

The **ACTING PREMIER**: It is certainly not intended to limit payment to annual dividends.

Hon. C. G. LATHAM: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clauses 13 to 15—agreed to.

Title—agreed to.

Bill reported without amendment, and the report adopted.

House adjourned at 10.14 p.m.

Legislative Assembly.

Thursday, 1st November, 1934.

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

QUESTION—LAND SALE OR SELECTION.

Collie-Preston Road Area.

Mr. WILSON asked the Minister for Lands: Will he consider the advisability of throwing open for sale or selection at an early date further lots of land adjacent to the land recently sold in the Collie-Preston road area?

The **ACTING PREMIER** (for the Minister for Lands) replied: The land in ques-

tion is within a State forest, and as the Conservator of Forests will not agree to its release, it cannot be sold.

AUDITOR GENERAL'S REPORT.

Mr. SPEAKER: I have received a copy of the Auditor General's report which I will lay on the Table.

BILL—GOLD MINING PROFITS TAX ASSESSMENT.

As to Third Reading.

Order of the Day read for the third reading.

THE ACTING PREMIER (**Hon. A. McCallum**—South Fremantle) [4.35]: I promised the House that I would explain the procedure that will be adopted in connection with the collection of this tax. The clause providing for the collection of the tax has been copied verbatim from the Dividend Duties Act and it will operate under the Gold Mining Tax Act as it has operated under the Dividend Duties Act. When a mining company has declared a dividend it will pay to the Taxation Department 1s. 4d. in the £ on every pound paid as a dividend. The company will deduct the amount from the dividend and pay it to the Taxation Department, and that can be done monthly, quarterly, or half-yearly. Actually the dividend will not be paid until the tax has been deducted and paid to the Taxation Department. I am sure there will be no difficulty, and that the procedure will work as smoothly under this measure as it has worked under the Dividend Duties Act. I move—

That the Bill be now read a third time.

Mr. SPEAKER: As I have not yet received a Message from the Lieutenant-Governor recommending appropriation for the purposes of the Bill, it will be necessary to defer the passing of the third reading to a later stage of the sitting or until the next sitting of the House.

The **ACTING PREMIER**: Very Well.

BILL—CITY OF PERTH SUPERANNUATION FUND.

Read a third time and transmitted to the Council.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 30th October.

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

This Bill makes certain alterations to the Financial Emergency Tax Act, and the purpose of it is to raise the exemption from £3 10s. to £3 12s. so that a married man on the basic wage may be exempt from the tax, though a single man will still have to pay on the 30s. Before they are taxed at a higher rate, however, they will have to receive £3 12s. When the Bill was introduced originally the intention was to try to raise a fund for the purpose of assisting those who were out of employment, and the Opposition of the day tried to make out that it was an unemployment tax. Since the Bill was originally introduced the financial position has altered considerably. At that time £600,000 was being found out of revenue for sustenance, but now employment has been found for those who were then out of work, and men are engaged on undertakings payment for which is coming out of loan funds. Therefore this tax is not for the purpose for which it was originally intended. When we were in power we never did claim that it was purely an unemployment tax. The tax was imposed to try to bridge the difference between the revenue and expenditure of the day. In addition to the £600,000 which was spent on sustenance we also had to find £500,000 for exchange. I do not know whether the present proposal is to be permanent, but it is a new form of taxation for revenue purposes, and I want the House clearly to understand that. There may have been justification for this tax when it was originally introduced, but because a number of men at work to-day are being paid from loan funds, the same justification for the tax does not now exist.

The Minister for Mines: You had a deficit of a million and a half.

Hon. C. G. LATHAM: We did not have a deficit of a million and a half.

The Minister for Justice: You were then dealing with the financial position of the two previous years. You did not know what you were going to get when you introduced the tax.

Hon. C. G. LATHAM: Yes we did.

The Minister for Mines: You budgeted for a surplus.

Hon. C. G. LATHAM: The Minister for Mines does not seem to be responsible for many of the things he says.

The Minister for Mines: I know what I am talking about, and I repeat it.

Hon. C. G. LATHAM: We never budgeted for a surplus when we were in power. For the first two years we were in office we had a deficit of over a million each year, but in the third year, when this tax was in operation, we had a deficit of £800,000.

The Minister for Justice: You were dealing with the financial position as it was in the two previous years.

Hon. C. G. LATHAM: The tax was in operation for seven months, and at that time we had an army of unemployed on our hands. The unemployed were paid from revenue. If we are to have this tax the Minister for Employment should appropriate the money to pay the men who to-day are engaged on works which the Acting-Premier says are not interest earning, because he says there is need for this money to pay interest. In 1932-33 when the tax was introduced the revenue received from it was £202,000. Last year the Treasurer introduced an amended tax, and estimated that he would collect roughly £400,000. As a matter of fact, for the nine months he collected £412,000, and the estimate for this year is £550,000. If we remember also that there will be additions made to salaries to a number of Government employees, we must realise that the receipts from the tax must go up. Whilst we have increased charges the basic wage must also go up. The Acting-Treasurer will undoubtedly receive more revenue from the tax this year provided, of course, the legislation goes through. In addition he will get £80,000 from the old tax, and also £30,000 from the legislation introduced by the Minister for Justice. There is not the need for this money for the unemployed, inasmuch as the Minister for Employment has told us that there are only roughly 1,000 men on sustenance, and they, of course, are paid from revenue into which the proceeds of this tax will be paid. I do not know whether the Acting Premier is justified in asking for the amount of tax this year, but until the Budget is balanced I suppose it will be necessary for him to have additional revenue. What we want to see is a much smaller deficit. With the additional

taxation that is being found by the tax payers we ought not to have such a large deficit as we are budgeting for this year. I have no objection to this form of taxation. Taxing at the source is the best form of taxation because it is paid little by little and is not felt so much by taxpayers as, for instance, when they are assessed for income tax and have to pay large sums. A further advantage of taxing at the source is that it provides the Treasurer with revenue from month to month. I suppose we have no alternative to passing this legislation. Last year, immediately we passed the measures and raised the exemptions, the basic wage increased and correspondingly many more people were brought under the tax. The same experience will recur this year. I would not be in the least surprised if, when the next quarterly adjustment of the basic wage is made, not many of the people we now propose to exempt will actually be exempt from the tax. I do not know whether we should not be justified in taxing all people in employment in order to give a little better deal to those on part-time work and those out of employment. I shall not oppose the Bill because it seems to be necessary, but there is not the same need for the tax as there was when the Mitchell Government introduced it in 1932. They were compelled to introduce it because of the heavy demand for funds for the relief of unemployment which the present Government have not to find. Exchange and other incidentals, I dare say, are about the same, except for the additional interest on the extra money borrowed since the original Bill was introduced.

MR. McDONALD (West Perth) [4.49]: This Bill appears to be one that should be passed by the House, and I do not propose to make more than a few comments on it. As to the justification for a partial restoration of cuts, that is a matter mainly for the Treasurer and one on which the private member has not the same information as is in possession of the Treasurer. Everyone is pleased to see a restoration toward pre-depression conditions so far as the finances will permit. Hence I do not propose to make any remarks on the financial side of the Bill. There is another aspect, however, on which I wish to touch. When the Premiers' Plan was agreed upon in 1931—

Hon. C. G. Latham: We are now dealing with the Financial Emergency Tax Assessment Bill, not the Financial Emergency Act Amendment Bill.

Mr. McDONALD: This is the one under which a partial restoration of the cuts is proposed.

Hon. C. G. Latham: No; this Bill merely provides the assessment for the tax and raises the exemption.

Mr. McDONALD: Then I shall reserve any further remarks I intended to make.

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, 2—agreed to.

Clause 3—Amendment of Section 9:

The ACTING PREMIER: I move an amendment—

That paragraph (i) of the proposed new Subsection 9 be struck out, and the following inserted in lieu:—

“(i) Where any person has in any financial year received income (other than salary or wages), and also salary or wages from which tax has been deducted in accordance with this section, the Commissioner shall aggregate the amounts of such income and such salary or wages, and cause an assessment to be made on such income at the rate of tax appropriate to such aggregate amount, and if the rate of tax applicable to the aggregate amount of income and salary or wages is greater than the rate of tax which has been paid by him on the salary or wages as aforesaid, then additional tax shall be assessed by the Commissioner on the salary or wages received during that financial year at the difference in rate between that applicable to such aggregate amount and that which has already been paid by him under this section, and the taxpayer shall be liable for and pay in accordance with this Act the amount of tax due on the income assessed as aforesaid, and also the amount of additional tax assessed on such salary or wages as aforesaid.”

The amendment introduces no new principle; the object is to make the paragraph clearer.

Hon. C. G. Latham: What is the difference between the two?

The ACTING PREMIER: No difference except in the drafting. A man might be drawing a low rate of salary or wages

from two different sources and be paying the tax at the source. When the two amounts were aggregated, it might mean that he should pay tax at a higher rate. When the returns are received by the Commissioner and the totals are added, fresh assessments will be issued and an account rendered for the additional tax. That has been the practice, but there has been no statutory authority for it.

Hon. W. D. Johnson: It was really an omission from the previous measure.

The ACTING PREMIER: The Commissioner assumed that he had authority, but there was no specific authority.

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

Clause 4—agreed to.

Title—agreed to.

Bill reported with an amendment.

BILL—FINANCIAL EMERGENCY TAX.

Second Reading.

Debate resumed from the 30th October.

HON. C. G. LATHAM (York) [5.2]: This Bill is to fix the tax in the same way as was done last year when it went from 4d. to 9d.

Mr. Raphael: Wipe it out altogether.

Hon. C. G. LATHAM: If the hon. member has enough influence on his side of the House to take steps to that end, he will probably get some support from this side. I do not think there is any need for this tax at the moment, seeing that it is not doing anything to reduce the deficit. As, however, we have passed the assessment Bill, I am not going to oppose this one, although I disagree with it.

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.

Clause 5—Provisions relating to assessment of tax:

The ACTING PREMIER: I move an amendment—

That Subclause 2 be struck out, and the following inserted in lieu:—

“Insofar as section four of this Act requires the financial emergency tax to be charged, levied, collected, and paid for the year ending the thirtieth day of June, one thousand nine hundred and thirty-five, in respect of income, such tax shall be charged, levied, collected, and paid upon that portion of the income earned during the six months ending on the thirty-first day of December, one thousand nine hundred and thirty-three, in accordance with the provisions of the Financial Emergency Tax Act, 1933 (No. 14 of 1933), and upon that portion of the income earned between the said last-mentioned date and the thirtieth day of June, one thousand nine hundred and thirty-four, shall be charged, levied, collected, and paid in accordance with the provisions of this Act.”

This is to meet the situation arising from the fact that the tax was struck on the calendar year, whereas the salaries, are mainly paid on the financial year. Now that the exemption has been altered, the tax for half the year will be paid on a certain scale, and after Christmas, when the exemptions come into operation, it will be paid on another scale.

Hon. C. G. Latham: It will be adjusted according to the amount of income to be taxed.

The ACTING PREMIER: This provision is to allow for that adjustment. The tax will be on one basis for six months, and on another for the other six months.

Mr. SAMPSON: The desire of the Acting Premier seems to suggest that half-yearly balance sheets will be available so that the necessary payments may be determined. It is not the custom in every business to prepare two balance sheets during the year. If no balance sheet is prepared for the six months ended the 31st December, the position will become very difficult for those who are called upon to pay the amount set out in the amendment.

The Minister for Justice: It will be half the amount concerned for the 12 months.

Mr. SAMPSON: If it will be sufficient for those who are called upon to make these payments on their balance sheets to take 50 per cent. of the income of the full year, I have no objection to the amendment.

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

Title—agreed to.

Bill reported with an amendment.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

Debate resumed from the 30th October.

HON. C. G. LATHAM (York) [5.11]: I oppose the second reading of the Bill. It is proposed to extend the relief that was granted last year by removing from the provisions of the Act all salaries between £293 and £500 as at the 30th June, 1930, making them subject to the basic wage variation. In other words, on salaries up to £500 it is proposed to give relief from the cut that was made, with the exception of, I presume, about £42. The amounts over £500 will not be affected, because the 20 per cent. or 22½ per cent. deduction will apply. I propose to discuss the Constitution Acts Amendment Bill with this one, because it contains exactly the same principle. It is proposed to give the same relief under that Bill as under this one. People who are getting less than £500 a year will get the relief that was granted last year to those drawing under £293 a year, and those above £500 will get the proportion only up to £500. The principle I object to is that the Government are increasing the salaries of people drawing between £293 and £500. I contend, and I think rightly, that the House is not justified to-day, when there are so many men on part-time employment, in doing this. If the Government have the money, irrespective of whether it costs £50,000 or more, we ought to use it to provide better conditions for the men on part-time employment. More especially should we give consideration also to those who are on the lower scale of salary in the service. We are introducing a new system in the public service by this class of legislation when we make the salaries subject to the variation of the basic wage. That was never the case until this legislation was introduced.

