAM: I hope the House will stop that. No inspector has a right to recommend an advance for his own son.

The Minister for Lands: If it were an Agricultural Bank inspector, he would not do it for his own honour.

Hon. C. G. LATHAM: The Minister has been in charge of the Bank for 4½ years, and says this will not be done. He will have no more control over the staff under the Bill than he had before: he will have even less.

The Minister for Lands: The commissioners will have it.

Hon. C. G. LATHAM: No; the trustees had all the control they wanted. All they had to do was to lay the necessary charge against the individual.

The Minister for Lands: They did not do it in the Geraldton case.

Hon. C. G. LATHAM: I do not know about that, but I do know that an officer has no right to recommend an advance to any near relative. If the relative wants to deal with the Bank, let him do so through some other channel and not through the official who is a relative.

Mr. Warner: Would you expect the district inspector to be called in to deal with a case like that?

Hon. C. G. LATHAM: The manager of the branch of an ordinary bank would not make advances without the approval of the head office in a case like that.

Mr. Warner: You are suggesting that a special inspector would be required to report upon the matter.

Hon. C. G. LATHAM: The district inspector should do work of that sort, not the local inspector, whose near relative might be requiring the advance. There is no trouble at all. This House has no right to pass any legislation empowering a man to make recommendations in favour of a near relative. Such a provision is unwise, and likely to lead to abuses. Probably we shall attempt to alter that provision. The Minister proposes to limit advances for permanent improvements to 70 per cent. of the value of the improvements. I do not know that that is wise. I would give consideration to a man who has to change over from wheat to stock, necessitating a water supply—say a dam. He has no money, and no

plant; and it would not pay him to buy plant just for one or two dams. A dam of 2,000 yards' capacity would cost him £150. Is he to be deprived of the dam simply because he cannot find the £45 he himself has to put into the work? I hope the amount will be left at 100 per cent.

The Minister for Lands: Where did that suggestion come from?

Hon. C. G. LATHAM: It came from myself. I have never consulted anybody.

The Minister for Lands: I heard the suggestion two days ago.

Hon. C. G. LATHAM: I have been away, and have not consulted anybody since my return.

The Minister for Lands: I know where the suggestion came from.

Hon. C. G. LATHAM: I went away from Perth last Thursday, and have not been in the city since. To-day I have not been away from Parliament House. It is useless for the Minister to insinuate that I got somebody to advise me. I have not done anything of the sort. I suggest leaving this matter to the discretion of the commissioners. If they are capable of carrying the responsibility of 16 millions of money, they should be able to determine whether a man is entitled to be advanced 100 per cent. of the value of his improvements, or 70 per cent., or only 50 per cent.

The Minister for Justice: The 100 per cent is wrong in principle.

Hon. C. G. LATHAM: The Minister for Justice knows nothing about that. The hon. gentleman knows all about railways and his own particular work, but he does not know anything about farming. Had he been in the Chamber, he would have heard what I said just now.

The Minister for Justice: I heard your argument.

Hon. C. G. LATHAM: And does the Minister still say the settler ought to go without his water supply?

The Minister for Justice: I say it is wrong when using other people's money to advance 100 per cent. of the value of improvements.

Hon. C. G. LATHAM: One could carry that a step further and say it is wrong to advance other people's money for any purpose. On the other hand, the Minister for Lands proposes to permit advances of 100 per cent. on a wasting asset—stock and implements. Say a man gets £100 advance for four horses, and that one dies as soon

as it gets on the farm. Then he has only £75 of value there. If he finds 50 per cent. in respect of stock, he has some equity in the stock. I think the Minister for Lands had better give consideration to the question of 70 per cent. for permanent improvements, something solid, as against 100 per cent. for stock and plant, which depreciate in value immediately upon being taken over.

The Minister for Lands: A settler can sink a dam.

