

### QUESTION—TAXATION, FINANCIAL EMERGENCY.

Mr. HEGNEY asked the Treasurer: 1, Is the Taxation Department in a position to show (a) the number of persons who have paid financial emergency tax according to the respective rates of incidence; (b) the annual amount of revenue received at the respective rates? 2, If the answer is in the affirmative, what are the replies to (a) and (b) above for the last financial year?

The MINISTER FOR LANDS (for the Treasurer) replied: 1, (a) No. (b) No. 2, Answered by No. 1. It may be stated that the major portion of this tax is collected at the source and is paid by means of stamps and remittances by employers. Dissection of these amounts into the respective rates of incidence is not possible, as no information is supplied from which a dissection could be made. With regard to the portion of the tax which is collected by means of annual assessments, no particulars of the tax paid at the respective rates of incidence have ever been taken out and could not be compiled without a detailed and costly examination of all assessments. Even if this were done, it would be of no value without similar particulars with regard to the collections at the source, which, as set out above, it would be impossible to obtain.

### QUESTION—MINING RESERVATIONS.

Mr. MARSHALL asked the Minister for Mines: What was the number of reservations granted for prospecting or mining for gold in existence at the 30th June, 1934, 1935, and 1936 respectively?

The MINISTER FOR MINES replied: 30/6/1934, 66; 30/6/1935, 83; 30/6/1936, 72.

### QUESTION—NURSES FROM EASTERN STATES.

Mr. J. MacCallum SMITH asked the Minister for Health: 1, How many nurses were recently imported from the Eastern States? 2, At what cost to the State? 3, What was the necessity for their introduction?

The MINISTER FOR HEALTH replied: 1, 17. 2, None. 3, Insufficient nurses available here to staff our hospitals following the 48-hour award.

### LEAVE OF ABSENCE.

On motions by Mr. Wilson, leave of absence for two weeks granted to the Premier (Hon. J. C. Willecock—Geraldton) and for four weeks to Hon. P. Collier (Boulder) on the ground of ill-health.

### ADDRESS-IN-REPLY.

#### *Seventh Day—Amendment.*

Debate resumed from the previous day.

**MR. DOUST** (Nelson) [4.36]: At this stage I shall take the opportunity to convey my congratulations to you, Mr. Speaker, as many of the other speakers have already done. Unfortunately, I have not been in a position to appreciate your good services in the past. After you hear that I represent a district in which a great number of blunders have been committed, and it is quite possible, in view of my environment, my association with that district will occasion me also to make blunders in this House, you will understand that, while I congratulate you upon your re-election to the Speakership, I shall, to some extent, expect a quid pro quo in anticipating your protection and assistance if I should make blunders in the future. To the Government I say that I do most sincerely offer my congratulations to them upon their return to power for another three years. It has been stated that they have been returned to office with a reduced majority, but it must be remembered they still represent a majority of the electorates throughout the State. While I am a member of this Parliament, I shall always consider it my duty to support the Government on all possible occasions, excepting only when I regard their proposals as clashing diametrically with the interests of my electorate. To the new Minister who was elected yesterday, Mr. F. C. L. Smith, I also desire to offer my congratulations. I trust and hope that his experience in office will be pleasant and that, after spending the next 12 or 15 years as a Minister of the Crown in this State, and when the electors, as is customary, turn good men out of office, he will be able to look back with pride upon the services he has rendered to the State during that period, and that he will be able to leave the Treasury bench without feelings of regret. As for myself, I contend that I represent probably one of the most cosmopolitan electorates within the State. There are quite a number of wool

and fat lamb growers in my constituency, while fruit-growing is also represented, as well as the cultivation of cereals, particularly oats. Tobacco and hops are also grown in the district and, I believe, in that district only. Dairying, with its various sidelines, including cheese manufacture and pig-raising, is one of the principal agricultural industries in the electorate. Then we grow potatoes and also have in our midst a secondary industry—sawmilling. The last-mentioned industry is very largely represented in the Nelson electorate, particularly when we remember that two of the State sawmills operate there. Sleeper-hewing is also carried on to a large extent by licensed as well as unregistered hewers. In addition to that, there are 300 or 400 sustenance workers, most of whom, unfortunately, are single men, and probably an equal number of men employed in similar types of work with no particular classification. On top of that, I represent no fewer than seven small towns with populations ranging from 200 to 1,100 souls, and throughout the electorate there are 15,000 people in residence. As an Independent, I think I can claim to be able to represent such a diversified set of interests far better than I could as one pledged to either of the several political parties in this House. I can at this stage tell members sitting on the Government side of the House that I intend to be a candid critic. My criticism will not be of a carping nature. I am one of those who do not feel like pulling down unless I believe I am able to build up, and to build up better, as my conscience dictates. While I shall candidly criticise the Government, members opposite can be satisfied that where their legislative proposals are for the betterment of the State, they will find me voting on their side of the House very frequently indeed.