The Minister for Mines: Why did you introduce it?

Hon. C. G. LATHAM: This was introduced by the Government last year.

The Minister for Mines: You introduced the financial emergency measure.

Hon. C. G. LATHAM: The basic wage was not considered at all. That question was introduced last year.

The Minister for Employment: You slashed everyone, and you want us to do the same.

Hon. C. G. LATHAM: We had to reduce salaries and payments. Not only did we have to do that, but we had numbers of people who could not find employment. The Government of the day were going to set things right by waving a magic wand. I do not propose to divert my remarks to that subject, as the Minister for Employment would like me to do.

The Minister for Employment: There is any amount of time.

Hon. C. G. LATHAM: The Minister is trying to encourage me to talk about unemployment, knowing that the Speaker will not permit me to do so. As regards those on the lower salaries—and I discussed this matter on the Estimates—I contend that the principle is wrong, because they derived no benefit from the increased basic wage at the time when it was £42 per annum higher than it is to-day.

The Minister for Justice: Yes. They had a reclassification.

Hon. C. G. LATHAM: They had no reclassification for five years. Reclassification takes place every five years.

The Minister for Justice: No. During the time of the previous Mitchell Government there was no reclassification.

Hon. C. G. LATHAM: Anyhow, the Act provides that it shall take place every five years.

The Minister for Justice: It was done quite recently.

Hon. C. G. LATHAM: I know that. Reclassification has taken place since the introduction of the financial emergency legislation, or else it was done somewhere about that time. But the basic wage has never applied to the salaried staff. I fail to understand the introduction of this principle. I am strongly of opinion that any relief the Government can give should be given to the men on the lower rungs of the ladder. The House should, I think, agree with me in that respect. Surely there are people with the first claim on any measure of relief the Treasury can give. The second claim is that of the men on the lower salaries. I do not know how some of these make ends meet. They should receive second consideration.

Mr. Moloney: You did not worry too much about them when you were in office.

Hon. C. G. LATHAM: The reason why we did not worry too much, as the hon. member puts it, is simply that we had not the money to pay, and had not the opportunity of obtaining money like the present Government have.

The Minister for Employment: There was no confidence in your Government.

Hon. C. G. LATHAM: A good excuse! I am pleased to think the State at that time had a Government in whom there was confidence. It was that confidence which assisted towards the restoration of the financial position which the present Government found upon taking office. There was a vast improvement in the financial position when we left office, as compared with the position when we came into power. When things again get as bad as they possibly can be, there will be another change of Government and we shall be called upon to clean up the mess.

Mr. Moloney: You will not be able to impose a basic wage of £2 18s. 1d.!

Hon. C. G. LATHAM: I never advocated that. I am putting up an argument for the men to-day. The statement quoted by the hon. member interjecting was a mis-application of what I said, and that served a useful purpose. However, an object lesson has been given to those who circulated that pernicious propaganda, an object lesson which will be of service to them in the future. If there is £50,000 available, the money should be spent in providing additional work for men now on part time, men earning barely sufficient to make ends meet. The proposal in the Bill seems to me wrong, and not in accordance with the principles of the present Government.

Mr. Raphael: A canker in the social system.

Hon. C. G. LATHAM: If we had made such a proposal we should have been told that we were—I do not like the term, but it is the term that would be applied—greasing the fatted pig. The Government should withdraw the Bill. They should let the present position remain for a year longer. Then, if they have £50,000 available, let them give the money to those who are entitled to it. If the Government feel that they have done all they are justified in doing

for those on part-time employment, let them give a little more to public servants receiving lower salaries. Married men have to keep up an appearance such as the Public Service requires, on about £230, a pretty low salary.

The Acting Premier: They are outside the financial agreement.

Hon. C. G. LATHAM: There has, of course, been a reduction of £42.

The Acting Premier: Those men are £42 a year better off than they were.

Hon. C. G. LATHAM: If the basic wage were rising, would they get the benefit? I want to be fair to the Government, and therefore I mention that it is proposed to vary those salaries in respect of every £5 by which the basic wage alters. Not wanting to be unfair, I draw attention to that point. I oppose the Bill on principle. To my thinking, it is a sound principle that if the State has £50,000 available, the money should be given to people who to-day are far below the basic wage.

HON. W. D. JOHNSON (Guildford-Midland) [5.21]: I quite understand the attitude adopted by the Leader of the Opposition, as the party with which he is associated desires to use the unemployed for the purpose of reducing the standard of living of those in employment. We do not stand for that. We say that the basic wage shall apply to them, and that the standard rates awarded to workers in employment shall be received by them. We are not prepared to let the unemployment problem reduce the standard of living of men in employment. It is sad that we have unemployed, and it is deplorable that they have to live under such conditions. But while we sympathise with them, and do the utmost we can for them, we cannot permit them, nor do they desire, to be used for the purpose of reducing the standard of those fortunate enough to be in employment. Neither the Government nor anyone associated with the Labour Party would have them so used. It would be a glorious position for employers, for the so-called captains of industry, if when an unemployed difficulty arose in industry, the remuneration of those remaining at work were reduced proportionately with the number of unemployed. The Leader of the Opposition says he opposes the Bill on principle. A lovely

principle! I am glad it is not a principle to which the Government subscribe. In my opinion, the Bill is one of the best measures introduced during this session. The Government were elected for the purpose of gradually restoring to those in employment the standard of living proclaimed by the tribunals legally appointed to fix their remuneration and conditions.

Hon. C. G. Latham: Why not let the other men go without anything, then?

Hon. W. D. JOHNSON: The hon. gentleman may advocate that.

Hon. C. G. Latham: I certainly do not advocate it.

Hon. W. D. JOHNSON: It is not humane. Our regret is that we cannot give them more. However, the doctrine that the unemployed shall receive at the expense of those in work, is a doctrine to which we cannot subscribe. Certainly I cannot, and it is evident from the introduction of the Bill that the Government cannot. The Government were elected on an undertaking gradually but surely to do what they are doing. I am glad to know it is being done. I trust the Commonwealth Government—and, after all, it is only the Commonwealth Government can do this—will raise the standard of comfort and the earning capacity of the unemployed and partly-employed. The Leader of the Opposition knows full well that the State has no scope to-day in that respect. Really it is not a State function. True, it is a State liability; but the responsibility rests with others, and not with the State Government. Only the Federal Government, the Loan Council, and the Commonwealth Bank can raise the standard of comfort of the unemployed. Therefore we must do what we can for those in employment, encouraging as far as possible those who hold the purse-strings, so to organise the money control that more funds will be available for those who are in distress to-day. The Bill is a humane Bill. It is a step towards getting back to a position we should never have left. The Premiers' Plan, as applied by the previous Government, of which the Leader of the Opposition was a member, operated neither reasonably nor fairly, but placed an impost upon a section of the community beyond their capacity to carry, and certainly beyond the reasonable standard of payment. Therefore a Bill of this nature should receive commendation from the whole of Parliament, as representing a return to a real equality of

sacrifice. We should all apply our energies, not to penalising men in employment in order to relieve men out of employment, but to inducing those who are in control of capital to try to organise our social system on a sounder basis, so that more money will be available for the relief of those in distress, but without penalising those who are in employment.

THE MINISTER FOR EMPLOYMENT

(Hon. J. J. Kennelly—East Perth) [5.26]: The remarks of the Leader of the Opposition come well from a gentleman who adopted an entirely different attitude when he had the opportunity of giving practical effect and legislative expression to the sentiments which he is espousing at the moment. As a matter of fact, when his Government introduced this legislation, he and his fellow Ministers were appealed to not to make it apply to private employees. Now the hon. gentleman says it is simply a question of the Government's ability to get money. He contends that certain Government employees should not be relieved while other men are out of employment. At the time we appealed to the present Leader of the Opposition and his fellow Ministers, he contended that what was being done was necessary in order to reduce adjustable Government expenditure. To reduce adjustable Government expenditure his Government insisted upon reducing the wages of everyone, whether employed by the Government or not. Now the hon. gentleman expresses great concern for the sufferings of the unemployed, and also for the sufferings of those whose wages have been reduced, and reduced by his Government. He comes forward with a plea to restore the salaries of those whom his Government sacrificed. The present Government are determined to get back to normal, and to do it as quickly as possible. When we took office, we found that some 1,600 men were being employed by local government bodies in the metropolitan area, either for sustenance only, or in some cases for sustenance plus a few shillings. That system, while it continued, had a tendency to reduce the standard of living in Western Australia.

Hon. C. G. Latham: It is a pretty low standard of living when you deprive a man and his wife—

The MINISTER FOR EMPLOYMENT: We told the local governing bodies that they had to pay those men wages for the work

which was being performed. In that way we restored purchasing power to those men; and their spending power, in turn, provided employment for others. It is all very well for the Leader of the Opposition now to start dealing with the question of looking after people who are not getting enough money. They are the people whose standard the previous Government, of which the Leader of the Opposition was a member, reduced so that they were not receiving money. He comes forward on their behalf now that the Government are taking the necessary steps to restore them to a normal position. The Government intend to see that that is done as quickly as possible. It is going to be done independently of the maudlin sympathy which is now expressed by the Leader of the Opposition, but to which he did not give effect when he had the opportunity. He reduced the standard of those people by a measure the sole purpose of which he declared to be the reduction of adjustable Government expenditure. He was told by us at the time that he need not go outside the Government departments, but he said, "No; we will take in the lot." Even though the reduction of the men outside would not assist towards that objective, namely the reduction of adjustable Government expenditure, so far from acting on the principle which he has proclaimed to-day, he in effect declared, "We will reduce the whole lot, so as to lower the standard to which the workers of Western Australia have been accustomed." No wonder the people began to realise what was in the wind, and bore that in mind when the subsequent elections were held. Independent of what the Leader of the Opposition says now, he gave expression to his views during the election campaign, and the people understood what his Government had attempted with regard to wage reduction when they had the opportunity. The people plainly showed in their verdict that they did not want it.

Hon. C. G. Latham: That is just as irresponsible as many other statements you make.

The MINISTER FOR EMPLOYMENT: In making that assertion, I rely on the records of the House to show what the hon. member's Government did and to prove what answer they gave when an appeal was made to them not to reach out unduly and reduce the wages of those outside the Government service, at a time when their pro-

claimed purpose was to decrease adjustable Government expenditure. While the Leader of the Opposition is doleing out his sympathy, will he please explain why, in his Government's efforts to reduce adjustable Government expenditure, they also reduced the wages of employees outside the Government service?

Hon. C. G. Latham: If the Speaker will allow me, I will explain.

Mr. Hawke: Yes, but not effectively.

The MINISTER FOR EMPLOYMENT: The present Government have decided that that condition shall not apply to those whose wages are subject to Arbitration Court decisions. They are determined that what they previously advocated shall be given effect to now they are in power, and that the legislation shall not apply to those outside the Government service. They go further and seek to provide that the relief previously extended to a section of the Government employees shall apply to those who receive up to £500 a year. They are anxious to say good-bye ultimately to all the financial emergency legislation. The method adopted by the Government, and the money that is to be restored to an additional section of the people, will mean the provision of increased spending power, which will assist the Government in their task. It will mean that those out of employment will have greater opportunities to secure work. We disagree entirely with the methods adopted by members opposite. Their attitude was to cut wages and, with the money saved, to put others in employment. On the contrary, we say we shall not cut wages but will leave the additional spending power in the hands of the people. By that means the people generally will be in a better position to assist the Government in their task.

Hon. C. G. Latham: Even if you have to tax them to get the money necessary for that assistance.

The MINISTER FOR EMPLOYMENT: Yes.

The Minister for Mines: They cannot pay taxation if they do not earn the money.

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

The MINISTER FOR EMPLOYMENT: Whereas we appealed to the previous Government to free sustenance workers from taxation—here again where was that sympathy so freely expressed by the Leader of the Opposition now?—they retorted, "No,

everyone must pay no matter what he receives." That was an indication of how the Leader of the Opposition's Government gave practical effect to their will respecting those on whose behalf he is so sympathetic now. The Leader of the Opposition failed to give evidence of the sympathy he now professes, and he objects to the Government providing additional money for the people in their employ, thus assisting to a return to normal as quickly as possible and a consequent provision for more employment generally.

