**WHEAT HARVEST (1915-1916) ACT FURTHER AMENDMENT BILL 1919**

**House of Assembly, 9 September 1919, pages 671-9**

Second reading

**The TREASURER (Hon. A. H. Peake)—** The object of this Bill is to bring within the scope of the Wheat Scheme now in force in this State the wheat of the 1919-20 harvest and to make legislative provision for certain financial arrangements made with the Commonwealth Government for the marketing of the wheat harvests now controlled by the Scheme, so as to enable these arrangements to be carried out. I have heard suggestions during the past few months that the Pool should be brought to finality as soon as possible, and that the next harvest should not be handled by it. Those of us, however, who are better informed of the management of the wheat harvests in the past know very well that it would be quite impossible to clear up the Pools and to restore the wheat industry, that is as regards its management, to pre-war conditions in time for the next harvest to be dealt with by the agents. It is a very interesting speculation as to what is the best and proper thing to do for the management of our wheat after the present Pool system has been determined. There is a strong feeling on the part of a number of people in this State that we should get back to pre-war conditions as quickly as possible.

Mr. Tossell—-You do not wonder at it, do you?

The TREASURER—I have ceased wondering. There is another strong party which desires the continuance of the Wheat Pool.

Mr. Fitzgerald—They are in the majority.

The TREASURER—I do not know about that; but I do know there are strong con­tending parties on these two questions.

Mr. Reidy—Vested interests particularly are on the one side.

The TREASURER—I am not going to prejudge the question, because very likely sound reasons can be put forward by both sides. But there is another party coming into pro­minence, and it takes the attitude that it will be inadvisable to get back to pre-war conditions. This party contends that it would be inadvisable to carry on the Scheme under Government control as at present, but that there should, be a scheme arranged and thought out, some big co-operative scheme, to manage the Australian wheat as a Pool. They do not advocate that the farmers should be forced to put their wheat into the Pool against their will, but that machinery should be set up to deal with the wheat harvest. They contend that some scheme should be thought out that will give the management of this big business some better standing than it has to-day, or has had in the past, and that those who produce the wheat will be in a large degree made responsible, or given the privilege and right to manage it under some Government control. Personally I think the Commonwealth Government should control such a scheme, because the shipping will always be a very big question in connection with the wheat business, and the better market that can be secured the more advantageous it will be. for the producers in every respect. But no scheme has yet been propounded that will meet the present conditions, so that it will be necessary to provide for the carrying on of the Wheat Pool, similar to the way it has been carried on in the past, for the’ coming harvest. That is the primary object of the Bill. It will be interesting to say a few words with respect to the Wheat Pools. The 1915-16 Pool has not yet been cleaned up, because some of the wheat has yet to be shipped, and a large number of adjustments will be necessary between the 1915-16, 1916-17, and other Pools, and also with the Australian Wheat Board, in respect to the shipments of wheat for the British Government. On this Pool equal to 4s. 7jd. f.o.b. has been paid at the oversea shipping ports. As in the case of the 1915-16 crop it is not possible to prepare a financial statement showing the exact condition of the 1916-17 Pool for the reason that a large quantity of the wheat has yet to be delivered to the British Government, in addition to a large quantity held by the Scheme which has to be dealt with; that season’s crop was subjected to the mouse plague, in consequence of which heavy losses were sustained. Owing to the operations of the German submarines, the British Government were unable to furnish shipping to move that crop, with the result that a large proportion of the wheat has been held for over two and a half years. During the early part of that year the mouse plague commenced, and caused heavy damages to the crop. While the stacks were being broken down we passed through the wettest season on record. Following on the damage to the wheat by the mouse plague and rain, the weevil scourge appeared and caused heavy losses. As in the case of the 1915-16 Pool, a large number of financial adjustments have to be made in connection with the British Government and the Australian Wheat Board, and until these have been effected, the financial position cannot be clearly set out. For the 1916-17 season, farmers have been paid 3s. 3d. net, which, together with the transport and agents’ fees, is equal to about 3s. 9d. per bushel f.o.b. The 1917-18 wheat was harvested in dry conditions, has been well eared for ever since, and the losses, as realised in stacks already cleaned up, are comparatively light. The quantity in hand is in good order and condition. In respect of the 1917-18 wheat, 3s. 3d. net has been paid to the farmers, and the Minister may think it advisable to indicate the proposed further advance likely to be made in respect thereto.