Hon. C. G. LATHAM: Every man cannot sink a dam, and every man has not a plough and scoop for sinking a dam. The days of shovel and wheelbarrow have gone by. The Minister said he proposed to limit advances under the Bill to £2,000. In fact, he does nothing of the kind. Under the Bill there is no limit whatever to advances. A settler can get £2,000, and then further advances can be made to him for other purposes. We propose to limit the advance. There must be a limit. In my opinion, £2,000 is quite sufficient; but, as the Minister has pointed out, there may be a farm on which £2,000 has already been advanced but the holder of which ought to be given a further opportunity. Still, the matter cannot be left open; there cannot be unlimited advances. Coming to statutory charges, I do not know what the member for Mt. Marshall (Mr. Warner) will say to this. I heard the hon. member complain about Section 37A of the existing Act, but under Clause 50 of the Bill the Minister can stop every avenue of credit the farmer has to-day. The farmer's wife, under that clause, will not be permitted to take a pound of butter to the store and sell it; the farmer will not be able to sell a pig to the butcher, or take his poultry or eggs to market.

The Minister for Lands: I anticipated we should come to that.

Hon. C. G. LATHAM: Under Clause 50, so long as there is any interest in arrears, or if any instalment of principal or interest has been refunded to a borrower, or any advance has been made by the commissioners to any borrower other than to effect permanent improvements, or for the purchase of machinery, plant or stock, a first charge is created in respect of all such sums; and such charge is in priority to all other encumbrances upon all crops, wool or wool clips, butter-fat, produce, and the increase in progeny of all livestock, and so on. That includes the butter the far-

mer's wife now sells to the storekeeper. I shall consult the Parliamentary Draftsman and find out what he thinks about the clause.

The Minister for Lands: He will laugh at you.

Hon. C. G. LATHAM: He will do nothing of the sort. He will say that probably the clause was never intended to mean that, but that nevertheless that is its legal meaning. If the clause remains as printed, the Minister for Lands will be setting up the most extreme form of socialist farming, because he will have to find every penny-piece. That is wrong in principle. What the Chamber wants to do is to encourage the farmer to get every penny he possibly can out of his farm. A woman in my district tells me she keeps her house on eggs. She sends £10 worth of eggs a month down here—export eggs. If her husband is in arrears with his interest, she will not, under the clause, be able to do it.

Ministerial Members: Read all of it!

Hon. C. G. LATHAM: I will—

(1) Where any interest is due by any borrower on any account to the commissioners, or where any instalment of principal or interest has been refunded to a borrower under Section 51, or any advance has been made by the commissioners to any borrower other than to effect permanent improvements, or to purchase machinery, plant, and/or stock, a first charge is hereby created in respect of all or any such sums in priority to all other encumbrances upon all crops, wool or wool clips, butter-fat produce, and the increase in progeny of all livestock derived from or in connection with any lands or any tenure (including a home-stead farm) held or occupied and used by such borrower in connection with rural industry: provided that, where the interest due exceeds the interest payable for one year, the maximum charge for interest against the crops, wool or wool clips, butter-fat produce, and the increase in progeny of any livestock of any one season shall be in respect of one year's interest.

So the settler has to pay the one year's interest before a pound of butter will be released.

The Minister for Lands: Read Sub-clause 4.

Hon. C. G. LATHAM: I will read the lot—

Mr. SPEAKER: The hon. member is not entitled to read the Bill clause by clause.

Hon. C. G. LATHAM: I am reading this particular clause, Sir, to show the principle. I merely propose to read this one.

(2) Any charge in favour of the commissioners under this section shall rank after any statutory charge in favour of the Industries Assistance Board under the Industries Assistance Act, 1915-1931. (3) Any charge in favour of the commissioners under this section shall be without prejudice to any other powers conferred on the commissioners by this Act or by the terms of any security. (4) Provided, however, that the commissioners may at any time agree in writing with any borrower, or with any creditor of a borrower, to waive such charge wholly or in part, in any case where the commissioners are of opinion that it is desirable to do so.

That is exactly the position to-day with respect to crop liens.

The Minister for Lands: What point do you make about its being the position to-day?