Hon. C. G. Latham: If I were as heartless as you are, I would not stand up and talk as you are doing.

The MINISTER FOR EMPLOYMENT: I will leave it to the people to judge as to the heartlessness of the Leader of the Opposition who advocated a basic wage of £2 18s. 1d. and as to my heartlessness in advocating better conditions. This lip loyalty with regard to the sufferings of the people is not worth much in the light of the hon. member's actions in the past, and is useless unless practical effect be given to it. When the people had an opportunity to decide the issue, they sent the Leader of the Opposition and his colleagues about their business and returned the present Government to power to administer affairs in the manner calculated to put people back at work and to return to normal as quickly as possible.

MR. McDONALD (West Perth) [5.35]: I do not intend to debate the Premiers' Plan; it is rather late in the day now. It was agreed at the time by all Governments that the Plan was necessary, and whether it was, or was not, necessary, it became an accomplished fact. I wish to deal with our approach to the problem of dispensing with the financial emergency legislation. Everyone is agreed that if the financial position, and the condition of the State generally, justifies the step, the sooner the emergency legislation as a whole is repealed, the better it will be. When the Premiers' Plan was adopted, it covered a fairly extensive series of enactments. There was a reduction of governmental expenditure. The Minister for Employment says that that reduction was applied in the wrong way, but the fact remains that it was applied.

The Minister for Employment: Not only to governmental expenditure but outside expenditure as well.

Mr. McDONALD: Yes. I understand there was a reduction of governmental expenditure, which included a curtailment of wages, salaries and interest. In addition to the financial emergency legislation under which governmental expenditure was reduced, there were Acts for the protection of tenants, mortgagors and purchasers, for the reduction of rents and so on.

Mr. Raphael: And for the reduction of the wages of men employed in private industries.

Mr. McDONALD: There was also legislation for the reduction of interest on securities, mortgages, agreements for sale and purchase, as applied to private industry and as between private individuals.

Mr. Raphael: But not to banks.

Mr. McDONALD: The banks involve a rather different proposition and, in any event, interest rates have come down. All the Acts I have referred to were passed as part of a comprehensive plan, and were associated with, or were actually inherent in, the Premiers' Plan.

The Minister for Employment: But Western Australia was the only State to legislate for a reduction in the wages of those outside Government employment.

Mr. McDONALD: That may be so; I have not gone into that phase.

The Minister for Employment: It is so.

Mr. McDONALD: While one would be extremely reluctant to seek any reduction of outside wages, it is quite possible that the situation at the time was so difficult that that course became necessary. For instance, it would be anomalous for a carpenter employed by the Government to be paid a certain rate of wages, and a carpenter employed in private industry to be paid another rate. It may be that the situation called for an equality of sacrifice. That sacrifice may have been essential throughout the community, but I shall not take up time in discussing that phase. In 1931 Parliament passed a whole series of Acts classified as emergency legislation, and these were part of the comprehensive scheme that was adopted. We are now faced with the problem involved in emerging from that position and we are approaching the gradual repeal of those various Acts. Everyone desires to see them repealed as soon as possible. The basis upon which the financial

emergency legislation rested was what obtained as at the 30th June, 1930, as regards interest, rents, wages and salaries. It seems to me that it could have been possible, and is still possible, to approach this legislation on a comprehensive basis. Civil servants, teachers and all Government employees on the salaried staff received as at the 30th June, 1930, salaries and emoluments that bore a certain relationship to what was paid in private industry. Before the Public Service Appeal Board, civil servants very often produced in support of their appeals for increased remuneration evidence of what was paid by private employers to persons occupying comparable positions. That was the relationship established between the remuneration of Government employees and that paid outside the service. In my opinion, the fairest way of emerging from the reductions would be to assure that the Government employee is placed in a position neither worse off nor better off than the average employee in private industry. If the employee outside the Government service is not receiving what he was paid as at the 30th June, 1930, then it will be unfair for the Government employee to be placed in a more favourable position. On the other hand, if the employee in outside industry and in commerce generally has had his wages wholly or partially restored, then it is fair for the Government to place their employees on a similar basis. In determining an issue such as this, it should be made the occasion for an inquiry, prosecuted among outside bodies in a position to provide the necessary information, such as the Chambers of Commerce, the Chamber of Manufactures, the Employers' Federation and other representative commercial institutions.

Mr. Raphael: And the Trades Hall.

Mr. McDONALD: Information should be sought as to the extent to which cuts or reductions still operated outside the Government service, as compared with what was paid on the 30th June, 1930. With that information available, an average could be struck, and it could be applied to the salaries of those in Government employment. It is possible that we are proceeding, in the absence of any information from the Treasurer, to restore cuts to Government employees on a basis that is not proper when

we take into consideration salaries paid outside the service. The proposed restoration may represent too little or too much. Then again, is it not necessary and fair that, in dealing with financial emergency legislation, we should deal with it as a whole? Some of the Acts involved in that legislation still remain on the statute-book, including the Bill that secured a reduction in interest rates. It may be that, in many instances, people having a limited income from interest are suffering hardship still. They can ill-afford to suffer because their actual income may be less than the basic wage.

The Minister for Justice: If they re-invested their money now, they would get about the same.

Mr. McDONALD: It has to be admitted that rates of interest have fallen naturally since 1930, but in not many instances would the interest be so low as the rate received in consequence of the Financial Emergency Act, under which interest rates were so reduced. Even if the margin represented one-half per cent., it might mean a hardship to many elderly folk who draw small incomes from property. That may involve to them a hardship not suffered by people much better off as a result of this present legislation. The position under the Tenants, Purchasers and Mortgagors' Relief Act, which, fortunately, is not availed of so much to-day as formerly, is this: If a man is out of employment the court may make an order relieving him from eviction for three months, and may extend the period for another three months as a limit.

The Minister for Employment: There is no limit.

Mr. McDONALD: Perhaps I am wrong. I was under the impression that there was a limit of six months.

Mr. F. C. L. Smith: In practice it may be limited to much less.

Mr. McDONALD: If a tenant out of employment gets this extension, although theoretically the landlord is receiving his rent, actually he has no earthly chance of getting paid, because the tenant is out of employment. The result is the landlord is giving that man a present of anything from 12s. to £1 per week towards his expenses. It is a special tax on the landlord.

Mr. Raphael: There are not many landlords who give much away. They even put the bailiffs in.

Mr. McDONALD: The landlords have been very good. There have been some bad tenants, and some of the landlords have been somewhat harsh, but on the whole the landlords have been very fair. I have in my constituency a lot of people who have suffered as the result of the depression and who are largely dependent on the goodwill of the landlords. I think the time has come when we should approach all this financial emergency legislation with a view—if we cannot repeal the lot—to amending it so as to give some equality to all persons affected by it.

The Minister for Employment: In other words, get back to normal.

Mr. McDONALD: Yes, but by an equal treatment of all the various people who have been subjected to restriction or cuts in consequence of the Premiers' Plan adopted in 1931. Certain people, some of whom may be comparatively well-to-do, but many of whom are poorly off, are still subject to a certain amount of disability under these various Acts; and those people are far less well off than others on salaries of up to £2,000 who are receiving some restoration of their cuts under this legislation before us. The time is ripe for us to do anything we can in the way of repealing this legislation on a front embracing all the Acts and all the people adversely affected by those Acts, so as to give them something more closely approaching equal and fair restoration of the cuts.

THE ACTING PREMIER (Hon. A. McCallum—South Fremantle—in reply) [5.48]: I want to assure the Leader of the Opposition that we desire equally with him to improve the lot of the unfortunate section of the community employed only part-time. We have already improved their lot this year, and we hope to carry the process further in the coming year. But we can only do that if the money is available. We do not agree that because men are on relief work they should be used to lower the standard of other men on other work.

Hon. C. G. Latham: Lower the standard?

The ACTING PREMIER: Yes, lower than what it is. The Leader of the Opposition also said that we should give more relief to those public servants who are on the lower rungs of the ladder. Last year

we gave them the full benefit of the relief we could afford. They are now drawing the equivalent of what they were drawing prior to the introduction of the financial emergency legislation.

Hon. C. G. Latham: That is, taking into consideration the fall in the cost of living.

The ACTING PREMIER: If you did not take that into consideration they would be £42 better off than they were previously; for previously the principle of the adjustment of the basic wage did not apply to public servants. The hon. member must remember that recently the public servants took a ballot on the question of going to the Arbitration Court to have their wages and conditions fixed, which meant of course their salaries would be adjustable by the cost-of-living fluctuation. They carried the vote by an overwhelming majority and they have petitioned the Government, and the now urging the Government to agree to their petition, to allow this principle to apply to them. I am not going to say that those on the lower rungs are well paid, for in most instances they are not even reasonably well paid. But that is not our business; it is the business of the Public Service Commissioner, and outside our functions altogether. But we have given those men the full equivalent of the purchasing power they had prior to the introduction of the Financial Emergency Act. The member for West Perth (Mr. McDonald) gave expression to quite a lot to which I can subscribe. Cabinet is hopeful that, next year, there will be a far different story to tell the House when these Bills again come up. No one will be more pleased than Cabinet if it should be found that there is no necessity to continue the Acts. But I doubt whether that will be next year. I have in my electorate many people who have a few pounds invested in properties, the income from which is their sole source of living. They cannot get the old-age pension, because they have property, but the property is not bringing in anything like so much as the old-age pension.

Mr. Sampson: Many people sacrifice property in order to qualify for the old-age pension.

The ACTING PREMIER: That is so. I know a number of people who in the way I have mentioned have been very hard hit, and I believe we should review their situation as soon as we can. This measure takes us a good way on the track to relieve wages and

salaries people, and I hope that next year we shall be in a position to do as the member for West Perth suggests; that is, face the situation on an all-embracing front and give relief to all those who have been called upon to make sacrifices. Our idea at present is to give relief to the section most in need of it and through whom it will have the better effect on the community as a whole. It must be admitted that the more money paid in wages, the better opportunity for the landlords to get rent, and the more men in work, the better it is for everybody who has lent money and wants to get the interest paid. That is where all the high spending power is, and the better we can re-establish the position for that section of the community, the more solid will be the foundations from which we can start to rebuild in the attempt to get back to normal. Just now we are removing the cuts from everyone on a salary up to £500. A man getting £500 these times is not so badly off; if we could get all in the community as well off as he is there would not be much cause for complaint. Having got this far, if we are able to pilot this measure safely through Parliament, we shall be able to face the situation from all angles next year. Nobody will be better pleased than the Cabinet if we can then say there will be no further need for the emergency legislation at all. However, if we were to say that now the Treasurer would be very much worried, because as a matter of hard fact it simply cannot be done just now, particularly in view of the uncertain position confronting several sections of our primary producers. So we have done our very utmost to give relief, starting with that section in which we believe relief will have the best effect and where it will cause repercussions that will assist another very substantial section of the community. The public service, I believe, will be pretty well satisfied. I do not say they will all be satisfied, because I know they will not; but they are having as large a percentage of their cut restored to them as will be found in most of the other States, and I am sure the Bill can be regarded as being as fair as similar Bills in the other States. Some of the States have dated back their legislation, and the Commonwealth are starting theirs from early in July. This morning I received a deputation which requested me to make this legislation retrospective. However, that is quite impossible; indeed we are fortunate

in being able to do as much as we are suggesting. Later, I hope, we shall be able to take another step forward.

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 5—agreed to.

New Clause—Repeal of Section 18:

The ACTING PREMIER: I move—

That the following be inserted to stand as Clause 6:—"Section eighteen of the principal Act is hereby repealed."

The section dealing with the shortening of the period during which applications might be made to the Court of Arbitration for the hearing of cases provided for one month. That expired in February last. The section is now dead and it is useless to retain it in the Act.

New clause put and passed.

Title:

The ACTING PREMIER: I move an amendment—

That the Title be amended by inserting after "seventeen" the words "and to repeal section eighteen."

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

Bill reported with an amendment, and an amendment to the Title.

BILL—CONSTITUTION ACTS AMENDMENT ACT, 1931, AMENDMENT.

Second Reading.

Debate resumed from the 30th October.

HON. O. G. LATHAM (York) [6.3]: The House having decided generally what is to be done regarding financial emergency legislation, it would be unfair not to include those affected by the Constitution Acts. Therefore I do not offer any opposition to the Bill.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—AGRICULTURAL BANK.*Second Reading.*

Debate resumed from the 30th October.