Government Members: That's good.

Mr. DOUST: I believe that there is much good in the platforms of all political parties. Personally I do not believe in party government and I can certainly say that I do not believe that party recriminations—particularly as they were indulged in just before and during the last general election—are at all beneficial to the people of Western Australia. I am quite humble in saying that I do not think such tactics reflect much credit on the dignity of candidates who

indulged in those reflections and recriminations.

Mr. Raphael: The Leader of the Opposition bows his head in shame.

Hon. C. G. Latham: You have no shame at all.

Mr. SPEAKER: Order!

Mr. DOUST: If the member for Victoria Park, who interjected, had been listening to me during my election campaign, he would probably have found my strictures were just as definitely against his party as against that led by the Leader of the Opposition. I hope I shall be able to examine legislation that is brought before the House and vote as my conscience may dictate, without reference whatever to the political shibboleths of any of the parties represented here. Consequently, I am sincere in my congratulations to the Government and, as I have already stated, I shall on all occasions do my best to assist them in passing legislation that is for the benefit of Western Australia. I intend during my speech to refrain as much as possible from mentioning parochial matters, but there is one exception which I shall mention in a moment. I believe I shall have an opportunity to bring other matters affecting my electorate before the Chamber during the discussion on the Estimates. The only matter of a parochial nature that I consider it necessary to bring forward at this stage is one that concerns the Minister for Water Supplies. This has reference to the water supply catchment in Bridgetown. Possibly my statement will come as a surprise to members of the House, knowing as they do what a wet part of the State that is. On the 1st August, the quantity of water impounded was 2,800,000 gallons, whereas the average on that date for the past six years has been 12,000,000 gallons. On the 19th of the month the quantity had increased to a little over 3,000,000 gallons, whereas the average quantity has been 18,000,000 gallons. At this time last year the quantity was 16,000,000 gallons. The people of Bridgetown were very much concerned this time last year when they had 16,000,000 gallons, but as they now have less than 4,000,000 gallons, the Minister, I think, will recognise the seriousness of the position. Unless we have particularly heavy rains within the next two or three months, it is

certain that a large quantity of water will have to be carted to Bridgetown, especially for railway requirements. I hope the Minister will take immediate steps to ascertain whether something can be done to augment the supply before it is too late in the year. Perhaps at this stage it would not be out of place to inform the House that I am one of those who will not, during the present session, be asking for a reduction of taxation. I am perfectly well aware that if a reduction is made in taxation of one form, then of necessity we shall have to increase taxation in some other form. The money is required to carry on the work of government in Western Australia, and it seems problematical indeed whether any general reduction of taxation can be made. The hospital tax appears to be a sort of hybrid system under which a single man receiving 30s. a week has to pay 1½d. in the pound and a man receiving £200 per week or per month also pays 1½d. in the pound. In my opinion, that is not democratic. I think the tax should be increased and graded somewhat similarly to the financial emergency tax. The worst feature is that while we have to pay the hospital tax, we get no benefit from it. It would be far better to increase the tax to some extent, particularly on the higher grades of income, and receive some benefit for our payments, rather than allow the incidence to remain as at present. In 1930, I believe, the original measure made provision for certain exemptions, £250 for married men and a considerably lesser sum for single men. Such men were to be entitled to hospital treatment free of charge owing to the fact of the hospital tax being in operation. In 1931 the Act was altered by adding a provision to the effect that no one could claim exemption from payment of hospital tax unless he proved to the satisfaction of the Minister or of the hospital committee that he was not in a position to pay. Perhaps it would be better to express the position in another way, namely, that the applicant had not received more than the amount of the exemption, that he did not have money of his own in the bank, and did not have assets on which he could realise and thus pay the dues owing by him to the hospital. Whether my complaint is general throughout the State or not, I do not know, but as regards the hospital committee at Manjimup, the original provision seems to be a dead letter.