Hon. C. G. LATHAM: I am pointing out what the position is to-day simply because one year's interest is taken automatically. Sub-clause 4 means that if somebody supplies the farmer with bags, the commissioners will give a clearance for those bags. Does it imply that before a man can sell his butter, his pigs, or poultry or eggs he must get certificates from the commissioners to all the people he deals with, saying, "You may supply this settler with stores and in exchange take his goods"? I know what that clause means.

The Minister for Lands: I also know what it means.

Hon. C. G. LATHAM: The clause had better be altered unless the Minister wants to establish a socialist system of farming in Western Australia. The clause will bring socialist farming into effect.

Mr. Hawke: There is a socialist system now, on one side.

Hon. C. G. LATHAM: The position will certainly be worse under the Bill as it stands. The measure gives power to make re-advances, except under the Finance and the Agricultural Bank has power to make re-advances, except under the Finance and Development Board Act. That Act provides for re-advancing instalments of principal paid and interest paid. Another thing the House should know is that the Bill proposes to empower the commissioners to farm any land themselves, to put men on to farming. Who is going to foot the



bill for that? The commissioners are to be empowered to lease any lands or improve any lands. They may farm land themselves, they may lease it, they make advances to the lessee and charge the amount against the land, they can send men out to improve land and make that a charge against the land.

The Minister for Lands: That is done now.

Hon. C. G. LATHAM: I do not think so. I have never seen men employed on any farm by the Agricultural Bank Trustees. The men there are caretakers sent out by the Employment Board.

The Minister for Lands: They are caretakers under the Bank.

Hon. C. G. LATHAM: But they do not make improvements on the place.

The Minister for Justice: I know of cases where people in the South-West went off their blocks and you put on caretakers at £2 per week.

Hon. C. G. LATHAM: The Agricultural Bank Trustees do nothing of the sort.

The Minister for Lands: They do.

Hon. C. G. LATHAM: The Minister for Lands may have altered the policy.

The Minister for Lands: I did alter it.

Hon. C. G. LATHAM: Undoubtedly the Minister interferes with the policy. But under the Bill statutory power is to be given to the commissioners to farm land. If they have any spare time they can put on farm managers and embark on farming operations. They can lease a farm with all the implements, equipment and stock on it. The present practice is, as a rule, to sell the stock and then to lease the farm for a short period. But even that is not an invariable principle. If the provision in the Bill is adopted, it will be an instruction to the commissioners to do these things.

The Minister for Justice: Have you been through the South-West lately? Do you know what is going on there?

Hon. C. G. LATHAM: No, I have not been down there; I know enough from the letters I receive.

The Minister for Justice: Perhaps you did not know what was going on when you were Minister.

Hon. C. G. LATHAM: Perhaps I did not know any more about my department than the Minister knows of his. The commissioners may farm, lease or improve land

in their possession, and may send people out to clear Crown land and convert it into farms. Then they can write down the expenditure and sell the properties.

Mr. Wansbrough: That has been going on for years.

Hon. C. G. LATHAM: No. All the costs involved will be charged against the land, and then it is suggested that we shall allow the commissioners to write down those charges. The Minister has enunciated a principle that no other institution but Parliament would ever attempt to do. Here we are to appoint commissioners and give them authority to borrow money on the security of the people to any amount they like, and to pay what interest they desire. The commissioners are to make advances and then they are to be given the right to write down the debts they have authorised. That is about the limit of anything of that description of which I have ever heard. I cannot imagine anyone else conducting business along such lines. These people are to be authorised to give what credit they like and then write down as they like. I believe we shall have to provide relief to many settlers, and I know what position many of them are likely to be in. It is all very well for the Minister to sit in his seat and smile. I know very well what will happen. The proper way would be to appoint a tribunal, the members of which would deal with the advances made and decide what should be done. What the Minister proposes under the Agricultural Bank Act, which is a permanent measure, is to allow the commissioners to make advances and then to write down. If Parliament agrees to that proposition, it will be absolutely disgraceful.

Mr. Wansbrough: The trustees have always done that.

Hon. C. G. LATHAM: They have done very little of it.

The Minister for Lands: They have only written off about £1,300,000!

Hon. C. G. LATHAM: They have written off very little.