MR. PIESSE (Katanning) [6.5]: The Minister, in moving the second reading, mentioned that the powers proposed to be conferred on the commissioners represented a first step towards rehabilitating the agricultural industry, and upon that ground alone, I think the measure will be heartily welcomed. During the past three or four years the operations of the Agricultural Bank have been materially restricted owing to the unfortunate crisis through which this and other countries have been passing. No industry has felt the crisis more than has the agricultural industry, because of the almost entire collapse of commodity prices. We have been told that the Bill also represents an attempt to consolidate other Acts bearing closely on the development of agriculture, and I think the Government should be commended for having introduced a measure along those lines. We have not only to review the unfortunate position of the last three or four years, but to recall the year 1914 when the State felt the first pinch due to a partial crop failure. It is unfortunate that during the intervening years we have not been able to clear up the affairs of the unhappy farmers affected by that bad season. For that I shall not lay any blame on the trustees of the Agricultural Bank because they, to a large extent, have been the victims of circumstances, and it has been their misfortune that they have had to carry on from year to year farmers whose difficulties were due to no fault of their own. In considering this Bill and the Minister's intentions as to the future operations of the Bank, we have to visualise a reorganisation of the management resulting from the appointment of commissioners. I am sorry the Minister did not tell us his intentions regarding the present trustees, whether they would be considered by the Government to be eligible to apply for the positions to be created under the Bill. In fairness to those officers, and out of consideration for the great responsibilities they have had to

bear and the great difficulties with which they have had to contend, the Government would be justified in holding out some hope to them that applications submitted by them would be fairly considered. I take it the Government intend to invite applications before making appointments. The offer of such positions should receive the utmost publicity and sufficient time should be allowed in which to find the best men for the posts. It would be calamitous if, in switching over from the present management to a system under commissioners, a mistake were made. Loss of time would be involved, and it would be in every way a serious matter for clients of the Bank operating under existing legislation. After applications have been called and selections made, I hope the proposed appointments will be submitted for ratification by Parliament. The new administration will be invested with much wider powers and more important duties. The commissioners will be required to classify the accounts of the Bank, and not only is provision made for adjusting clients' liabilities to the Bank, but the commissioners will have power to negotiate with outside creditors for an adjustment of liabilities due to them. The tenure of office to be granted to the commissioners must of necessity cover a reasonable period, and I do not consider that seven years is too long. If we get the right men, they will probably have to give up other positions, and they should have some guarantee that they will not lose by it. When the Minister is inviting applications, I hope he will bear in mind that one at least of the commissioners should be a man of considerable commercial and banking experience, one possessing a general knowledge of rural commercial engagements.

The Acting Premier: It will not be easy for the Government to find the right man.

MR. PIESSE: That is one reason why the Government should not be in a hurry to make the appointment. It will be difficult to find the right man. It may not be possible to find a man possessed of all the qualifications deemed essential, but the Government should take Parliament fully into their confidence before making any of the appointments.

The Acting Premier: We shall have to look around. The success or otherwise of the whole business will depend upon the commissioners.

Mr. PIESSE: Three commissioners are to be appointed, and I think that they should devote the whole of their time to the work and that the representative of the Treasury should be available at all times to take a leading part in the management of the Bank.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. PIESSE: The Bill does not seem to make any great alteration in the constitution of the Bank. It is only shifting the responsibility from the shoulders of one set of men to those of another. While the measure is going through I hope members will see that, in dealing with the conditioning of the liabilities due to the Bank and with the question of the reform or reconstruction of the institution, they do not overlook the purpose for which it was initiated. There are hundreds of thousands of acres of land in a virgin state that can only be developed by an institution of this kind. We have enough evidence, from the operations of the Bank during the past 40 years, to know what the Bank has accomplished, the enormous amount of work it has done, and the value of that work. It can truly be said that the country would never have been brought to its present state of development but for this Bank, which has been able to make advances upon new country in which there was no equity until those advances had created it. In some cases the Bank created 100 per cent. of the value of that equity. The same opportunities do not wholly prevail to-day as when the Bank was first established. It may be said that a large proportion of the first-class land has been selected, and that there is no further occasion for the Bank to improve it. On the other hand there is in the south-western portion of the State a large area which could be brought into useful production, and there is also land left within the safe rainfall area on the wheatbelt and in other parts of the State, which could also be developed. We can profit by the experience of the past. We know that the operations of the Bank have not been wholly successful from the financial point of view, but when we take everything into consideration, the good with the bad, we must admit that the State has not lost anything as a result of any losses incurred by the Bank. I hope this fact will be borne in mind, and

that the useful purpose which the Bank serves will not be forgotten by those who are administering it. It has been said that as a result of appointing new commissioners the Bank will be kept entirely free from political control. I do not know in what sense that can be taken. Surely it is not the intention of Parliament to hand over the policy of this Bank, without any restrictions, entirely to the new commissioners. A great deal has been said concerning interference by members of Parliament. That statement has been very much exaggerated. To my knowledge members have been very helpful to the Bank in many ways. If any suspicion is attached to members who have had communications with the Bank, and Parliament thinks it proper that they should not have contact either with the trustees or the new commissioners, it has a right to say so. I am sure that most members would be glad to be relieved of the worrying work that falls upon their shoulders, and has with every honest intention been carried out by them. Their contact with the Bank has always been in the interests of that institution and of its clients, and I say without fear of contradiction it has also been in the interests of the future of Bank and of this country. The future policy of the institution is all-important. In the past the policy has failed. I do not know how the Bill will accomplish any desire there may be to prevent political control. One member of Cabinet will certainly be administering that department, and he will of necessity come closely in contact with the commissioners. The Bill provides that if the commissioners are not able to find the necessary funds for their work, and they can be found by the Government, the Minister may instruct the commissioners to make advances upon certain new areas, upon the opening up of which the Government may feel it is good policy to embark. It is difficult to see how this institution is to be removed entirely from political control. In the past mistakes in policy have been made in the setting apart of new areas. The Government have even gone so far as to publish the amount of loan that would be available upon these lands before they had been selected. I understand that in many cases the trustees were not consulted about such a policy.

Hon. C. G. Latham: It was Government policy.

Mr. PIESSE: I am somewhat concerned about what is to be done regarding fresh advances. The new commissioners may borrow money on debentures, or get it with the approval of Parliament. It seems to me they can borrow money on debentures without consulting Parliament. Some limit should be fixed upon the amount it is proposed to authorise them to spend.

Mr. Doney: A bankrupt institution has no spare securities for that type of thing.

Mr. PIESSE: This savours of a pious hope that some day the commissioners may be able to borrow money upon debentures. This provision will come into conflict with the financial agreement. I do not agree that the commissioners should be empowered to embark upon a borrowing policy in order to build premises without the authorisation of Parliament. When in committee members would be well advised to curtail some of these powers. I am particularly concerned as to how the Bank is to be financed for future development. The Bill empowers the commissioners to make advances. Under one clause, which is taken from the old Act, fresh advances can be made for permanent improvements up to 70 per cent., and for the purchase of stock and machinery. Will stock include the purchase of sheep? It seems likely to be the policy of the new administration to switch over from wheat to sheep and wheat, in some parts of the wheatbelt. Further information should be given on this point, and some limitation should be placed upon the amount advanced for this purpose. We know the Bank has made advances for the purchase of livestock, mostly for working horses. I warn the Government not to permit the operations of the Bank to be extended to an unlimited extent, as is proposed under the Bill. In addition to the £2,000 limit the commissioners may with the consent of the Minister, loan further amounts for these purposes. Many farmers have, when supplied with a limited number of sheep at the right time, been able to extricate themselves from the unfortunate position in which they found themselves. Parliament as well as the commissioners should be very careful about making advances on an unlimited scale. It is a precarious business at any

time, and must be closely watched. The commissioners will require to exercise every care in this respect, and should really leave the business to private firms and others who understand it better than they are likely to do. I am somewhat concerned about two clauses; and I trust that in Committee my doubts, which I know to be shared by other members, will be cleared up. There is the matter of statutory lien provided by Clause 50, which is, after all, a repetition of the existing Section 37a. It provides for a statutory lien over securities in which previously the Bank had little interest. In my opinion the clause is altogether too drastic, or too dangerous. It overrides every registered stock lien or mortgage. At a time like this, when the business houses and the business interests of the State should be placed in the most harmonious relationship with the Bank, the enactment of such a provision is highly inadvisable. I fully appreciate what the Minister seeks to achieve. It is fair to expect stock firms who are depasturing sheep on Agricultural Bank properties to pay to the Bank a reasonable amount from the revenue yielded by such stock—say, sufficient to cover one year's interest. There is a proper and fair way of doing that. I consider the clause in the Bill unfair and unbusinesslike. The Minister would be well advised to recast the clause entirely, and to obtain opinions upon it from others than those who drafted the Bill. Then he will be able to bring about what he desires, without causing irritation and friction. If passed as printed, the clause will operate in the opposite direction to that intended by the Minister. Instead of the co-operation of the stock people in the stocking-up of properties being secured, there will be great difficulty in getting anybody to take on the business. There should be no difficulty in the commissioners coming to a business arrangement with the stock firm and the farmer for the protection of the Bank's interests. If the clause is altered on those lines, it will have my support. Otherwise I shall vote against the provision, as I consider it, in its present form, entirely unworkable and not in the best interests of the primary producer, or of the Bank, or of anyone else. We know that in the past the operation of Section 37a almost made the lives of members of Parliament unbearable. However, it was a temporary expedient. While it did not operate harshly in some

cases, it did in many. If it is to be perpetuated not only as regards wool and sheep and cattle and their progeny, but also as regards butter-fat and even fowls or any other livestock—and all these will come within the scope of the provision—the result will be that no one will be able to do business securely with a client of the Agricultural Bank unless he has an arrangement with the Bank for doing so. The Minister will say that at the end of the clause there is provision for such an arrangement; but, after all, it is optional on the part of the commissioners to act fairly, and to the satisfaction of both the farmer and the stock firm, in this respect. Another part of the Bill deals with the adjustment of farmers' liabilities. Those who do business with the Bank often have many other liabilities, and these in many cases are unsecured. No scheme of reconstruction or rehabilitation of the farming industry, particularly so far as the Agricultural Bank is concerned, can be successfully carried out unless the goodwill and co-operation of unsecured and partly secured creditors are obtained. I am indeed pleased to know that the proposal is to bring about conditioning of debts. The time for that is overdue. In view of the collapse of prices of primary products, and the unfortunate position of many of our farmers, there will have to be a general writing-down of debts. But, after all, it should not be a compulsory writing-down. I do not think the Minister had that intention; but as I and many others read it, the clause will not come up to his expectation. There is a word which leaves a doubt in one's mind. The commissioners, after examining the farmer's position and taking into consideration his liabilities to the Bank, may "require" the other creditors to agree to an arrangement for the writing down of liabilities. The Minister should clear this matter up. On looking up the word "require" in the dictionary, I cannot get any other interpretation of it than—

Hon. C. G. Latham: Of course, it means "request" in addition.

Mr. Doney: Sometimes it means "compel."

Mr. PIESSE: The dictionary makes the matter fairly clear. If there is any doubt remaining after the clause has been passed in its present form, the aid of the legal fraternity will have to be invoked to enable us to know where we are. "Require" according to the dictionary means—

Mr. Moloney: That is a very old dictionary you have.

Mr. PIESSE: It is a very good dictionary. It says that "require" means "to demand," "to ask as a right and by authority," "to insist on having." Then it goes on to say, "to ask as a favour." If the writing down of liabilities is to be asked for as a favour, we want to be sure that it will be so obtained, and not by way of compulsion.

Hon. C. G. Latham: Does not the dictionary say "by special request"?

Mr. PIESSE: The matter should be cleared up. As it stands, the clause is highly ambiguous, and must lead to misunderstanding and litigation. I hope that in Committee an opportunity will be given to place the matter beyond any doubt.

Mr. Doney: Is not "require" always legally interpreted as "compel"?

Mr. PIESSE: Various interpretations can be placed upon the clause. In my opinion, any scheme of conditioning of debts should be largely voluntary. Indeed, the Minister made that plain when dealing with the matter on the occasion of a deputation waiting upon him. He made it clear that he was not in favour of compulsory writing down of debts. I am convinced that there will be no difficulty whatever in getting unsecured creditors to meet the wishes of the future administrators of the Bank in regard to this matter, if only it is dealt with fairly.

Mr. Doney: Uniformity is not to be obtained in that way, though.