Mr. Robinson—Is it not nearly time we got an advance on those two Pools?

The TREASURER—The reason we are not making an advance on these two earlier Pools is not a sentimental one, but because expenses in dealing with them have been so heavy that it would not be safe for the Government to recommend a further advance. I do not think a dividend will be payable on those Pools when they are cleared up.

Mr. Robinson—Why, we have only had 3s. 3d.

The TREASURER—Yes, but 3s. 3d. for a harvest that was damaged beyond all compu­tation.

Mr. Jenkins—The speculators are offering more than 3s. 3d. for the scrip.

The TREASURER—I am not concerned with the speculators. They may know more than I do about the matter.

Mr. Gunn—What effect will your statement have on the scrip?

The TREASURER—I do not know.

Mr. Gunn—Is all the scrip in the hands of the speculators?

The TREASURER;—No; I am stating the facts as I know them. Honorable members opposite in the past have made many statements, some of which have been very damaging to the producers of this State. I do not think they were intended to do damage.

Mr. Fitzgerald—And not contrary to fact.

The TREASURER—That is a broad statement with which I am not prepared to agree.

Mr. Gunn—We have this damaging statement to-day, and tomorrow we will have another reassuring statement from some other Minister.

The TREASURER—The honorable member knows very well that on all exchanges there are such things as bulls and bears, and whenever scrip becomes tight someone gets to work. In the case of Senator Pratten’s remarks, I made inquiries when I saw his statement, and I found that he had based his calculation on the value of the scrip, but that is not a fair basis to take.

Mr. Robinson—Do you seriously say that while wheat is being sold for 4s. 9d. a bushel, we will not get any more than 3s. 3d.?

The TREASURER—My statement is that I do not think those who are holders of wheat or are interested in these pools can expect to receive more than has already been paid.

Captain Denny—Upon what information do you base that statement?

The TREASURER—Upon the information supplied by the office, and upon information I worked on in Melbourne when the question of' a further dividend was under discussion.

Mr. Jenkins—Did the Premier see a statement that the Prime Minister was expected to announce a further dividend of 6d. on the 1916-17 crop?

The TREASURER—That does not apply to South Australia, because I am advised that, allowing for the expenses- in connection with clearing up, it would not be safe for the Government to pay any more in connection with this crop. If there is more coming it will be paid, but if there is not any more the Government cannot guarantee to make payments.

Mr. Robinson—The value of the 1916-17 scrip is 7 1/2d.

The TREASURER—I would not be sorry if the speculators who took the scrip at 7 1/2d. got that money, and perhaps they are all right from the speculators’ point of view. In respect to the 1917-18 wheat, 3s. 3d. net has been paid to the farmers. I am not in a position to make any statement beyond that, because the question of a further dividend was discussed at the last meeting of the Wheat Harvest Board, and pending inquiries to be made and an arrangement being entered into with the Commonwealth Treasurer it was understood that no Minister was to make any statement unless he was authorised to do so from Melbourne. I see that it is stated to be likely that the Prime Minister will make a statement one day this week. If he does he will be quite within his rights, but at the last meeting of the Board it was understood that there was no statement to be made unless Ministers were advised simultaneously, so that information should not be made known in Melbourne before it was made known in other States. I come to the second

part of the Bill, and Sir Richard Butler will recollect that this matter was discussed at the last Premiers ’ Conference in Melbourne. This second part refers to the guarantee to the banks by the State of the money advanced by the banks so that the dividends could be paid. The average overdraft for the last few months has been £7,000,000. On the 1st instant the overdraft was £6,685,938. We have since received from the British Government in part payment of the 1,000,000-ton contract £1,370,000, leav ing the overdraft on that date at £5,315,938. This is the second payment credited to South Australia which has been received on account of that contract. The point is this—that the Commonwealth has guaranteed the payment of the dividends, and it has been paid by overdraft, and we all recognised when the point was put to us that it was the duty of the State to guarantee the repayment to the banks of money that was advanced to pay the dividends.