The Minister for Lands: I am surprised at what you are reading into the Bill. You are drawing inferences, and you are not dealing with the matter fairly.

Hon. C. G. LATHAM: Then when we reach the Committee stage, I shall show the Minister whether I am drawing unfair in-

ferences. Just fancy an officer going to the Treasurer and telling him what must be written down! There is no permanency about the position of the officer who will represent the Treasurer.

The Minister for Justice: If there is not, he will be quite useless.

Hon. C. G. LATHAM: That is what I am arguing.

The Minister for Justice: But he will be permanent.

Hon. C. G. LATHAM: If the Minister for Justice has read the Bill, he will know that it refers to the Under Treasurer or his deputy.

The Minister for Justice: Of course it does.

The Minister for Lands: I know more about it than does the Leader of the Opposition.

Hon. C. G. LATHAM: Of course the Minister does, but he took darned fine care that he did not tell the House. Of course, the proper thing to do, if we are to write down any considerable amount, is to set up a separate tribunal and let that body determine what writing down should be done. Do not let the clients of the Agricultural Bank secure preferential treatment compared with those who are operating under the Associated Banks. We should not have one treatment accorded clients of the Government, who may be granted relief, while farmers operating alongside them, who do not happen to be clients of the Government, are compelled to carry an unnecessarily heavy load. The Minister should set up, with statutory authority, a board consisting of a representative of the farmers, a representative of the commercial interests, and an independent chairman to act in accordance with system and along the lines of a properly-conceived plan.

Mr. Lambert: But this is Government money, so why should some outsiders be brought into it?

Hon. C. G. LATHAM: It is rightly provided that if there is to be any writing down of indebtedness to the Government, it must not be done to the disadvantage of the Government, nor to the people outside.

Mr. Lambert: That is sound policy.

Hon. C. G. LATHAM: That is quite all right, but I want the Minister to realise that for writing down of that description,

we should set up a board to deal with the whole of the writing down concerned, not only that associated with the clients of the Agricultural Bank, but of other institutions as well.

Mr. Lambert: You cannot write down their debts.

Hon. C. G. LATHAM: We cannot write down debts other than those owed to the Crown. There is no compulsion about it. Clause 63 does not provide compulsion, but sets out that the board, if they desire to write down Government indebtedness, must secure the agreement of others concerned. If there is to be any compulsion about it, the proper way would be to set up a tribunal that would effect voluntary arrangements. It should not be done in a slipshod manner, but system should prevail. If a man, to whom a small amount is owed, desired to be cantankerous, power should be provided to compel him to join in with others, just as is done under the Farmers' Debts Adjustment Act.

The Minister for Lands: We do not compel such action under that Act.

Hon. C. G. LATHAM: It may not be right to describe it as compulsion, but it is pretty near to it.

The Minister for Justice: Moral pressure is brought to bear.

Hon. C. G. LATHAM: That is it. I am sorry that the Minister has provided power in the Bill for the commissioners to borrow money, incur debts, and then write down the indebtedness. The Minister said that he had a complaint against the trustees of the Agricultural Bank because they did not get about the country enough. He told the House that when he went into the country districts he heard all about these complaints, but the trustees did not hear of them because they were tied to the city. I do not know how the Minister expects the commissioners he desires to appoint to get about the country. He intends to saddle them with much more responsibility than the trustees shoulder at present.

Mr. Wansbrough: It is to be a full-time job.

Hon. C. G. LATHAM: The Managing Trustee's job has been full-time, and Mr. Moran is at the bank nearly every day.

The Minister for Lands: That is nonsense. He cannot do that, because the amount he receives in payment does not indicate it.

Hon. C. G. LATHAM: The Minister knows that Mr. Moran was paid as chairman of the Industries Assistance Board?

The Minister for Lands: I know he is not working full-time.

Hon. C. G. LATHAM: I know he has put in a tremendous amount of time. I do not know so much about Mr. Maley, because he was appointed but a little while before the Mitchell Government went out of office.

Mr. Lambert: These should have been full-time jobs right through.