Mr. PIESSE: To leave the matter dependent upon, say, the manner in which a letter to the creditors is drafted—whether as a request or as a demand—means that the best results will not be obtained. In the past, business people have been perfectly ready to write-down, and to meet creditors generally, and the Agricultural Bank, and any other financial institution engaged in operations similar to those of the Agricultural Bank. I desire to impress upon the Government the need for trying to find some more money for the farmers as soon as possible. I am sure the Government realise that many of the clients of the Agricultural Bank are in a thoroughly sound position. For the last three or four years, however, such clients have been handicapped by inability to obtain fresh capital. Nevertheless, their accounts are perfectly safe,

and quite good to carry on. Still, being tied up with the Agricultural Bank, the clients cannot be taken over by the Associated or Chartered Banks. Thus their operations have been restricted, and that cause has largely increased unemployment in the country. Little clearing has been going on, and little new fencing. Agricultural Bank clients with thousands of acres, and in a thoroughly sound financial position, able to meet their engagements to the Bank, are only awaiting the time when the Bank will have more money available for the carrying-on of operations. If the Government would make loans available, even without security, to good safe farmers, they could still be said to be getting some security for their loans. Certainly the money would be more serviceable if applied in that way than if applied to unemployment relief, which is not reproductive. I do not know of many farmers who are asking for loans without security, but I venture to say that under those conditions the State's money would be applied more profitably than in many other directions. Loans should be made available to farmers at a cheap rate. I can only hope that the Bill will pass, subject to the reservations I have mentioned, particularly as regards the two vital clauses to which I have referred. I trust that in Committee the Minister will be prepared to accept any reasonable amendments.

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

BILL—SANDALWOOD ACT AMENDMENT.

Second Reading.

THE ACTING MINISTER FOR FORESTS (Hon. S. W. Munsie—Hannans) [8.0] in moving the second reading said: The Bill is exceptionally short and does not need much explanation.

Hon. C. G. Latham: Those two words "santalum" and "fusanus" require some explanation.

The ACTING MINISTER FOR FORESTS: I shall endeavour to get an interpretation from the foresters and let the Leader of the Opposition have the information during the Committee stage. The Bill is for two purposes only. One is to secure the cancellation of the fixed period attaching to the agreement for the control

and marketing of sandalwood. At present it is limited to the 31st December, 1934. The Bill repeals Section 5 of the principal Act in which that limitation is set out, and will allow the board of control to continue operating in the interests of all concerned. Everyone who has taken an interest in the sandalwood industry, particularly in this State, must know that in the years 1930 and 1931 the industry was almost non-existent from the standpoint of the pullers. At that time something like 8,000 tons of sandalwood were stacked at ports in Western Australia and South Australia, and of that total nearly 6,000 tons were stacked at Fremantle. Naturally sales were exceptionally poor. A system of control became essential and an agreement was arrived at between the Western Australian and South Australian Governments to regulate the export of sandalwood. The board comprised a representative of the Western Australian Government, one representing the South Australian Government and one representing the companies interested in the export trade in both Western Australia and South Australia. Despite the establishment of the board, there were leakages in the export of sandalwood, and that applied to operations in Queensland where no legislation existed to control the export of the timber. Recently the Queensland Government rectified that position and, as a result, they have agreed to the continuance of the present board of control to deal with the export of sandalwood generally, including that from Queensland, with a limit of 500 tons per year. That was approximately the Queensland average for a good many years and if the exports exceed that quantity, Queensland will receive a small proportion in addition. Up to 500 tons, Queensland will share equally with South Australia and Western Australia. The other alteration embodied in the Bill will secure the insertion of a definition of "sandalwood." That provision was omitted from the original Act. Just prior to the Act being passed in 1932 and the establishment of control, some 10,000 tons of sandalwood had been pulled, cleaned and stacked. At the latter end of 1931 or early in 1932, there were 8,000 tons. In order to justify the continuance of the board of control, I shall quote a few figures to show the improvement effected

in the industry in this State. The agreement between Western Australia and South Australia was for a period of five years, and the agreement will not expire until the end of December, 1937, but unless we continue the operations of the Act in this State, the whole marketing system will be upset. Personally, I see no reason why we should fix a limit to the operation of the system of control. The South Australian Government are in agreement and will not include any limitation in their legislation and, as I have already indicated, the Queensland Government have now passed the necessary legislation and signed the agreement this year.

Mr. Stubbs: The board have done excellent work.

The ACTING MINISTER FOR FORESTS: There is not the slightest doubt about that. To show the position that has been created as a result of the board taking control of the industry, it is interesting to note that in June, 1932, the unsold stocks of sandalwood in Western Australia and South Australia represented 8,328 tons, of which there were stacked at Fremantle 6,083 tons. In June, 1933, after control by the board for a period of 12 months, the total quantity of sandalwood in stocks was 5,799 tons, that stacked at Fremantle being 4,077 tons. In September of this year the total stocks were only 3,462 tons, including 1,187 tons at Fremantle. There is another aspect. When the export of sandalwood slumped because of the situation in China in particular conditions were so bad that the pullers could not be paid for the sandalwood they had cut. The timber could not be exported because there was no trade to be done. The Government went to the rescue and, in the interests of those concerned, guaranteed an overdraft at the bank. In 1932 the limit of the guaranteed overdraft was £150,000 and that had been drawn on to the extent of £108,416. In June, 1933, the guaranteed overdraft was £46,257 and the overdraft limit had been reduced to £105,000. In September of this year, the guaranteed overdraft had been still further reduced to £3,125 and the overdraft limit to £25,000. To give members some further idea of the effectiveness of the board's management and the success they

have attained, it may be noted that in 1932 South Australia and Western Australia, in 12 months, exported 872 tons. To June, 1933, the exports increased to 4,096 tons and to September, 1934, they reached a total of 4,360 tons.

Mr. Sampson: The board released what was required.

The ACTING MINISTER FOR FORESTS: Yes, and secured control of the market. I would not have been so much enamoured of this system of control had it not been that, without it, Australia would have received no benefit, and the Chinese merchant would have reaped all the benefit. It was high time that control was exercised in the interests of our own people. In addition to that, the original Act made provision for the issuing of licenses for the pulling of sandalwood. If the Act should lapse, there will be no control over the pulling of sandalwood on private property. Without casting reflections upon anyone, I would point out that it was remarkable, before control was exercised, how much of the sandalwood pulled came from private property. With the exercise of control, the quantity pulled from private property has been fixed at 10 per cent. of the total quantity pulled in the State. That has proved adequate for private owners who obtained licenses for pulling sandalwood on their properties. Had those private landowners not agreed to come under the operations of the board, the situation could not have been controlled. Private landowners having agreed to fall into line, the board practically control the whole of the export of sandalwood. Dealing with the new sandalwood that has been pulled, in 1932 only 212 tons were railed to ports in Western Australia. In 1933 the quantity of new wood pulled increased to 1,698 tons and to September, 1934, it represented 1,670 tons. It will be seen, therefore, that the board have been able not only to regain much of the market available in China, but have regulated the industry so as to get rid of a large proportion of the sandalwood stacked at ports and have materially increased the quantity of new wood pulled. That is an achievement of which we can well be proud, and members will be well advised to re-enact the measure without any time limit. I move—

That the Bill be now read a second time.

HON. C. G. LATHAM (York) [8.14]: I shall not oppose the second reading of the Bill and, in fact, will take advantage of the temporary absence of the Minister for Lands to assist the Acting Minister for Forests to get his Bill through. I am sure that if the Minister for Lands were here, he would oppose the Bill because he does not approve of any system of control and particularly does he disagree with any suggestion of permanency regarding this type of legislation. I like to be consistent, and so I will assist the Minister to get the Bill through quickly. All that the Bill does is to remove from the Act the time limitation under which it has operated. It has been a very satisfactory piece of legislation; indeed it is doubtful what might have happened without it.

The Acting Minister for Forests: Probably there would have been scarcely any export.

Hon. C. G. LATHAM: At all events, I am anxious to assist the Minister to get the Bill through, especially in the absence of the Minister for Lands. As the Minister has told us, the only other thing expressed in the Bill is the desire to define "sandalwood." I do not think the definition given here is much clearer than it was before, but I suppose we shall have to accept this definition.

The Acting Minister for Forests: I cannot tell you what it is.

Hon. C. G. LATHAM: None of us knows. We have in Clause 2 the botanical name of the plant. The definition is, that "sandalwood" means and includes the wood of any tree of the genera *Santalum* or *Fusanus*, and any other species of aromatic wood which is or may be used as a substitute for sandalwood. I take it that *Santalum* is the Australian name for sandalwood, while *Fusanus* is the Chinese name. Evidently, as long as the wood retains its characteristic aromatic smell, it will be accepted. We have only a limited quantity of sandalwood, and so it behoves us to conserve what we have, and, at the same time, get the best price for so much as we export. I will support the second reading.

MR. SAMPSON (Swan) [8.17]: I will support the measure. I recall that when Sir James Mitchell and the late Mr. T. A. L. Davy were in the House, they supported the control which is set out in the parent Act. In that they were very wise, for without that

Act we should have found the broad areas of Western Australia denuded of sandalwood. Also the district of Sandalwood, in South Australia, would have suffered in the same way. Sandalwood is used very largely by the Chinese in their Joss houses, so while the religion of the Chinese remains unaltered, there will be a demand for the wood. There are several medicinal uses for sandalwood, and then there is the distillation of sandalwood oil, an industry carried on in Perth. The pulling of sandalwood has proved very valuable to prospectors, who take out licenses for limited quantities, and for the wood they pull they secure enough money to fill up their tucker bags and make arrangements to prospect areas farther back in the interior. So the legislation is excellent, and the fact that the Bill indicates the success of the control measures makes it the more interesting. There can be no doubt the sandalwood industry would have been absolutely ruined had it not been for the Act, because, until the Act was brought in, the Chinese were able to purchase sandalwood at very low prices. It is very satisfactory to note the complete conversion of the Acting Minister for Forests, who is now definitely at the penitent form, and can never retract what he has said to-night. I will support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Meaning of "Sandalwood":

Mr. F. C. L. SMITH: I should like to ask the Minister whether it is intended to fix prices for the other species of wood mentioned in the Bill as substitutes for sandalwood. I know the control of sandalwood has been interfered with by the substitution of rosewood and peachwood, and now apparently it is proposed to bring those woods within the provisions of the Act. For sandalwood there is a fixed price, and also a fixed royalty, so I should like to know whether it is intended to fix a price for the substitute woods mentioned in the clause.

The **ACTING MINISTER FOR FORESTS**: I cannot say definitely that it is so intended. I think it is, else why

should those substitutes be included in the clause? No doubt they are there for the purpose of being regulated and having prices fixed, but I cannot positively declare that, for I have not the information.

Mr. Doney: Is peachwood regarded as aromatic?

The ACTING MINISTER FOR FORESTS: I do not think so. However, I know that whatever wood is covered by the clause will be brought under control for export by the Sandalwood Board, who no doubt will determine the price at which it is to be exported.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—AGRICULTURAL BANK.

Second Reading.

Debate resumed from an earlier stage of the sitting.