Captain Denny—Can you give any idea what the farmers will receive from the next Wheat Pool for the forthcoming harvest?

The TREASURER—That point has been discussed, but I am not at liberty to make any disclosure in regard to it, but I hope it will not be less than 5s.

Captain Denny—What do you think the wheat will realise when it is sold by the Pool?

The TREASURER—I could not possibly say. I cannot say what the British market will be like in nine or 12 months. I know it is hoped that we can guarantee at least 5s. a bushel for the next harvest.

Mr. Angas Parsons—What interest is being paid for the overdraft!

The TREASURER—I think it is 5 1/2 per cent. The banks have never borne hardly on us, but let us have money for a long time at a less rate than what they could have got elsewhere.

Captain Denny—Will 5s. be paid on the delivery of the wheat?

The TREASURER—That wheat is not yet reaped, and it is impossible for me to say what will be the conditions of sale in regard to wheat that is not even in ear.

Capt. Denny—When will the first advance to farmers be made?

The TREASURER—The honorable member knows that it is quite impossible to say what will be the conditions of the sale of the next harvest. It would be only conjecture if I did and worth nothing. One object of the Bill is whether we should continue the Pool, and the other object is the guarantee to the banks for the money advanced to pay the dividends. There can be no question of the fairness of these two things.

The Hon. Sir RICHARD BUTLER—I do not agree with those who think that the farmers would be better off if this Pool were continued indefinitely. I would be glad to get back to normal conditions where I could exercise my own judgment and handle my own produce. I was hopeful that the wheat would be sold and delivered so quickly that it might not be necessary to extend the Pool for another year, for I cannot see how farmers are going to get better treatment from a big unwieldy Australian Pool under the Federal Government than they got under previous conditions. We have this out­standing example that the South Australian Farmers’ Union, which now numbers between 11,000 and 12,000 shareholders, is in a stronger financial position than ever it was before. Until the Pool started I do not think the Farmers’ Union made on an average an eighth of a penny a bushel upon speculations in wheat. There was no profit for them when they had to go into the market and make their purchases with other firms. The men who did make money were the big speculators, who could buy wheat and wait for a rise. If we get back to normal conditions we should be in a position to exercise our own judgment as to whether we would ship our wheat through the Farmers’ Union as a co-operative institution, or whether we would take the price offered in South Australia by the Union or other firms. Many years ago a number of farmers shipped two or three cargoes of wheat on their own account through the Union, and the result was such that they never tried it again.

Mr. Reidy—That was not a fair test.

Mr. Fitzgerald—They were' given a ship that no other firms would ship wheat in.

The Hon. Sir RICHARD BUTLER—It was an excellent test. I would be glad if this Bill were delayed to such an extent as to enable us to see if the wheat here can be removed, but in a reasonable time. South Australia is in the unfortunate position of having about one-half of the total wheat held in the Pool. Out of about 110,000,000 bushels, South Australia has, roughly, nearly 50,000,000 bushels. We would have to ascertain by close examination of the stacks here what quantity of wheat we have on

hand of f.a.q. quality. First of all, we can deduct the quantity which has disappeared owing to the mouse plague and other causes, then the loss by depreciation. I think a gentleman in the Senate estimated the loss to South Australia at 4,000,000 bushels for the 1916-17 harvest. That was not an over-estimate; but I look upon the estimate of 2,000,000 bushels for next year as excessive.

Mr. Reidy—Do you know that that man in the Senate had an interest in a certain firm?