Hon. C. G. LATHAM: Yes. The Minister should have seen to that when he was in office before. He made no attempt to alter it then.

The Minister for Lands: Did you think the job was too big?

Hon. C. G. LATHAM: The Minister was the judge; I was never in charge of the Agricultural Bank.

The Minister for Lands: You are speaking dogmatically.

Hon. C. G. LATHAM: Nothing of the sort.

Mr. Lambert: You were a member of that Government.

Hon. C. G. LATHAM: The member for Yilgarn-Coolgardie (Mr. Lambert) is supposed to support the present Government, but he does not know half of what they are doing. The commissioners will have enough to do in keeping in touch with those engaged in the agricultural industry, in order to know what assistance is necessary to enable them to carry on. I regret having to make that statement, but I know how many of those engaged in the industry are suffering adverse conditions this year. The Minister is asking the commissioners to manage the business of the Agricultural Bank, in which capital to the extent of £16,000,000 is involved. The commissioners are to make valuations and adjustments of advances under mortgages, to make adjustments in respect of debts due to the Bank and others, and also to control the staff. It will be agreed that those duties involve a pretty full-time job. Now I will ask the Minister to answer this question: Is it not a fact that he found he could not dispense with the services of the trustees under the Agricultural Bank Act, and that necessitated bring down this legislation? Is not that the truth?

The Minister for Lands: Give notice of the question!

Hon. C. G. LATHAM: That is the truth.

The Minister for Lands: You have no right to say that.

Hon. C. G. LATHAM: That is the position. The Minister found he could not dispense with the services of the trustees because of a few words at the end of one of the sections of the Act in which it sets out that the trustees are entitled to re-appointment.

Mr. Hawke: It is a pretty poor case if that is the support for it.

Hon. C. G. LATHAM: Yes. I say my statement is correct. At the end of their two years appointment, the trustees are eligible for re-appointment.

The Minister for Lands: Of course, but they may not be re-appointed.

Hon. C. G. LATHAM: They have to be re-appointed unless the Minister lays a charge against them.

The Minister for Lands: They can cease occupying their position to-morrow.

Mr. Hawke: Read the clause.

Hon. C. G. LATHAM: Certainly they have to be re-appointed unless a charge is made against them.

The Minister for Lands: When their term expires they need not be re-appointed.

Hon. C. G. LATHAM: I am disappointed in the Bill. There is very little in it that does not appear already on the statute book. Its provisions appear either in the Agricultural Bank Act or in the Finance and Development Board Act. The Minister said that he did not propose to repeal the latter Act, but that, in future, no advances would be made under it, nor would debentures be issued in accordance with its provisions. Personally I cannot see how the desires of the Royal Commission can be given effect to as a result of the Bill. The Royal Commission complained about political control being exercised over the trustees of the Agricultural Bank. Is there to be no political control under the Bill? The bank will be part of the Treasury and, if there is no political control what is worse than Treasury control, I do not know of it. The Minister is relieving himself of the responsibility involved in administering these institutions, and is handing them over to the Treasurer to finance and control. I do not think the

Minister should be allowed to relieve himself of that responsibility. He should be made to clear up group settlement matters as well as those associated with the miners' settlement, of which he has talked so much, and the 3,500 farms scheme. He should not be allowed to hand them over to the commissioners of the Agricultural Bank. I hope the Minister, in the course of his reply, will take the House into his confidence. I have told him all the faults I can find with the Bill, but I want him to tell the House who the commissioners are to be, and what salaries they are to be paid. Members are entitled to that information. We should not be expected to give the Minister a blank cheque and allow him to appoint whom he likes. We should control the commissioners' borrowing powers, and we should limit the interest rates they can charge. The commissioners should place their requirements before the House annually. The Royal Commission complained that the trustees did not prepare estimates. If we desire to comply with the wishes of the Royal Commission, the commissioners will be required to frame estimates and submit them to Parliament. They should give us information as to what debentures they desire to issue, the periods they will cover, and the rates of interest proposed. The Minister has told us that the commissioners are to issue the debentures and we will have to guarantee payment. We will not only guarantee the repayment of capital, but also the payment of interest. I cannot see that there is going to be any better management, and I think that some members of the staff will be likely to get a jolly poor reward for the services they have given to the Bank. Apparently if it lay with the Royal Commissioners there would not be one member of the present staff left.