MR. WARNER (Mt. Marshall) [8.26]: I listened attentively to the Minister when he was moving the second reading, and also to the other speakers, and I intend to support the second reading. The Bill, I believe, is the first real step towards the rehabilitation of the farming industry. It embraces most of the demands that have been made from time to time by the wheat-growers, the primary producers and many of the returned soldiers, through their committees. I cannot agree with the Leader of the Opposition, who said it was the worst-drafted Bill that had come before the Assembly. So struck was he, that he appeared to be gasping for words until I handed out a lifesaver by suggesting that possibly the office boy had had a hand in it. The hon. member accepted that, line, hook and sinker, and said that probably the office boy would have done better. However, I think that was one of the hon. member's jokes, for there are in the department of the Minister for Lands some boys from whom I should like to be able to select one or two for the strengthening of my own staff. The Bill I regard as the foundation of the rehabilitation of the industry. It is time the measure was brought down. For many years now the primary producers have been fighting for something along these

lines. If the Bill be not chopped about too much with amendments, here or in another place, it will possibly be the best measure the primary producers have had for a considerable time. There is no need for me to stress the serious condition of the wheat-grower and the small woolgrower who, during the last three or four years, have been receiving only about one-half a reasonable price for their products. So much has this been stressed by agricultural members that I believe the metropolitan members now know as much as we do of the sufferings of the primary producers. We want those members to understand what the primary producers have been suffering during the last three or four years, so that we may have their support in getting some legislation that will assist the primary producers. When we consider that the wheatgrower and the woolgrower have kept the State solvent by producing what I might term the life-blood of commerce under starvation conditions, or at any rate, at the cost of proper feeding and clothing, we must appreciate our dependence on the farmer, and admit it is time that legislation was enacted to raise him out of the troubles that have so long beset him. For many years I have observed the condition of the constituents I represent, wedded to hard toil and receiving insufficient compensation for it. Now that this Bill has been introduced I see a possibility of securing legislation that will enable the industry to get out of the rut. It is not right to say that the farmer living on his holding can produce sufficient to give him a good living, irrespective of the sale of his products. That is quite a fallacy. He certainly can produce a proportion of the food consumed on the farm, but he cannot produce sufficient to meet all the needs of himself and his family. I trust that the Bill will not be mutilated during its passage through Parliament and so give the farmers nothing more than they have had in the past. I believe the Bill is the best measure that has been presented to Parliament since the depression overtook us, and I have every hope that it will be passed in acceptable form. One satisfactory provision is that which gives the commissioners power to call other creditors together in order to secure a writing down of debts. Most creditors outside the Agricultural Bank would willingly accept 50 per

cent. of the debts of Bank clients if they could be assured of getting that amount, and the greatest incentive to outside creditors to write down their debts will lie in the Bank making a start. When writing down is begun by the Bank, it will not extend to all the farmers, but I believe that such an impression will be created that the creditors of other farmers will be prepared to fall into line. I hope that the passage of the Bill will not be delayed and that the Minister will be enabled to get it into operation almost immediately, thus giving the farming community what they have so long desired, namely, hope for the triers to remain on their holdings before they are forced off by bad times. The present season will not be of any advantage to the farmers. They may receive a little higher price for their wheat, but they will not harvest the quantity that was expected at the beginning of the season. With a reasonable price, however, and the prospect of debts being brought within manageable limits, I look forward with confidence to most of the primary producers who are triers being kept on their farms. I have pleasure in supporting the second reading.

MR. GRIFFITHS (Avon) [8.34]: This Bill, covering some 32 printed pages, has a very simple looking title, but when we consider the scope of the measure and the far-reaching effects it will have on the agricultural calling, we must appreciate its importance. We are called upon to substitute for the trustees who have administered the Agricultural Bank a new body who will be termed commissioners. We should be given some idea of the proposed composition of the board. Seeing that the new system of management will be experimental, though we hope it will prove successful, men should not be appointed for the full term of seven years unless they are tried and known men. I consider that a probationary period should be fixed. The commissioners could be given two years' trial, and if they proved satisfactory, the seven years' term could then be granted.

Mr. Hawke: You would never get good men on a two-years' appointment.

Mr. GRIFFITHS: If we could be sure of getting good men from the start, I should be satisfied to give them a seven years' appointment.

Mr. Warner: If we do not get good men, the measure will be of no benefit to the farmers.

Mr. GRIFFITHS: So much depends upon the ability of the commissioners that to appoint for seven years men of whose qualifications we are uncertain would be risky. The probationary period might be made three years, with the understanding that if they proved satisfactory, they could continue for seven years. The tremendous responsibility to be shouldered by the commissioners, the wide scope of the measure, and the extensive authority to be vested in them demands that the Bill receive the gravest consideration from members. I feel sure that members, regardless of whether they represent town or country, are only too anxious to do their utmost to rehabilitate the agricultural industry and place those very distressed settlers on a sound economic footing. Judging by the replies given by the Minister, debts due to the Bank alone by the farming community total £16,532,340. It has been estimated that if to the interest and principal liabilities owing to the Bank and its allied institutions there be added the debts due to outside creditors, the total indebtedness ranges from £35,000,000 to £40,000,000. According to the report of the Royal Commission on the Agricultural Bank there are 12,838 settlers carrying that enormous burden of debt. Of that number 11,623 are termed active accounts, and 1,215 are abandoned, dead or lost accounts. The commissioners have to take over those accounts and conduct the business of the Bank. They have to consider applications for advances and enforce payment of some of the heavy debts outstanding. Special settlements are to be taken over by the commissioners if they approve. It is a good feature of the Bill that any new departure by the Government in the way of establishing special settlements must receive the approval of the commissioners before they take over such settlements.

Hon. C. G. Latham: Can you imagine the Minister going along and asking them to take over some settlement? I cannot, and I do not think the present Minister would.

Mr. GRIFFITHS: The provision seems to be reasonable.

Mr. Hawke: Certainly it is.

Mr. GRIFFITHS: Then in future it cannot be said that the commissioners have had pushed on to them burdens that they were not prepared to shoulder. The commissioners will be authorised to borrow money, though we do not know to what extent, and to engage and dismiss officers and servants, who will not come under the control of the Public Service Commissioner. The commissioners will be authorised to inquire into the suitability of any district for a particular branch of agriculture. From that it seems to me that the commissioners will determine the agricultural policy. The initiative will rest with them. I do not know whether that will accord with the views of the House.

Hon. C. G. Latham: It will give the commissioners power to determine the agricultural policy of the State.

Mr. GRIFFITHS: That is so. The commissioners will have power to suspend, postpone, and release from payment of debts. I agree with the member for Mr. Marshall (Mr. Warner) regarding past efforts to secure a conditioning of farmers' debts. Unless something is done to reduce the enormous burden of debt, nothing is more certain than that the debts will pay themselves because they will vanish. The Bank has had experience of that because 1,200 dead accounts represent loss to the Bank, and after the present season, I fear that there will be an increase of such accounts.

Mr. F. C. L. Smith: Are you in favour of a compulsory writing down of debts?

Mr. GRIFFITHS: The commissioners will be given a lever in that they will not reduce Bank debts unless outside creditors agree to a writing down of the debts due to them. I think it was Mr. Gabb who, when approached by the Wheatgrowers' Union in South Australia, was asked about the compulsory conditioning of the debts. He said no man on earth would make him agree to anything of the kind; if there was going to be a cutting down of debts he would do everything he could to assist in bringing about a voluntary arrangement between the creditors and the debtors. For their own sakes the creditors should give a lead in this regard. Many are doing so now, and are meeting their debtors and arranging to compromise with them. Storekeepers have told me they would take quite

a small percentage of the money owing to them, if they were sure they were going to get that.

Mr. Hawke: This Bill will organise that.

Mr. GRIFFITHS: I hope so.

Hon. C. G. Latham: He is optimistic.

Mr. GRIFFITHS: The commissioners have to appoint valuers, expend money in buildings to house the commissioners, etc. They have to exercise general powers and issue debentures. There is a long list of duties and responsibilities that are cast upon their shoulders. I urge that most serious attention should be given to the whole question. There should be a general, helpful and co-operative policy amongst us all to arrive at something that will constitute an Act that will help the wheat farmer out of the slough of despond in which he is at present floundering. I have received from a very good man in the country a letter indicating that he is much concerned about what the Bill purports to do. He gives the angle from which some people view this legislation. The letter indicates what many good, sound, hard-working men are thinking will take place with regard to their debts, and with regard to what may be done with the securities they have to offer. He says—

I took over this property, as you know, six years ago. The interest has been paid on the debt, except when I had a seasonal condition of affairs causing the partial failure of my crop. I have with my own capital effected hundreds of pounds worth of improvements of a necessary and substantial nature. I have kept the existing ones in good order, and, but for the fact that I have had money from outside, the place would have been derelict, like many in this particular area to-day, with interest piling up against me, which is no good to the Bank and of very little value to anyone else. In my case, and there are others who have worked in the same way as I have, the Bank's property has improved, I should say, 50 per cent. from when I took over some six years ago. That is in solid improvements, not on inflated 1928 values. I have sunk a fair bit of capital in this place, and I am not alone in this respect, and believe me the men who are doing this are the best men for the State. The statutory lien over a man's property, from what I have read in the Press, seems to be this, that the Bill before Parliament seeks to give the Bank a statutory lien over all a man's property to deal with all the proceeds that may come from it. That to my mind is nothing else but confiscation, and whether done by the State or the individual is absolutely wrong. With my few free assets, I have been able to make a fair living for my family which will

not be possible if the Bill, as it is at present framed, becomes law. In fact, it appears to me it will make us little better than serfs. We who have spent our own money will not get any consideration, as it will be said our properties are good securities.

It has been said that many men have been making quite a good sum of money out of the sale of pork, bacon, etc., but have paid nothing to the Bank. It should be easy to find out who has been doing that, and to discriminate between them and the solid men such as the writer of the letter I have read. I have known this man for many years. He has battled away under hard conditions, and has built up his property into a good asset. He feels that when it comes to a question of writing down the debts, the authorities will look at his property and say, "We do not want to do anything with that; it is a good security." The other man who has not worked as hard as this one will probably have handed to him something of which he is not deserving.

Mr. Hawke: He would have to stand up to his job after being put on a business basis.

The Minister for Lands: Do not forget that the security is written down at the expense of someone else in the community who may owe nothing.

Mr. GRIFFITHS: A very tricky point arises there. There must be discrimination between the good, hard-working man and the one who will not do a fair thing. A great deal of difficulty must occur there when the Commissioners are trying to create an equitable state of affairs to deal with all cases. The writer of this letter is particularly concerned about Clause 50. This replaces Section 37a, except that it is more drastic and goes further.

Hon. C. G. Latham: It suits the member for Mt. Marshall.

Mr. GRIFFITHS: I think that hon. member would be quite prepared to fall in with a suggestion for amending it. The member for Katanning (Mr. Piesse) referred to the fact that the stock dealers would not be pleased about the statutory charges. I have a nephew who recently secured 800 sheep from Dalgety's. If the Bill is going to override that transaction, I am sure the stock dealers will not allow any more sheep to go upon that place.

Mr. Wansbrough: Do you not think they should pay a little towards the pasture?

Mr. GRIFFITHS: If I had stock and was prepared to hand it over to the member for Albany, and another member came along and overruled the lien I had upon the stock, and was about to take the proceeds, I would not leave the stock with the member for Albany but would keep it on my own farm.

Mr. Wansbrough: The Bank would be entitled to a little back.

Mr. GRIFFITHS: Generally speaking, the stock firms have been very useful. Of course they may have been after their pound of flesh.

Mr. Wansbrough: They got it, too.

Mr. GRIFFITHS: It is natural they should want to look after their own interests. There was a great outcry over the wheat stealing case at Southern Cross. It was claimed at the inquiry that the Agricultural Bank had been unduly harsh towards the settlers, but that is not borne out by the report of the Royal Commission, which said that the Bank had been too humane. One clause in this Bill provides that the police can enforce the commissioners' security and the fulfilment of the contract. That is quite unnecessary, for under common law that can be done already.

Hon. C. G. Latham: That was put in to frighten them; it is a bogey.

Mr. GRIFFITHS: At the inquiry a lot was said about the harshness of the Bank, whereas the complaint of the Royal Commission was that the trustees had been too easy. The new commissioners will have a tremendous undertaking to handle. In any appointments that are made only men who have had years of experience should be considered. I have already expressed my regret that the Royal Commission saw fit to say many things that were harsh and unfair respecting the honoured name of McLarty. During all the years of its existence there have been no scandals against the Bank. The original Act was passed in 1906 and there have been 10 different amendments to it. It has had attached to it the Industries Assistance Board, the Discharged Soldiers' Settlement, the Group Settlement, and the group settlement advances, the wire netting advances, all of which have now been brought under one head. The trustees of the Bank were not armed with the powers that are to be given under this Bill. The establishment grew around them. Notwithstanding the high opinion in which the trustees are held, they

have had these unkind and rotten things said about them. It was particularly unfair and unjust that these things should have been said about a man bearing the honoured name of McLarty. I am most keenly interested in this matter and have studied it and followed it for a long time. Last year the Minister said he did not regard me as an authority. I want the House to remember that, whatever I do or bring forward, I do with a certain knowledge and after personal contact with the people in the country. I do not think my knowledge of them can be surpassed by any member. If I bring forward any subject, I do so in all earnestness and in an endeavour to bring about a better state of affairs, and help towards the rehabilitation of the wheat-growing industry and its allied callings.

MR. J. H. SMITH (Nelson) [9.1]: In common with other members, I welcome the Bill. After all, the measure largely embodies what is contained in the original Agricultural Bank Act and its supplementary measures. Amendments will have to be sought during the Committee stage of the Bill. Many have already been placed on the Notice Paper. I feel sure the Minister will agree to the bulk of them, because they tend towards the better working of a measure which is vitally necessary in the interests of Western Australia. Let us all combine to make the Bill something of a lasting nature for the benefit of the farmers and the community generally. So far the Bank has been administered by a General Manager and two trustees. Too much has been expected of the trustees. They have been paid only £5 a week to assist in the handling of millions of money. The Royal Commission abused them and said they had not fulfilled their duties. There is a possibility that the Minister may propose to make the present trustees commissioners under the Bill.