The Hon. Sir RICHARD BUTLER—The honorable member has a suspicious mind.

Mr. O ’Halloran—I think gentlemen in this House are working in the interests of certain firms.

The Hon. Sir RICHARD BUTLER—I am not. I am looking at the matter as one who has delivered his wheat to the Pool. A very important point is where the 1,500,000 tons sold to the British Government are coming from. That wheat has been sold 2s. under market value. New South Wales, so I am told, has very little wheat left. I think the whole of it will be consumed in the shape of flour by New South Wales and Queensland by the time the new crop comes in.

The Treasurer—We are not going to sell right up to the mark.

The Hon. Sir RICHARD BUTLER—What I am concerned about is as to what proportion South Australia will have to find. It will be fair if we can get the market value at the time. New South Wales will have a light crop next year. That State may have enough for its own people and Queensland, but if it has to find one third or one-quarter of the 1,500,000 tons, and cannot find it, Victoria and South Australia will be looked to, and we will have to find more wheat than our share at a price very much below its value, judging by sales made to other countries. The sale at 5s. 6d. is better for the Imperial Government than a sale at 4s. 9d. When wheat was sold at 4s. 9d., freight was hardly procurable. There was an immense risk of loss,. and the shipping cost was 50 per cent. more. During the war I never criticised the practice of disposing of our wheat to the Imperial Government, even though prices were half what producers in other countries were getting; but now the war is over, and South Australia has made these big sacrifices, we have every reason to expect the Imperial Government to pay us proportionately as they do in Canada. If they are giving 9s. or more f.o.b. in Canada for wheat which is not so good as ours for mixing, we cannot boast of having made such a good deal at 5s. 6d. In the Argentine farmers are getting about double the price- received here. If we had the Farmers’ Union and other big firms free to handle our wheat next year, I believe the farmers would receive 7s. 6d. a bushel. A prominent business man told me the other day that in a short period there would be more ships afloat than ever in the world’s history and a great many more than just previous to the war. He said freights could not be kept up to the present level, and there might be a freight war. I said I would welcome that. Under the old conditions we used to ship our wheat for about 10d., and a lot of grain was sent away for about 6d. a bushel for filling up cargoes.

Capt. Denny—A great deal of the shipping is controlled by the big companies. How can there be a freight war?

Mr. Fitzgerald—The British Government stopped the freights from going still higher.

The Hon. Sir RICHARD BUTLER—South Australian producers paid a fabulous price for freights, and the British Government took 75 per cent, into their own revenue as war profits really contributed by the South Australian producers. Before the Bill is carried through both Houses, it would be well to wait, for a few weeks, so that we will have a better idea as to what the harvest of Australia will be, and as to what extent the value of shipping will increase in the next few months. Ships must come to South Australia more than in the past, because New South Wales and Western Australia have not got the wheat to remove. As South Australia now holds half the wheat in the Pool, is it not fair for the Australian Board to contribute something towards the loss we are making. Each State should have a certain proportion of the shipping, but I find that South Australia was a long way behind in this respect.

Mr. Reidy—What did we lose by that?

The Hon. Sir RICHARD BUTLER—If we had had a fair proportion of shipping the losses would not have been so great. For the 1915-16 wheat the farmers have received prac­tically 4s. l 1/2d. net. Nearly the whole of the 1916-17crop was sold to the Imperial Government. For the wheat which was not sold to the Imperial Government a better price was obtained, and this brought the price to about 4s. 10d. Taking off 6d. a bushel for handling and railway charges, 4s. 4d. net would be the return to the farmer. Surely the Premier will not say that the losses have been so enormous that another Is. per bushel will be wiped off?

The Treasurer—We do not know what the losses are yet. They will be enormous.