The Minister for Lands: Why, they complimented some!

Hon. C. G. LATHAM: Yes, I think there were two picked out.

The Minister for Lands: The weakness of the organisation was shown up by one officer, who was able to make advances to his own wife.

Hon. C. G. LATHAM: And under the Bill the Minister is going to allow any officer to make advances to his own son or

daughter. The Minister is not correcting that evil, although he ought to correct it. An officer can recommend advances to his own son or his own daughter, if they possess land, or to his brother or brother-in-law. There is nothing in the Bill to prevent it. Of course we ought to prevent officers from making advances to their own relatives.

The Minister for Lands: Why did not the trustees stop it?

Hon. C. G. LATHAM: The Minister was in charge of the Bank for several years; why did not he stop it?

The Minister for Lands: I was not in charge, nor am I in charge now.

Hon. C. G. LATHAM: The Minister knows that the Managing Trustee of the Bank is frequently in the Minister's office. If the Minister had sent word that he had found a certain thing was being done, we know that the Managing Trustee would have remedied it; for neither he nor his colleagues would endorse wrongful action and conduct on the part of the officers.

The Minister for Lands: They were the trustees' own officers, and the trustees ought to have known what was going on.

Hon. C. G. LATHAM: The Minister the other night told us he had better opportunities than had the trustees to know what was going on, because he travelled more than they did. He then said he did not blame the trustees for their lack of knowledge because the trustees were not in touch, whereas now he says they ought to have known. The Minister was a member of this House when an amendment was made in the Agricultural Bank Act, permitting an officer of the Bank to hold land and to receive assistance if he was a returned soldier. Yet the Minister did not protest against that.

The Minister for Lands: I was not then a Minister.

Hon. C. G. LATHAM: But you were in the House.

The Minister for Lands: As a private member.

Hon. C. G. LATHAM: The Minister was then on this side of the House, but he did not say a word against the amendment. Now he says it should not have been passed.

The Minister for Lands: Now that I have discovered it.

Hon. C. G. LATHAM: Now that he has discovered it! He was here in 1922 when

the amendment was put through, yet he did not say a word against it, but now he has suddenly discovered it, and he says no officer of the Bank nor his wife should get assistance from the Bank. Yet an officer can transfer his holding to his son or daughter and get for them what assistance may be required. Let us stop that. No man is entitled to accept money from a near relative when the money belongs to someone else. If a settler who is a relative of one of the inspectors wants to deal with the Agricultural Bank, he ought to approach the Bank through some other channel. I will not oppose the second reading, because most of the Bill is already on the statute-book, but I propose to move some amendments in Committee, when I will deal with the details of a number of clauses.

**MR. McDONALD** (West Perth) [10.5]: The Leader of the Opposition has truly said that most of the clauses in the Bill are already in existing legislation. But I do not think the Bill is any the worse because it is not revolutionary or does not make drastic amendments in the law regarding the Bank. After all, one of the purposes of the Bill is to give more independent powers to the Bank's board. We cannot have it both ways. Either we have to give them fairly complete control of the Bank's affairs, or else regard the institution simply as an organ of the Government. I believe it will be in the interests of the Bank and of the State to see the Bank vested in a board of commissioners who will have more independent powers, will have certain security of tenure of office, and will have to answer to the country for the success or failure of that organisation.

Hon. C. G. Latham: Will have to answer to the country?