Every applicant must fill in a form, and the committee decide whether he should pay anything or not. Let me give several instances. A man, whose wife was recently in hospital, has been on sustenance for a long time. His total earnings for the previous 12 months had amounted to £124. The hospital committee are not prepared to make any reduction in the charges to him. He has no land or home; he is renting a house; he has no money in the bank. That follows because he has been on sustenance so long and doing part-time work in the district wherever he could get it. The reason given for not making any reduction was that the wife had been able to go to a private maternity home and presumably had paid the fees there. Consequently it was considered that when she received treatment at the Government hospital, the husband could pay the fees there also. Another man on sustenance with five children has been receiving £3 10s. a week, or less than the basic wage. He has no money. His hospital fees amounted to £26 and, including the doctor's fees, he owed £60. The only reduction the hospital committee are prepared to make is £13. Hence he will still have to pay £13 to the hospital and something like £40 to the doctor, and yet he is a man who comes well within the limit stipulated in the Act. A third man on sustenance for years, with five children, has been receiving the basic wage, but there has been a lot of illness in the family. He had to send children to Perth, under instructions from the local doctor, for treatment. The doctor's fees amount to £12 and the local hospital fees to something like £20. Just after he left hospital, he received an account, and three months later he received a solicitor's letter demanding payment of the fees within a few days, plus 10s. for the solicitor's fee. I claim that the Minister should take steps to ensure that the various country hospital committees are made au fait with the provisions of the Act.

Mr. Fox: How are the hospital committee elected?

Mr. DOUST: I believe that two are elected by the Manjimup Road Board, who guaranteed payment of half the cost of the hospital, two are appointed by the ratepayers, and the rest by timber workers on the mills. It is quite wrong that country hospitals should not give more consideration to this class of people, and recognise that the Act contains an exemption, and that people should be granted the privilege when they

make the necessary application. Another matter I wish to bring under the notice of the House is the probability of a shortage of fruit cases during the coming fruit harvest. The probable shortage is 250,000 cases. The cost of fruit cases, I understand, is in the vicinity of £6 10s. per load, while the value of ordinary timber, particularly for export, is in the vicinity of £7 10s. per load. The result is that mills in a position to cut fruit cases do not desire to press this side of the business, because it is not paying so well as the other portion. It will be a most serious matter, not only for the fruit-growers but also for the State, if we are not in a position to ship the whole of the exportable surplus, particularly of apples. It has been suggested that smaller mills could be erected, but owing to the fact that our redwood case, which is claimed to be an advertisement for Western Australia and a trademark of our growers, has to be planed, the cost of installing planing machines would be entirely beyond the financial resources of any small miller. Consequently the work can be undertaken only by those who are in a good financial position. Karri is the principal timber used, and as two of the State sawmills are operating in the karri country, and only one privately-owned mill is operating on a large scale, it follows that we must look for help more from the State sawmills operating in the karri country than from the privately-owned mill. I hope the Minister will do his best to persuade the manager of the State Sawmills to overcome this great difficulty. It may be said that fruitgrowers could use whitewood. Such cases are available at a little higher cost than the redwood, but if growers used whitewood cases, they would immediately lose the identification for their fruit on the overseas market, and their trademark would go by the board. Consequently they are much averse to using whitewood cases. It may be possible to use whitewood for fruit for local consumption. The whitewood cases, however, are much dearer than redwood, except that there is a rebate of 4s. a case when it comes to exporting them. That brings down the cost to one that is comparable with the red case. It would be necessary for the Government to endeavour to persuade the Federal authorities to allow the rebate for whitewood cases when used for local consumption. With reference to the Speech, I wish to add my congratulations to the Government for having