The Hon. Sir RICHARD BUTLER—I valued that wheat at about 3s. 9d. That allowed a margin of Is. a bushel for losses through the mouse plague, damaged wheat, and handling charges. In Victoria 1916-17 certificates are selling at about Is. Id., but in South Australia they are worth a little more than 6d. That is a clear indication, by those who know, that our losses in South Australia on the 1916-17 crop were double the losses in Victoria. If shrewd business men in Victoria are paying Is. Id. for Victorian certificates, and the Victorian Government are only going to advance 6d. on them, there is a good margin of safety. I do not think there is the slightest risk in making a further advance in South Australia on the 1916-17 wheat.

Capt. Denny-—The Premier said there was no money available for it.

The Hon. Sir RICHARD BUTLER—The Premier did not say there was no money available. What he said was that there was no margin. There seems to be a mix-up.

Mr. Fitzgerald—A good, many things were mixed up.

The Hon. Sir RICHARD BUTLER—There is nothing in connection with the Wheat Scheme where my name appears, put there by myself, that I will not stand to,-and I would not remain in the House to-day if I could not look every honorable

member in the face and say, “I am at least as honest as any of you.” The position in South Australia will require very careful watching if our farmers are going to get a fair deal compared with the other States. Wheat was shipped from New South Wales which weighed 6 lbs. a bushel less than South Australia wheat, and yet they got the same price as we did, and in making arrangements with Mr. Love for the taking over of the wheat which had been left, I told him he should not drive too hard a bargain, in view of the generous manner in which he had treated New South Wales in regard to their inferior wheat. If a State were not in the position to find, its share of the wheat sold, then it should be able to demand our wheat only at its actual export value at the time it was delivered. Every farmer will expect that. The Premier will remember that at the meeting of the Agricultural Committee in connection with the Liberal Union, a recommendation was made for the Minister controlling the Wheat Scheme that the time limit in the Bill should be the end of October, not the end of March. I do not know whether the Premier has considered that. That allows ample time for the farmers, if they wish it, to send their wheat into the Pool. Why should any of us, after the end of March, if we have our wheat in hand, not deal with it in our own way, and probably get 2s. a bushel more for it than if we put it into the Pool. The recommendation was indorsed and approved by the executive of the Liberal Union. It would be a very good amendment to put in this Bill. It would only mean altering one clause. For Australian meat and wool the British Government to-day are paying prices which are only about a half or a third of their actual value. In England at present you cannot buy Australian lamb under Is. 3d., yet the Imperial price is fixed here at 5 1/2d. Why should not our producers, with the outlook before them that in many districts there cannot be more than a 3-bushel or 4-bushel average at the outside, get the best prices possible?

Capt. Denny—Does not the Wheat Pool sell other than to the Imperial Government?

The Hon. Sir RICHARD BUTLER—They do.

Mr. Reidy—Why cannot they get as good a price as private individuals?

The Hon. Sir RICHARD BUTLER—I do not know; but they don’t.

The Treasurer—How can you compare private sales of wheat and sales to the Imperial Government when there are no private sales of wheat at the present time?

The Hon. Sir RICHARD BUTLER—There are private sales of wheat; to Norway, Sweden, and Africa, at 8s, per bushel.

Mr. Fitzgerald—Who was it made those sales ?

The Hon. Sir RICHARD BUTLER—The Australian Wheat Board, on the advice of Darling and Co. and Dreyfus & Co.

Mr, Fitzgerald—And you want those people to sell your wheat for you, do you?

The Hon. Sir RICHARD BUTLER—No. I sell my wheat to the Farmers’ Union or where I please. Darling *&* Co. and Dreyfus & Co. cannot exploit the farmer, because the Farmers’ Union have been in competition with them for the last 25 years, and have bought at a price that left no margin of profit. They are not fools in the Farmers’ Union. The position, moreover, of the Farmers’ Union to-day is absolutely different from what it was before. The union is financially strong, and is in a much better position to compete than in the past. It has the backing of between 10,00 and 12,000 shareholders. Do you not think the farmers are capable of managing their own business?

Mr. Fitzgerald-—The Wheat Pool made a lot of money for them.