Mr. Piesse: A very wise move.

Mr. J. H. SMITH: I have no objection whatever to the adoption of that course, and I do not think any other member would object. But there is a hitch, for which the House should find a remedy. Instead of two commissioners, there should be three; and the officer representing the Treasury in connection with the Bank should be a separate entity giving advice on the financial

side. I fail to see how that officer can act as a commissioner in the administration of affairs relating to the farming industry. Again, if he is placed there only as a financial authority, there will be only two commissioners, and one of these commissioners would have a deliberative as well as a casting vote. So, in reality, there would be only one commissioner—that is to say, the chairman—carrying on the functions of the Bank. If we could induce the Minister to agree to the appointment of three commissioners, besides the Treasury official, it would be a step in the right direction. Coming to the financial side of the question, the commissioners are to be clothed with wide powers; but I do not consider that the political aspect of the business has gone by the board at all. The commissioners will be more tied up than the General Manager and the trustees have been, because everything is to be subject to the Treasury. According to the Royal Commission's report, there are 16 millions of money involved in the institution; and according to the evidence gathered by the Royal Commission from all over the State, there is an anticipated loss of between nine and ten millions. The Royal Commission's report is explicit on that point. Accordingly, the securities of the Bank now represent only about seven millions of money, and there must be a writing down of nine or ten millions.

Mr. F. C. L. Smith: Five or six millions.

Mr. J. H. SMITH: I have quoted the Royal Commission's figures. However, let us say five or six millions. It is essential that the commissioners should be placed on a proper footing, which will enable them to work effectively. The whole institution must be placed on a sound financial basis. How is that to be done? In introducing the Bill the Minister did not offer any suggestion in that regard. I am wondering whether the Government will decide to fund the deficiency in the same way as deficits have been funded. The Bank's deficiency may be relegated to adjustment over a period of 20 or 25 years, and in the meantime we must forget all about it. In fact, the amount of that deficiency is gone and past, and will never be recovered. But it strikes me that the commissioners may say, "We will fund this deficiency. We will freeze it, and say that there are nine mil-

lions of money frozen." But while that amount is frozen, it will be continuously hanging over the heads of clients. No man can do his best if the heart is taken out of him.

The Minister for Lands: But there will be no interest accumulating on that amount.

Mr. J. H. SMITH: I agree as to that, but the debt will be frozen and will still hang over the heads of clients.

The Minister for Lands: That might be a good thing, because if matters shape well it may disappear.

Mr. J. H. SMITH: In my opinion, the only course is to wipe the deficiency off and acknowledge that the amount is gone. Who is bold enough to say that unless prices improve we can ever recoup the loss? That is why I disagree with the Minister as to the frozen amount, though, as he says, it will not bear interest. The man on the land hopes that at some time in his life, or in the lives of his children, his holding will become free from debt. The Minister proposes to vest the commissioners with wide powers. In that way he gives a ray of hope to the wheatgrowers, and also to the settlers in the South-West. The commissioners are to be clothed with full powers, and they will be able to write down holdings to reasonable prices. If a holding carries a liability of £5,000 to-day, and the commissioners say it can carry only a debt of £700, it is to be written down to £700; and that should be the finalisation of the matter. But if the frozen amount is to hang over the head of the settler, he will still owe £4,000 odd. What satisfaction is there in such a position? The property will continue to carry the original burden. If we let the debt go on to posterity, the position will never be righted. The commissioners are to be empowered to borrow money and raise debentures for the purpose of carrying on. I agree with the member for Katanning (Mr Piesse) that there must be money for carrying on. We all know that many of the farmers still have to be supported. With present prices there is no possibility of their paying interest. Even after the capitalisation of the land has been written down, I question whether the woolgrower or the wheatgrower or the fruitgrower will be able to meet his interest. The only thing to be done is to have a clean sheet, and lay down some definite basis for

the future. After that, let the wheat be separated from the chaff. If under those new conditions a settler does not do his best, the commissioners will be able to take him off his land and put someone else in his place. In my electorate the Northcliffe and other settlers have been given potboiling contracts, just to keep them on their holdings. The Bill makes no provision for that. I believe a good many of those settlers will have to be similarly assisted in future.

The Minister for Lands: The Bill does not mention everything.

Mr. J. H. SMITH: Then that matter will be in the commissioners' hands. Now as regards the appointment of the commissioners. We require practical men with a large fund of knowledge, men capable of carrying out the enormous trust which is to be placed upon them. The Government will have to use extreme care in choosing the commissioners. I would not like the task of selecting them. I have already suggested that there should be three commissioners instead of two, with a Treasury official as financial adviser only. The Government will have to find a man with practical knowledge of the south-western dairying industry, and fully acquainted with the difficulties peculiar to that portion of the State. I do not know that I could advise the Minister of any one man in the South-West for the job. I know men there who are successful farmers, but I do not know that I could recommend to the Minister any particular man. Perhaps my friend Mr. Brockman—knowing as he does all the possibilities and capabilities of the South-West—would be competent to advise in that capacity. Now I come to the financial aspect. The commissioners will have power to borrow money and to raise it by debentures. I presume the Minister has inserted that provision in order to get over the obstacle of the Loan Council. That is wise. A world-wide axiom is that if a country has a fairly prosperous body of farmers, their contentment is reflected upon the whole community, and that unless the men on the land are given a fair chance to achieve prosperity, their position is reflected upon the whole of the people, because once the farming industry fails it is the end of the working of the State's machinery. Therefore money will have to be raised by the commissioners. The original intention was to finance the Agricultural Bank from revenue. In those days

loans were small, and interest was being paid, and thus the Bank could continue operations. But to-day the position is different. There is a vast area of land still to be developed. The Minister for Lands recently mentioned the 3,500-farms scheme. It has been argued that there should be no more land settlement on a large scale until we have solved the problem of farming successfully on low prices. After borrowing money the commissioners would have to go into the whole scheme of development. They would have to advise in regard to marketing. There is one feature which may wreck the Bill, and with regard to which something will have to be done in the Committee stage. I refer to the provision dealing with stock loans. Under present financial conditions it is impossible to finance Agricultural Bank clients in the matter of stock. That financing has in the past been done by stock agents. As the member for Albany (Mr. Wansbrough) interjected while the member for Avon (Mr. Griffiths) was speaking, surely the Agricultural Bank is entitled to something for its pasture. In many cases the institution has been depasturing stock for agents who have received the wool clip and perhaps the increase. We cannot possibly do away with the stock agents; we have not the money. Members know that what is owing by wheat and wool growers in the South-West Division to the Agricultural Bank, other banks, and merchants totals 40 millions of money to-day. It is said that the Bill does not provide for compulsory writing-down of debts, but I contend that there is compulsion right through the measure. The Associated Banks have mortgages separate from those for Agricultural Bank advances, and the same remark applies to some machinery agents. The holdings are already overcapitalised, according to the Royal Commission's report. If the Associated Banks and merchants will not fall into line with the Agricultural Bank in regard to the necessary writing-down of debts, the commissioners have only to say, "All right; we shall foreclose on the properties. We hold the first mortgages. We will foreclose, and dispose of the properties." If the Associated Banks will not come into line, they can say, "All right, pay our amounts." But they will not pay those amounts.

Member: They can do that now.

Mr. J. H. SMITH: But the Associated Banks can already be forced into line in connection with any proper writing-down that has to take place. That is distinctly provided for in the Bill. The Leader of the Opposition referred to Clauses 50 and 51. The fact is that the Bill provides for collateral securities, and the Bank has always had that advantage. If a loan is obtained from the Agricultural Bank, the authorities take a collateral security over all the client's goods and effects, even to the extent of covering the furniture. Every member desires to assist the Minister to do what he has in mind, and I feel that when we deal with the measure in Committee, he will agree that it is not right that a farmer's wife who desires to sell three or four pounds of butter at the store in order to get some goods, can be denied that right.

The Minister for Lands: Of course she would not be denied the right.

Mr. J. H. SMITH: The Minister may say it would not be done. I know that if the Minister had his way, it would not be done, but the danger lies in the fact that a strict, officious bank inspector, who may have a grudge against a farmer, may deny him that right.

The Minister for Lands: That inspector would not last very long.

Mr. J. H. SMITH: I know that, but the Minister knows there is such a thing as victimisation. I know of such instances in the past for which officious bank inspectors have been responsible, because of their set against individual settlers.

Mr. Hawke: You cannot provide against that sort of thing by Act of Parliament.

Mr. J. H. SMITH: But we could modify the clause to enable such minor sales to be effected. It is common knowledge to members that in some areas a settler's credit may not be good with the storekeeper and, in order to get some groceries, that settler may attempt to sell a few pounds of butter, a weaner pig, or a lamb. Under the Bill as it stands, that settler could be denied the right to sell anything. I trust the Minister will agree to amend the clause so that that sort of thing shall occur. I do not think it is necessary to speak at greater length regarding the Bill. It should be acceptable to

every member because it represents a step in the right direction. I welcome it because it will give the settlers a better chance. Many of them have been hard up against it in the past. The member for Sussex (Mr. Brockman) can enlighten the House in that regard because of his experience as a member of the Royal Commission on Group Settlement. In that Commission's report it was pointed out that many of the holdings were 100 per cent. Government-owned. Values then were double what they are to-day, and even then the settlers could not make a living. As to the surplus money that the Royal Commission that investigated the affairs of the Agricultural Bank agreed was lost and gone, do not let us freeze that money, as the Minister suggested. It should be written off and finished with, leaving posterity to pay the funded amount. Our national debt is so great now that I am satisfied we require a new era, failing which we shall never be able to pay off the debt nor yet the interest involved. It would be impossible for us to do so.

Mr. Marshall: Not on your life! You should put your shoulders to the wheel.

Mr. J. H. SMITH: The member for Claremont (Mr. North), if he were here, would agree that it will be a matter of impossibility to pay off that indebtedness. Let us start off the commissioners to be appointed along the right lines under the new Act. Let us say to them, "There are the securities; there are the assets. Make the best job you can of it. Do your best to assist the settlers, and place the industry on a permanently better footing. We think you can do that, and if you can, we will have a contented community."

MR. HAWKE (Northam) [9.20]: The speeches that have been delivered on this Bill have been helpful, with the exception of that of the Leader of the Opposition. His speech was reckless; to a large extent it was illogical; in many of its parts it was spiteful; in some places it was pathetic.

Mr. Doney: Which parts were pathetic?

Mr. HAWKE: The Leader of the Opposition, as the Leader of the National Party might say, allowed his imagination to run riot with his judgment. I was looking through some old "Hansards" the other day, and perused a debate that took place on the Farmers' Debts Adjustment Act when it

was first introduced. During the second reading debate, the member for Narrogin (Mr. Doney), as usual, made a very effective and well-balanced speech. In the course of his remarks he said—

Criticism on a Bill of this character is a very safe, and a very easy task.

I am hopeful he will say, after a perusal of his own leader's speech on the Bill before the House now, that that applies to what that hon. member had to say. In the course of his speech on the Farmers' Debts Adjustment Bill, the member for Narrogin said—

Quite a few members of this House have plainly put in a great deal of their time in deliberately manufacturing difficulties and bogeys wherewith to frighten themselves and other people.

The statement made by the member for Narrogin on that occasion can be applied most appropriately to the speech of his leader in connection with the Bill under discussion. The Leader of the Opposition described this measure as being the sloppiest piece of legislation ever introduced in Parliament. That, of course, was a statement reckless in the extreme. He allowed his imagination to run riot with commonsense. The speech of the member for West Perth (Mr. McDonald) was indeed a severe rebuke, couched in very calm language, to the wild statement made by the Leader of the Opposition, who then went on to be very unjust to the Minister responsible for the Bill, and stated that the measure had been prepared in a hurry and introduced in a hurry. I think no other member of this Chamber would be so unfair or so unreasonable as to make a statement of that character. Every member will agree that the measure has not been prepared in a hurry, nor yet was it introduced in a hurry. People outside the House agree that the Minister and his officers must have put in a great deal of time and study in the preparation of the measure. I am sure the member for Narrogin will be the first to admit that the Minister has certainly put in a great deal of time and effort in the preparation of the Bill. Regarding its introduction, those of us who had the pleasure of hearing the speech with which the Minister placed the Bill before the House, will realise that the introductory

speech was comprehensive and explained the general principles of the Bill very fully. Certainly every detail was not dealt with or explained, but that course is never followed on the second reading of any measure. If it were, then second reading speeches by Ministers would reach inordinate lengths, and no other member of Parliament would ever have a chance of making a second reading speech at all. It has been said that the proposals embodied in the Bill will give the commissioners to be appointed almost complete power to do what they like, when they like and how they like. That assertion has been contradicted by the statement that the commissioners will merely constitute a branch of the Treasury and will be under the domination of Treasury officials. Those two statements are self-contradictory, for both cannot be correct. I submit, therefore, that the commissioners will not be under the domination of the Treasury. They will be under the control of the Treasurer only when they desire to write down the capitalisation of holdings, or when they desire to go on the market or issue debentures for the purpose of raising money with which to carry on the industry.