secured a surplus for the first time for many years. It is pleasing to know that this surplus has been secured by following the orthodox financial methods. It must be a source of great satisfaction and gratification to the Premier and his colleagues. It may be assumed by some that this surplus indicates that we have passed one of those many corners we hear so much about, and that we are now in a straight wide road which leads to financial prosperity. That is not my opinion. Although this surplus may be of advantage for window-dressing displays, I view it in an entirely different light. I feel confident in stating that the surplus has been attained at the expense of the unemployed, the sustenance and part-time workers. No matter what the actual surplus may be, whilst we have one part-time worker, man or woman, working for less than the basic wage, we cannot claim in any circumstances that we have turned the corner and are heading for prosperity. Until everyone can enjoy a reasonable standard of living, and the value of the primary products brings sufficient remuneration to enable our producers to enjoy a similar standing, and to pay a reasonable rate of wage to their employees, it cannot be contended that we are reasonably prosperous, or that we have left behind us this artificially created depression. Whilst I keenly appreciate the fact that we are only a subordinate Government, and are ham-strung by the Commonwealth so far as the major phases of Government are concerned, I wish to point out that it is problematical if it will ever be possible for the Australian people to enjoy reasonable prosperity under our present system of Governmental book-keeping. Although the price of some of our primary products may rise, as it has done recently in the case of wheat, and this may provide a semblance of indication of a return to prosperity, I may well ask at what expense this has been obtained. Do members realise that this increase in the price of wheat has been obtained through a catastrophe to farmers in Canada? If our opportunity of enjoying a better standard of living amongst the producers can only be obtained through similar catastrophes in other parts of the world, do not members think we are paying too high a price for the improvement in our conditions? This may mean temporary affluence here, but it must mean great pov-

erty in some other parts of the British dominions. Until the Commonwealth and State Governments are prepared to adopt the double-entry system of bookkeeping, placing the liabilities on one side and the assets on the other, tabulating and showing the financial position in its true light, weighing our real wealth, labour, goods and services against our financial liabilities, our debts plus the cost of social responsibilities, the people themselves will never realise the real wealth of the land we live in. In other words, until we persuade the people that our real wealth, our ability to produce goods and services, and our capacity to exchange same, where, when and as required, both to our own and other people, so long shall we be groping about seeking prosperity, which I claim is no nearer now than it was in the depth of the depression. Until our real wealth and our assets take precedence over our paper and fiduciary liabilities, just so long will our difficulties be found to be insurmountable. I wish now to deal with that very vexed question which has been exercising our minds so much in the South-West. I refer to the rehabilitation of the group settlements. I approach this question not as an agitator, as I have been described, but as one bearing in mind the repercussions to the State as well as to the unfortunate settler himself. All, I think, are agreed that the scheme was originally brought into operation to open up the South-West, and to prevent a flood of imports from the Eastern States, amounting to about a million and-a-half annually. I freely admit that mistakes have been made on both sides, by the Government as well as by the settler. I claim, however, that to-day no loss has been made by the scheme, at least no loss to the State. I hope to prove conclusively that since responsible Government no scheme fathered by the State has ever been put into operation that has been of such great advantage to the people of Western Australia. By the expenditure of about seven and a half millions we have been able to provide avenues through which the State has prevented at least a million pounds going in the purchase of dairy products from the Eastern States. If that is so it means a return of not less than 15 per cent. per annum on the expenditure of

seven and a half millions. The balance of trade between us and the Eastern States is bad to-day from our point of view, but it would have been at least one million pounds more per annum had it not been for the establishment of group settlements. Whilst we are paying something like four hundred thousand pounds per annum for interest borrowed on the money for the establishment of the scheme, we are still left with six hundred thousand pounds which can be paid for imports either from the Eastern States or elsewhere. It is extremely difficult to measure the indirect benefits to the State and the majority of its people. It can be taken as largely outweighing any contingent indirect losses. Great assets have been developed through settlers having become dairy-minded. In 1920 there were two or three factories, and now 12 or 15 butter factories have been established. There are also four or five cheese and condensed milk factories. These would never have come into being but for the inauguration of group settlements. The old settlers would never have become dairy-minded, nor would they have had the incentive to embark upon dairying as they have done, but for the impetus which was provided for them. The people of the State are to be congratulated upon the success which has been achieved through the inauguration of this scheme. Blunders have been made in the past, but I am afraid the greatest blunder of all is being perpetuated and will be allowed to continue. The abandonment of group holdings is the greatest blunder, far transcending anything that has ever been done in the past, and hurting this State to a far greater extent than most people imagine. Something like 700 group homes are abandoned to-day. Do members realise what this means? I am adding interest to the amount involved, not because of the fact that it may have been collected had the settlers remained on their properties, but to show what a small amount interest represents when we take other questions into consideration. I am taking the new values and not the original cost. The interest on the 700 abandoned holdings amounts to £21,000. These properties are depreciating, and I say without fear of contradiction that they are deteriorating at least at the rate of £100 per annum. These 700 holdings represent no less than £70,000. The settlers have left and

have gone on to sustenance. If they have not all gone on to sustenance, they have taken jobs that sustenance workers were justly entitled to. So far as the State is concerned the result is the same. That 700 people having gone on to sustenance has cost the country no less than £105,000 per annum. And then we have the indirect loss. Those people, had they remained on their blocks, could reasonably have been expected to earn at least £130 per annum in new primary wealth, a total of £91,000 for the year. This makes a grand total loss of £287,000. Of this amount, incurred during the last 12 months, while the present Agricultural Bank Commissioners have held office, £96,000 is an annual loss, arising from the further abandonment of 239 holdings last year. I now give a summary of the position on groups classifying the settlers—