The Hon. Sir RICHARD BUTLER—They are making profits in every branch, and have done very well out of wheat too. I do not know if the Premier has heard through the Produce Department whether at the conference held in Sydney last week any definite arrangement was made to continue selling meat to the Imperial Government under conditions similar to last year, and if so, at what price? I heard, not directly, that certain big meat firms were undertaking to supply the Imperial Government at a price a little over what was paid last year. I know that if the Australian farmers could get market value for their meat based on the London, French, and Italian prices, they would get 50 per cent, more for their shipments than they get now. I do not think we should rush into any speedy conclusion upon this matter, because, with a short harvest, and a scarcity of feed this year, hundreds of farmers would be able to stay on the land if they can get a price for their meat on the London basis. I ask the Premier not to push this measure through for a little while, and also to consider a proposal that the end of March would be sufficiently long to get the forthcoming light crop into the hands of the Pool.

Capt. DENNY—It is clear from the observations of the last speaker that a strong effort is going to be made to dissolve the Wheat Pool after next year. It is quite clear that Sir Richard Butler is the spokesman of that particular section.

The Hon. Sir Richard Butler—No, they never asked, me to say anything.

Capt. DENNY—The honorable member certainly represents the views of a number of people who to-day are anxious that the old conditions should be restored. -

The Treasurer—There is a big section in favor of that, and a big section in favor of con­tinuing the Pool.

Capt. DENNY—Now is the time to ascertain whether it would not be to the advantage of the farmers, if this Wheat Pool were continued indefinitely.

Mr. Jenkins—No thanks.

Capt. DENNY—I have had conversations with many farmers who believe that it would be in the best interests to allow the Pool to continue. The formation of the Wheat Pool was a discovery of the war, and it was a successful discovery. Mistakes which might have been expected were made, but the members of the Wheat Pool now know their jobs, and with the exception of a few minor defects, I consider that it is in the interests of the farmers to continue the Pool. Do honorable members realise that if we go back to the old conditions we will have men like the late Mr. John Darling dying- worth £1,500,000, mostly made out of wheat.

Mr. Tossell—What profit did the Farmers ’ Union make?

Capt. DENNY—The honorable member refers to one matter, but that is not a fair comparison. You know that when small traders send produce to England like the Government did in the early days of the Produce Department, there was no market there, and there was a combination of English buyers against them. In consequence farmers did not get a fair deal, and the same thing will happen when small firms send small parcels of wheat and other produce to England. Look at the advantage of a big Wheat Pool. You can make better contracts for shipping and for cornsacks.

The Hon. Sir Richard Butler—-Cornsacks cost at the rate of 5s. per acre of wheat now.

Mr. Robinson—They are 16s. a dozen.

Capt. DENNY—The honorable member is arguing from present conditions, but we are suffering from the aftermath of war.

The Hon, Sir Richard Butler—The jute merchants are making 80 per cent.

Capt. DENNY—If we go back to the. days of private companies we will have the conditions that, are existing now where private companies are squeezing the last penny out of the producers, and profiteering on an enormous sale. If you can sell on a large scale you can get a better price. Will the honorable member deny that?

The Hon. Sir Richard Butler—Yes.

Capt. DENNY—Then I doubt the honorable member’s business acumen. The honorable member has argued that during the war the South Australian farmer made certain sacrifices by selling his wheat at a low price.

Mr. Robinson—He had the business taken out of his hands.

Capt. DENNY—Then he was not making a sacrifice if he was doing what he was obliged to do, but I think the South Australian farmer was entitled to a better price than he received.

The Treasurer—It was a question of shipping.

Capt. DENNY-—I know the American and Canadian farmers made more money than any other section of the community during the war, and the price for Canadian wheat is appallingly high compared with the Australian. Cannot the Premier make special inquiries to ascertain why the South Australian farmer has to make these sacrifices, while the Canadian farmer is making great profits.

The Treasurer—It is a question of shipping.