**Mr. McDONALD:** To the country and to Parliament. After all, these powers remain with Parliament, who could repeal the legislation and even wind up the Bank. The payment of a few thousand pounds to the commissioners might prove very cheap if it served to save the institution from going to leeward. We still will always have control here, and I think it is worth while to give the commissioners a certain amount of power, to put the responsibility firmly on their shoulders and tell them it is up to them to make a success of the institution. But I do agree with the Leader of the Opposition that we should have in the Bill

some safeguards regarding borrowing. I may have misread the Bill, but it seems to me the commissioners will have more power to borrow money than is vested in the Government themselves. For when the Government arrange to borrow money, they come to this House, where their Estimates are accepted or rejected, and the expenditure is allowed or refused. But so far as I can read the Bill, it appears the commissioners will have power to pledge the country to borrowing to meet present indebtedness and future operations of the Bank, and the amount and the terms rest entirely in their discretion. I think it quite possible that discretion will be wisely exercised, but I agree with the Leader of the Opposition that some safeguards might reasonably be imposed under which Parliament would have opportunity to review the intentions of the commissioners with reference to the moneys they propose to borrow. I have made all the inquiries I can in every direction to find out how the Bill is going to operate, and if there are any difficulties which will militate against its smooth working. There are two or three clauses to which I wish to refer. One is that raised by the Leader of the Opposition, with regard to the priority charge giving control over certain assets. That charge exists in quite a number of Acts, as for instance the Soldier Settlement Act, the Group Settlement Act, 1925, the Industries Assistance Act, and in 1930 by Section 37 (a) it was introduced into the Agricultural Bank Act in a rather limited form. Under the Industries Assistance Act the priority charge is in a very extreme form. Both principal and interest are made a charge upon practically all the settler's assets. The result is he becomes a man of limited financial abilities. If he goes to a storekeeper or merchant for credit, he is known as an I.A.B. man, and the storekeeper or merchant must necessarily grant him credit on limited terms, or perhaps not at all.

Hon. C. G. Latham: The Government, of course, pay monthly.

**Mr. McDONALD:** I am speaking rather of the purchase of assets or stock, or things of that kind. That limitation is something which the settler accepted and was pleased to accept in order to get greater security of tenure. It was for his benefit, and he has no reason to complain. His position had become so weak financially that it was

better to give up a part of his contractual ability than remain in a very parlous financial position. The Agricultural Bank Act in 1930 gave priority charge on the settler's lands for one year's interest and for advances for fertiliser, fallowing and bags. That provision has perhaps to some extent limited the credit facilities of settlers, but on the other hand it has no doubt given them a certain amount of assistance. The provision now goes very much further and gives a priority charge to the Bank over wool and wool clip. I am not quite certain how those terms are differentiated unless by wool is meant wool on the sheep.

The Minister for Lands: Wool on the sheep.

Mr. McDONALD: That would carry it still further, because the sheep might be under lien to someone who had found the money for their purchase, whereas the wool would be under charge to the Agricultural Bank, wool on the same animal. The wool clip when shorn comes under the Bank's priority lien, and in addition there is a priority lien to the Bank over the progeny of stock. According to the report of the Royal Commission on the Agricultural Bank, the amount owing to stock merchants is £1,500,000, the amount owing to the Associated Banks is £9,140,000, and the amount owing to the Grocers' Association (country section) £1,500,000.

Hon. C. G. Latham: That is guesswork.

Mr. McDONALD: That might be so. While under the Act of 1930 and previously the financing of crops of wheat was something that fell more or less on the Government and on the Agricultural Bank, the financing of stock, in particular sheep, has been carried on by the merchants. It seems possible—and I ask the Minister to consider this point—that if there is to be this priority lien over the wool on the sheep, the wool when shorn from the sheep, and the progeny of sheep, it may limit the credit facilities which farmers under mortgage to the Bank are now able to obtain, and it might cast an added burden for the financing of stock on the Government. The need for adding sheep to the farms is becoming more apparent, and it seems desirable that that provision should be considered in order to ensure that it will not interfere with the obtaining of credit which is now offered—I think fairly