	Good.	Doubtful.	Bad.	Total.
Bunbury ...	12	9	4	25
Busselton ...	102	239	48	389
Denmark ...	21	60	17	98
Manjimup ...	41	134	115	290
Peel Estate ...	74	25	1	100
	<hr/> 250	<hr/> 467	<hr/> 185	<hr/> 902

The Minister for Lands: Who gave you that information about the settlers? Did you classify them yourself, or who classified them?

Mr. DOUST: I justify the statement by mentioning that I took it out of the annual report of the Group Settlement Commission which was laid on the Table of the House two or three days ago.

The Minister for Lands: That is all right, then.

Mr. DOUST: It will be seen that there are 250 good group settlers, 467 doubtful ones, and 185 bad ones, making a total of 902, or, with the 692 settlers who have abandoned their blocks, a grand total of 1,594. That figure 1,594 does not compare well with the original number of 2,000 blocks. I am not altogether able to explain the reason, but we know that a number of blocks have been abandoned and a good many others linked up. This probably explains why there are only 902 group settlers to-day. The Agricultural Bank Commissioners have stated that they expect a further number of settlers to leave. It has been stated on fairly good authority that they expect anything up to 30 per cent. of the present settlers to leave, which would mean 300

additional abandoned holdings. Taking 200 abandoned holdings for the current year, let me show what the loss to the State will be. The interest would amount to £9,300, depreciation to £20,000, sustenance for the men leaving their blocks would amount to £30,000, and the indirect loss I estimate at £26,000. Thus the Commissioners are budgeting for an annual loss of £85,000 additional to the £287,000 I mentioned previously. I regard the estimate of the Commissioners, that 200 settlers will leave their holdings this year, as entirely optimistic. In considering this national loss of £287,000 annually, of which £96,000 has been incurred since the Agricultural Bank Commissioners took office, I have to point out that if all the interest were collected from the remaining group settlers, it would amount to only £43,000. Compare with that amount of £43,000 the expected loss of £85,000 during the coming year, and the actual loss of £96,000 last year, additional to the £287,000 lost since the establishment of group settlements! Hon. members will agree with me that although many blunders have been made in connection with group settlement, the blunder at present being made transcends anything that has occurred in the past. Much has been said about the writing down of group settlement holdings. Based on the price of butter fat, which is the crux of the whole position, present valuations are higher than those of 1929. During the last seven years butter fat prices have ranged as follows:—1930, 1s. 4.10d. per lb.; 1931, 1s. 4.07d.; 1932, 1s. 1.42d.; 1933, 11.29d.; 1934, 9.31d.; 1935, 10.87d.; and 1936, 1s. 2.38d. The Agricultural Bank Commissioners claim that through their re-organisation they have been enabled to collect a much larger amount of interest during the last 12 months than could be collected previously. They consider that a notable success of their re-organisation. I assure the House that the larger amount has been collected simply and solely because in 1935 the settlers paid every possible penny they could, and in 1936 did the same. Because they received an additional 3d. for butter fat, they were able to make the amount paid by way of interest very much higher. As the late trustees sensibly recognised that it was a physical impossibility for the settlers to pay in 1930, so to-day the public, if not the Bank, will recognise that the same impossible position exists now as regards paying interest in full. If butter-fat falls, the position be-