The Minister for Lands: Or to provide for any money appropriated by Parliament.

Mr. HAWKE: Yes. I submit that the Bill gives Parliament, indirectly, the control that we need. I feel we should not exercise any greater control over the activities of the commissioners than is already provided in the Bill.

Mr. Doney: If that is your view, what about the pretence of complete independence?

Mr. HAWKE: That is not my opinion.

Mr. Doney: No, I mean in connection with the Bill.

Mr. HAWKE: There is no pretence in the Bill of providing the commissioners with complete independence. In his speech, the Leader of the Opposition stated we were asked to give the commissioners complete and absolute power over everything and that Parliament would have no control, that the Minister and Government of the day would have no control, and that the commissioners could go on their merry way, irrespective of the wishes of Governments, Ministers or Parliaments. I am endeavouring to show that the measure definitely pro-

vides for control in respect of those things over which Ministers, Governments and Parliaments should have control. As far as future policy is concerned, although Governments and Parliaments will not have direct control, if at any time they feel that something additional should be done with regard to matters of policy, and that some new area should be opened up and developed, it will be within the power of Parliament or of a Government to take the necessary steps to extend the policy in directions they feel it should be extended. Therefore, complete control and power in respect of future policy is not handed over to the commissioners at all. Parliament will still retain, if the Bill becomes law, authority to extend or increase development, and to exercise power with regard to matters of policy. The measure proposes to institute a new method of management. It is proposed that there shall be appointed two commissioners and a representative of the Treasury who shall constitute the third commissioner. The remarkable suggestion has been made that we ought to know who these commissioners are to be before we pass this legislation; it is suggested that Parliament should know their names before the Bill is approved of. And the dangerous suggestion has been put forward that in Committee an amendment will be moved to the effect that the present trustees of the Agricultural Bank shall be the commissioners of the Bank in its new form of control. I hope that proposal will not be persevered with. It would place the present trustees in a very unfair and unfortunate position, because the debate on an amendment such as that would centre completely upon the trustees, and it might happen that a struggle would develop in the Chamber between those who favoured the present trustees for the new positions and those against that proposal. I am sure no member could wish for anything of that kind to happen here. It is the duty of this Parliament to give the Government the power to choose the best men available. If we are going to dictate to the Government as to who shall be appointed, the Government will be failing in their duty if they accept that dictation. There can be no telling who might be offering for the position; there may be in this State men who have specialised knowledge

in regard to the positions to be created, and the Government ought not to be handicapped in their choice; they should not be restricted in the decision they are to make as to the personnel of the new management. Therefore I trust no attempt will be made to have stated in the clauses of the Bill the names of those who shall be the new commissioners.

Mr. Piesse: Do you favour inviting applications, as in the case of the Commissioner of Railways?

Mr. HAWKE: I would have no objection to that. The Government should have the widest possible choice. This is a vitally important measure and it will be generally agreed that a great deal will depend on the quality of those chosen to be the commissioners. Therefore it would be extremely foolish, indeed it would be dangerous, to restrict the choice; it would be dangerous for Parliament to say that so-and-so and so-and-so must be the commissioners, and I am sure if any attempt be made in that direction the overwhelming majority of members will see to it that the attempt is defeated. The new commissioners will require to be exceptional men; they will require to be judges of other men, they will require to be able to size up the most difficult situation, they will require to be men who can look into the future and judge of future events with some degree of certainty; they will require to be men who can win the confidence of their clients and of their staff, they will require to be men who can win the confidence also of private creditors who are interested in the clients of the Bank; and in addition they will require to be men capable of winning the support of the investing public of this and the other States. Therefore I say the Government, irrespective of whether they be Labour or Liberal, should be given the greatest freedom in the making of their choice of the new commissioners. The ludicrous suggestion has been proffered that we ought to appoint the two commissioners on probation, appoint them for two years and then bring their work to Parliament where members haggle and argue over it. We would have some members at the end of the two-year probationary period abusing the commissioners, whether they had done good work or bad; we should have a lot of petty instances brought into the Chamber showing that Farmer Smith had had something done

to him by the commissioners. No commissioners worthy of the position would accept office under such a condition; it would be impossible to get men of standing and of the necessary capacity to accept office under such a condition. Some of those men may have to be drawn from important and well-paid positions in the commercial or the farming life of Western Australia. Where is the man of the necessary capacity, where is the man holding a responsible position to-day who would accept the office of commissioner if he knew he was to be appointed only for a period of two years, at the end of which time his work would have to come before Parliament to be torn to pieces or be praised, as members felt inclined to treat it? The suggestion is quite impossible and cannot be treated seriously, and I hope no attempt will be made to insert such an amendment in the Bill. As to the control of the staff, I feel the staff of the Bank under the new system of management, will have nothing to fear. Let me qualify that by saying that none of the staff capable of carrying out their duties in a reasonably efficient manner will have anything to fear. I do not think the new commissioners will retain in the service of the Bank every officer at present in it. I should hope they would not do that, because we know, members representing farming districts in this House must know, that quite a deal of the failure of settlers can be attributed to the absolute incompetence and carelessness of those officers of the Bank who are in charge of operations in the districts concerned. Therefore it is to be hoped that not all the present officers of the Bank will be retained. But I feel confident that no officer of the Bank to-day need have the slightest fear, provided he has been proficient in the past, and is capable of carrying out the duties he has been appointed to perform. Therefore, although it is possible to conjure up the most horrible possibilities regarding the slaughter of the staff, I feel that in actual practice it will be found that the capable officers of the Bank will be retained, and will receive at the hands of the new management a treatment that shall be not only equal to the consideration they have received in the past, but will be superior to that, a treatment which will win from those officers even more efficient and loyal service than we have seen during the past year.

Hon. C. G. Latham: We could apply that to the railways very well.

Mr. HAWKE: I do not think there is any need to haul the railways into this debate. Better is it to concentrate our attention upon this proposal and upon the methods which are to be put into operation in regard to the farming industry. There may be some necessity to alter the wording of the provision for a statutory charge. As I read the Bill, I interpret that provision to mean that the commissioners will be given power to have a priority lien upon the main product of the farm. In the case of wheatgrowers they will have a priority lien over the wheat, in the case of the woolgrowers over the wool, in the case of the dairy-farmers over the butter fat, and so on. To suggest that the commissioners might well exercise that priority lien over the chickens of the wheat-farmers and the few eggs the fowls produce, and so on in respect of other farms, is merely to draw a long bow for the purpose of creating and inventing some miserable opposition to the Bill.

Hon. C. G. Latham: Every legal man says that is the interpretation of the clause.

Mr. Thorn: Well, they were wrong.

Mr. HAWKE: I would only agree that they were wrong if the member for Toodyay said they were wrong; otherwise I might think they were right. At all events, if the wording of the clause is not sufficiently clear it may be possible in Committee to have it re-worded in such a way as to make it clear to the new commissioners that only the major product of the farm is intended to be dealt with under the priority lien. Whether that be done or no, I say that no man appointed commissioner to control the future activities of the Bank would for a moment consider taking the few dozen eggs that might be produced on a wheat farm for the purpose of satisfying the claim the Bank had on the place. It would be too silly to think that anything of that kind would be done either by the new commissioners or by the old trustees. No one with an ounce of reason would put such a policy into operation.

Hon. C. G. Latham: Yet we are asked to put it in the law.

Mr. HAWKE: That may be.

Mr. Piessé: You restrict the farmer's credit as soon as the Bill becomes law.

Mr. HAWKE: My opinion is that when the Bill becomes law, whatever its wording,

the new commissioners will seek to confer—

The Minister for Lands: In their discretion they can give way.

Mr. HAWKE: I know that in regard to the statutory charge there is a discretionary provision which enables the commissioners to give away any produce of a farm, even though covered by a priority lien.

The Minister for Lands: And that power is given because the commissioners might have to do it.

Hon. C. G. Latham: Six thousand applications would have to be made. How could the commissioners deal with them?

Mr. HAWKE: Whether 6,000 or 6,000,000 applications were necessary, I do not think the difficulty will arise. When the commissioners are appointed, I believe they will confer as soon as possible with all the private interests associated with the farming industry, that a general understanding will be arrived at and that as a result private creditors will be only too anxious and willing to work in co-operation wherever possible with the commissioners. Consequently I fear no evil results from that provision. If some members think it should be altered to provide that the commissioners shall not take charge of eggs produced on a wheat farm, of vegetables produced on a wool property, or of a few cases of fruit produced on a dairy farm, there will be no serious objection, although I do not think any alteration is necessary. Although this power can be used only to deal with clients of the Bank, I am sure that the influence of the commissioners' work in the interests of their own clients will be so strong and beneficial that all private creditors of farmers who have no association with the Bank will follow the lead, and that the danger of farmers under the Bank being advantaged as against other farmers will not arise. I am hopeful that as result of the passing of the Bill there will be established a great measure of co-operation between all the creditors of all the farmers. Private creditors of every description—storekeepers, oil merchants and private bank managers—agree that the time is long overdue when steps should be taken to place the farmers upon a business basis in order that their activities might have a

greater chance of success than is possible in existing circumstances.

Hon. C. G. Latham: Did they say to what extent they were prepared to help?

Mr. HAWKE: The Leader of the Opposition will agree that it would be difficult for them to say offhand just what they would be prepared to do.

Hon. C. G. Latham: I have had opportunities to meet those people from time to time.

Mr. HAWKE: I am glad that the hon. member has also had the opportunity. It is hardly to be expected that they would make concrete proposals when the Government had done nothing definite to tackle the situation. If the Leader of the Opposition, when Minister for Lands, and his Government had tackled the problem and had introduced legislation of this kind, long before now the difficulty would to a large extent have been overcome. I believe that private creditors would have been only too happy to shoulder their share of the responsibilities and do their part to establish a more solid foundation for the industry.

Hon. C. G. Latham: I can assure you that it would have taken three months to get such a Bill through this House in the face of the opposition we would have encountered.

Mr. HAWKE: It is not often that the Leader of the Opposition indulges in real humour, but we appreciate the rare occasions when he flashes out some genuine wit. By his latest observation he has brightened up my speech considerably.

Hon. C. G. Latham: What I said is a fact. You cannot distinguish between wit and anything else.

Mr. HAWKE: The fear of the Leader of the Opposition is badly founded. Certainly it is no excuse whatever for the failure of his Government to make the attempt. To suggest that members of the Labour Party, when in Opposition, would have fought against proposals to reconstruct the industry is to suggest something that is contrary to all the records of the party and their attitude to the industry.

The Minister for Lands: We supported all the legislation introduced by the previous Government in the interests of the farmers.

Hon. C. G. Latham: Would the Minister like me to quote some instances?

MR. SPEAKER: Order!

MR. HAWKE: If the previous Government had introduced legislation of this kind, it would have had a rapid passage through both Houses. No attempt was made, and it is futile for the Leader of the Opposition to offer as an excuse for having done nothing the statement that the Labour Opposition of the time would have fought the proposal for three months. Farmers and other people in the country are saying how remarkable it is that they had to wait for a Labour Minister and a Labour Government to take the initiative in this matter.

Hon. C. G. Latham: Eighteen months have yet to go before the next elections.

Mr. HAWKE: And every month of the next 18 months will only increase the respect of the farmers for the present Government. I do not say that any of the farmers are likely to vote for supporters of the Labour Government, because they cannot break their habit of voting for the candidates representing the Opposition parties, but they are always honest enough to admit that there is only one type of Government here that has ever seriously attempted to assist them in their work of carrying on the industry, and that is a Labour Government. I leave the Leader of the Opposition to ponder over that aspect. I have pleasure in supporting the second reading, and if helpful amendments are moved in Committee, I am sure they will receive sympathetic consideration not only from the Minister but from every member.

Hon. C. G. Latham: They need support, not sympathy.

On motion by Mr. Doney, debate adjourned.

House adjourned at 9.56 p.m.