freely—by banks and merchants who sometimes are prepared to advance almost 100 per cent. towards the stock which the farmer requires, and for which they secure themselves by the ordinary stock lien. I am well aware that under the Bill it is provided that the commissioners may waive that priority lien, but I think in spite of that, practical difficulties will arise. A man might attend an auction sale at Midland Junction and buy stock, asking for finance. It will be difficult for him to be armed in advance with an exemption certificate, and it will be difficult for the merchant in the short period allowed for the completion of such deals to get in touch with the commissioners and arrange for an exemption from the priority lien of the Bank. While the Bank is entitled to protect itself to a certain extent by statutory liens—these cannot be searched; they do not appear by registration in the Supreme Court, although doubtless one could ascertain from the Bank the state of a man's account—it seems possible that that clause might go beyond what is in the true interests of the farmer and the industry in general. It is provided also that the Bank shall have power of distress; that is to say, it may distrain upon the goods and stock on a farm in the same way as a landlord may distrain for rent. But the Bank is to be given power to distrain not only for interest but for instalments of interest and principal combined. While under the Transfer of Land Act 40 years ago, power was given to a mortgagee to distrain for interest on chattels, I am not aware that any statute has ever given power to a mortgagee to distrain for principal as well as interest, and it may be that that clause also requires revision. The last point I wish to refer to is that regarding the conditioning of debts. That, of course, is simply a polite way of referring to a reduction of debts. The Royal Commission, in their report, were against any form of compulsory reduction or conditioning of debts. The Minister, I take it, is desirous of giving effect in this Bill to the views of the Commission, by providing machinery for the conditioning of debts without any compulsion. When I first read the Bill, I thought it was intended to give commissioners power to compel the conditioning of debts by all creditors if the commissioners themselves reduced the debt owing to

the Bank. On further reflection, I think that was a wrong interpretation. Doubtless the Minister will give the House an assurance on that point, but I take it the clause intends that if the commissioners offer to reduce the amount owing to the Bank, they can say to the general creditors, "We will only do this if you agree to forego part of your debts." In other words, no compulsion will be imposed upon the general creditors. If my reading is correct, I think that is an advance in the right direction. Whilst I am opposed to restrictive legislation or the abrogation of contracts, as regards this Bank, which is controlling a large part of the State's moneys, a step in the right direction is the provision of machinery under which if the creditors are willing the commissioners are able to take the lead and bring about a scheme under which the farmers' debts are reduced all round to a stage when they can possibly see some daylight ahead. With regard to private institutions, I am led to believe that process is going on quite substantially. Step by step they are writing down the debts where they can see that the debtor has no hope of meeting them, writing them down to a stage where he has a chance of making good and getting back to economic stability. Whilst that is proceeding, I believe, in private finance, I am personally glad to see in this Bill machinery for the commissioners to make a move in the same direction, by bringing about voluntary arrangements for reducing debts in the case of clients of the Agricultural Bank. There are other details connected with the Bill and the machinery thereof to which I may have to refer at a later stage, but for the time being these are the only aspects of the measure with which I desire to deal.

Hon. W. D. Johnson: A very fair speech.

On motion by Hon. P. D. Ferguson, debate adjourned.

*House adjourned at 10.23 p.m.*

## Legislative Council,

*Wednesday, 31st October, 1934.*

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

### LEAVE OF ABSENCE.

On motion by the Chief Secretary, leave of absence granted for three consecutive sittings to Hon. T. Moore (Central) on the ground of urgent private business.

On motion by Hon. E. H. Angelo, leave of absence granted for six consecutive sittings to Hon. J. J. Holmes (North) on the ground of ill-health.

### BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE (No. 2).

#### *Second Reading.*

Debate resumed from the 25th October.

**HON. V. HAMERSLEY** (East) [4.36]: I hope no obstruction will be placed in the way of the passing of the Bill. For many years some of us thought this legislation represented rather an exerescence and should not be continued because it was introduced originally owing to the conditions following upon the drought of 1914-15. With the passing of the years, however, various changes took place, and when blaming settlers for not making a success of their undertakings, we have been prone to overlook the causes of the trouble. At various times, owing to difficulties at the moment, such as scarcity of work and so forth, people were induced to take up land. Many left the public service, and lumpers left the wharves owing to shipping being so slack. From other walks of life men left their usual occupations and participated in the development of agricultural holdings. In many instances they were induced to go to special localities to which the early construction of