comes worse. Would any person possessing a knowledge of the dairying industry suggest that at present there is not a great probability of butter-fat falling, and falling considerably? Even if good settlers to-day consider they have a reasonable chance of paying their interest with butter-fat at its present price, have they considered the other difficulties with which they must contend? Do the Western Australian public recognise the great difficulties against which men engaged in dairy farming in the extreme South-West have to struggle? Take the consequences of red-legged mite—one of the greatest curses from which Western Australia has ever suffered. It is far worse than the ravages of the rabbit. I believe I can say as regards my district that rabbits are a greater menace there than in any other electorate of Western Australia. Then there is the clover flea. Happily there is a parasite that will combat the ravages of that pest. Besides the rabbits, we have the grasshoppers. I observe that the Agricultural Bank Commissioners' report states that grasshoppers have been reported in certain parts of my electorate, but I can assure hon. members that the position is far worse than reported. Large numbers of abandoned properties were absolutely ruined last year as regards feed. With the dry summer, probably the ravages of grasshoppers in the South-West would be just as bad as they have been in some portions of the wheat belt, according to the Press. Then the South-West has such diseases as mammitis, sterility, abortion, toxic paralysis, and others. No person who knows anything about dairying will deny there is a possibility, or even a probability, of these diseases, or some of the pests, striking the settler; and no matter how good the settler, if one of these troubles strikes him, his calculations will be upset entirely. Let us remember that the Commissioners, in placing their scheme before the public on the 10th June last, declared that every settler had to pay his interest in full or else get off his property. Is it to be wondered at that some settlers are becoming downhearted? Do the people of Western Australia consider it peculiar that the settlers should try to protect themselves in the position that has arisen? Again, I want the people of this State to realise what the new scheme means. I freely admit that probably the proposed method of paying off principal is one of the best that could be devised.

But whilst settlers may be able to pay £1 a week for each thousand pounds, equivalent to £50 per annum, let it be borne in mind what they will have to pay in future years. The average of the capital payments proposed are as follows:—

	£	s.	d.
First five years, 1940-45 ..	63	3	0
Second five years, 1946-50 ..	81	5	0
Third five years, 1951-55 ..	100	0	0
Fourth five years, 1956-60 ..	118	0	0

It is extremely doubtful whether good settlers, even supermen, will be able to build up the production of their herds to cope with those increased payments to the Bank. Some good men realised that difficulty in the past, and they left the groups as opportunities offered. It has been stated that all the settlers left on the groups are duds. I also wish to deal briefly with this wonderful 20-cow standard. I say definitely that without labour it is only a superman that will milk 20 cows. It will take at least seven or eight hours of his labour each day to milk those cows, separate, and feed the necessary stock that he has on the farm. In addition, he will have to do his ploughing, his cultivating, his draining, and the extra feeding of his cows, and the hundred-and-one things that a farmer has to do. And even although he does not employ any extra labour, except about £10 worth for harvesting, by his perfect farming methods, after purchasing all goods required to allow him to farm properly, he will make the magnificent sum of £70 per annum—considerably less than a single sustenance worker gets who is working on the abandoned farms at present. That is the utmost that a superman can earn, operating under the 20-cow standard. And if it should come back to the 15-cow standard, which is nearer the average number of cows milked on the groups throughout the district, the settlers would get 12s. 6d. per week each to keep themselves and their families, some of them having up to six or seven children. So that is what those people are doing, or striving to do, in the South-West.

Mr. Raphael: Some of the families would number up to 12 or 15, would they not?

Mr. DOUST: I do not know.

Mr. Raphael: I do, for I have some in my district.

Mr. DOUST: Then I hope the hon. member can secure for them better treatment than is available in the South-West. Probably quite a number of members are under

the impression that we have a lot of misfits and wasters in the South-West. I want members to disabuse their minds on that point. The settlers there are genuinely desirous of staying on their farms, and I may say that the past four years of very low prices for dairy produce certainly have removed all incompetent farmers. Men do not voluntarily remain on their holdings with precarious prospects unless they are imbued with the desire to make good. The term "misfit" is a downright libel on an industrious people working under hard conditions and great difficulties. The greatest difficulty facing them to-day is the fear of dispossession, the lack of security. This fear has the effect of cramping initiative with its constant worry and consequent lack of energy. The Bank officials may contend that this is not so. As a matter of fact, the Commissioners have informed us that the settlers have absolute security of tenure by paying their interest in full each year. I consider that assertion by the Commissioners is an insult to their own intelligence. Reverting to the word "misfits": In 1923, in the Manjimup district alone, we had over 80 soldier settlers and, in addition, 30 ordinary Agricultural Bank clients. These people were Australians, not people brought out from England. How many of them remain to-day? I am doubtful if so many as 20 soldier settlers remain, and so far as I can remember there is not one of the ordinary Agricultural Bank clients engaged in dairying to-day. Those men have proved the physical impossibility of carrying on in that heavily-timbered country and under those conditions, and they have anticipated the Commissioners' request for them to get out, for they went while the going was good, or at least better than it is to-day. Were all those men misfits; were the soldier settlers misfits? They may be so described by the Commissioners, but I can well remember the days when those soldier settlers were acclaimed heroes on leaving Australia's shores, and I think it a damnable shame that the words "misfits" and "wasters" should be applied either to the soldier settlers or to the majority of group settlers who were soldiers in the Old Country. Another thing that is causing the settlers to lose faith in the department is the direct repudiation that has taken place on in-