Capt. DENNY—If it is, why cannot arrangements be made with the Imperial Government for sufficient ships to be sent to Australia to remove the wheat? I believe if the Premier made inquiries he would find that a more active Trade Commissioner for Australia would get far better conditions for Australian produce. The only live man I found in England in connection with the Australian trade was Mr. McCann, the representative of South Australia. He did more for the South Australian farmer than any trade representative of either the State or the Commonwealth. If we had a man like him running the whole Commonwealth, the farmers in Australia would gain enormously. There is another aspect in connection with the point made by the Premier regarding the present selling price of certificates. According to the present market the value of the 1916-17 scrip is based on the fact that the farmer is going to get 71/2d. more. As a matter of fact the Premier states that he will get nothing. That means that the farmer is going to rob the speculator on the Stock Exchange of 71/2d. a bushel, so that I do not think the farmer has any ground for complaint because he has the opportunity of selling his scrip for 71/2d. when according to the Treasurer it is not worth a cent The Premier intimated that probably 5s. a bushel would be paid to the farmer, and the probability is that the farmer will get considerably more later. He will very likely get between 6s. and 7s. this year.

The Treasurer—We hope that the price of the next harvest will be so good that there will be no risk in guaranteeing 5s.

Capt. DENNY—I would like the Premier to inquire, solely in the interests of the farmers, as to whether the Wheat Pool cannot be continued indefinitely.

The Treasurer—Inquire from whom?

Capt. DENNY—From Government officials, and from the Wheat Scheme itself, with a view of showing if possible what would have happened if the Pool had not been in operation.

The Treasurer—But for the Pool wheat buyers would not have got a shilling a bushel because of the scarcity of shipping, but we are not going to get those same conditions in future.

Capt. DENNY—It is a pity to lose the value of the lessons of the war. It may be called a socialistic idea or a little bit of State enterprise, but I hope the Wheat Pool will be continued indefinitely so that the farmers will get the advantages which operations on a large scale bring.

Mr. HAMILTON—We are face to face with a new situation as regards the continuance of the Wheat Pool. Capt. Denny advocates this, and the Hon. Sir Richard Butler does not. I know a number of farmers who are strongly in favor of it, while many are just as strongly against it. It seems to me that the question will be settled on political lines. There is a danger that a purely commercial proposition will be decided by public opinion. Sir Bichard Butler points out that the Farmers’ Union, a co-operative society, is taking a very large percentage of South Australia’s wheat, and the question is whether it is better to have Government control or co-operative enterprise. I prefer the latter, which is on the whole more satisfactory. Whether the Farmers’ Union could successfully take the whole crop is another question. At present I do not think it could, but it may be able to do so in future. By continuing the Pool we would probably destroy an important part of the co-operative society’s operations. We must pass the Bill, and I do not see that any advantage would be derived by adopting the suggestion to delay its passage. As Capt. Denny says, shipping is largely in the hands of close corporations, but the Commonwealth is an active competitor in shipping matters, and it may be a greater factor in the future. Something should be done to prevent a great deal of false information getting out in regard to prices. Last March or April it was announced in different financial journals that there was a surplus of wheat in the world. I think Mr.Hoover, the food controller in America, said there would be a surplus, and the price dropped immediately. Personally I could never see how the price of wheat could come down for two or three years at least, because in addition to the 30,000,000 fighting men engaged in the war, there were between 10,000,000 and 15,000 people occupied in munition making, and the wheat fields of Europe were almost idle. I was told the other day that wheat growing in South Australia would not pay even at 8s. a bushel, and considering the extraordinary charges for bags, manures, labor, and machinery, I do not think the farmer will get remarkably rich, even if he receives 7s. or Ss. a bushel. Whether we maintain the pooling system or not is for the farmers themselves to say. For every industry, other than mining, I prefer co-operative action to Government interference. I do not include great railways and waterworks, but in anything con­nected with manufacture or distribution, cooperative enterprise is preferable to Government interference. I support the Bill .

Mr. GUNN secured the adjournment of the debate until September 10.