numerable occasions, not altogether by the Commissioners themselves, but by the Bank's inspectors. Let me just mention a couple of instances. The settlers were invited by the highest officials in the Agricultural Bank and in the Government service, by members of Parliament, by the Premier, by the Lieut.-Governor, and by the Leader of the Opposition to do as much spare-time effort on their farms as they possibly could, assuring them that in the long run they would reap the benefit of it. Also the settlers were advised to purchase their own stock and their own machinery if they could possibly do so. Yet what do we find to-day? The stock and machinery have been taken from them under liens by the Agricultural Bank, while those settlers who have carried out most improvements find their blocks valued at 50 per cent. higher than those of settlers who did nothing in the way of improvements. So the settlers who carried out the behest that they should work harder and show more enterprise have paid a second time for their farms and their implements and their labour, and with interest added. Then we had a plan put forward by the Commissioners last year under which the settler was to enter into the following agreement:—

Form of Agreement.

I,....., the holder of.....  
Location,.....agree to pay towards current interest during the ensuing year ending June 30, 1936, by monthly instalments commencing from....., 1935, the sum of £.....

Instalments will be collected from proceeds in each month on procuration order signed by me, as follows:—

Month.	Amount. £
July .....	.....
August .....	.....
September.....	.....
October .....	.....
November .....	.....
December .....	.....
January .....	.....
February .....	.....
March .....	.....
April .....	.....
May .....	.....
June .....	.....
Total .....	.....

I further agree to effect, within one year of the signing of this agreement, on the security improvements to a value equal to the amount of current interest not paid, as set out here-



under, such amount to be placed to a non-interest-bearing suspense account until the general debt position is considered by the Commissioners.

#### Improvements.

Value, £.....  
Specification.

Note.—This agreement is not to be construed by either party as being any indication of the value of the security.

Any ordinary man reading that agreement I think would come to the conclusion that by carrying it out to the letter—as the Bank agrees they have done—their interest would have been paid to the 30th June last. Yet what do we find? That interest has been debited against their accounts, and even before the 30th June they received new assessments for interest at 5 per cent. I claim that that is definitely an act of repudiation. To me this word “repudiation” is very obnoxious, and actually it is repugnant to the British sense of justice usually prevailing throughout Western Australia. The Bank’s action in that regard would break the heart of any man and, indeed, the better the man the greater the crash must be for him. I wish to deal briefly with the Catterick settlers. They have suffered from this form of repudiation to an even greater extent than other settlers in the South-West. I have been informed that the Leader of the Opposition at one stage considered the Catterick or Hester group was the bright spot in the group settlement areas. I believe he was perfectly right in forming that opinion. Those settlers have spent probably more than £1,000 annually from their war pensions in improving their properties, purchasing their stock and sheep, buying implements and planting orchards, etc. Yet to-day the average valuation of those blocks is over £1,250, which, according to the statement of the Agricultural Bank Commissioners, is nearly 50 per cent. higher than is to be found in the remainder of the group areas. Let me point out also that the Catterick group settlers are not to be confused with any so-called agitators in the South-West. Actually, the Catterick settlers were the first to call a meeting and make a protest against this unfair valuation. I may say they met even before the members of the co-ordination committee met, and not one of them, I think I am correct in saying, has signed any pro-curation order. So much for the statement that the group settlers would have signed their pro-curation orders had it not been for

the agitators going to and fro through the South-West. Now I will deal with that wonderful word “anomaly.” It is a blessed word this, but it is not used in its right sense. “Anomaly,” so far as I can gather from the Bank’s interpretation, means camouflage, downright carelessness and injustice, and in many instances downright incompetence by the Commissioners’ advisers. Let me give a couple of instances of what they call anomalies: Two men went on to their blocks on the same day in 1924. One of them followed out the advice of the trustees and did what spare time work he could, bought most of his stock and his implements, and erected a shed valued at £40 on his property without cost to the department. He has 75 acres cleared and his valuation is £1,045. At the same time that this man went on his block the Government paid for the other man for all stock, for all plant and for the erection of a shed on that property. What do we find? His valuation is £775. Thus a good man has been penalised to the extent of £250. Travelling a little further in the district, we find another man with a valuation of £645, I am told. Without hesitation I say he takes off his property more than is taken from any of the adjoining properties, and yet we find that his valuation is still £645, and that four of the nearby properties are valued at £900. This is what is called an anomaly. If credit is given to one man for being a good settler and his valuation is reduced accordingly, and because he has spent a lot of his own money on the property, well and good. That is justifiable; but if it is justifiable in one case it is justifiable in the other cases I have mentioned. So it is difficult to realise what “anomaly” means. It must be remembered that the same officials who have been making these valuations throughout the district are those who have been controlling group settlement for many years. The taxpayer has become accustomed to the old system of bungling there, and it is this system that the Bank Commissioners have to depend upon for information. We have what is known in the South-West as a co-ordination committee—agitators, as they are known by some. I do not belong to that co-ordination committee, but I can assure the House that the personnel consists of a lot of level-headed men. The Bank Commissioners have much to thank that committee for, because they have been the means of keeping the settlers quiet. I have here a telegram I have

just received from the secretary of that committee. I do not know whether members are aware of the trouble at Northcliffe recently, when cream was tipped over and wasted, cream that had been supplied from the blocks where the Commissioners have caretakers to look after the cows. After the occasion of the disturbance, the Commissioners intended to send their vehicle from Bunbury to pick up that cream. This is what the secretary of the committee, Mr. Hall, telegraphed to me yesterday—

Visited Northcliffe yesterday. Trouble there satisfactorily straightened out. Repetition unlikely without authority of the committee. Complete unanimity all centres. Full meeting co-ordination here Sunday.

That is something that the co-ordination committee has been doing, and it is still carrying on its useful work for the benefit of the Bank as well as their own benefit and that of the settlers. This committee prepared a plan and submitted it to the Bank. I will not read it because I think I have detained members long enough.

Hon. C. G. Latham: No fear; let us have it.

Mr. DOUST: Very well. I will read it, and so it will appear in "Hansard." It reads as follows:—

#### PLAN FOR SUBMISSION TO COMMISSIONERS AGRICULTURAL BANK.

##### Preamble.

The solution of the Group Settlement problem has been the subject of the most deliberate and earnest consideration of representatives drawn from all centres, Peel Estate excepted, where this scheme is in operation, and every phase having been closely scrutinised and carefully examined by practical and experienced men, in this category of clients of the Agricultural Bank, the conclusions to which they have arrived are as follows:—

It is considered that the essential feature of any scheme shall be, reasonable security of tenure (insofar as factors over which the client has no control, and cannot avoid) should not be permitted to militate against the possession of an equity in his holding.

With this in view it is contended that, where interest and sinking fund are payable, the price realised for the main and staple products of the clients should be the basis of calculation.

Hence, when butter-fat falls to a level where only subsistence for the average family is possible, no part of dairy farm revenue should be devoted to any purpose other than household and farm maintenance.

The irreducible minimum for this to be possible, is contended to be one shilling per pound

for choice grade butter-fat, with proportionate prices for other grades as has been customary.

Hence, in the following outlined plan, the aim has been to devise ways and means to accomplish such a desirable object, whilst, having regard both to the bank and its clients, and bearing in mind the well-established fact that a contented client is the more satisfactory, for which reasonable security is an essential condition.

##### The Plan—Method of payment of interest and principal.

Where the price of butter-fat does not exceed one shilling per pound, the farmer to retain the whole of the proceeds up to and including one shilling derived from the sale of butter-fat, or whole milk, where sold on butter-fat basis, the basis to be the price fixed by the Dairy Products Marketing Board, or any other statutory authority.

Should, however, the price on this basis exceed one shilling per pound, such amount in excess of one shilling, up to and including fourpence, to be applied to the payment of current interest for the period to and including the year 1939. From and including the year 1940, the amount in excess of one shilling per pound up to and including fourpence shall be applied to the reduction of current interest and principal repayments. Where in any one month the excess price over one shilling per pound exceeds fourpence, such excess price shall be divided equally between the bank and the client. Any amount deductible in any one month by the Dairy Products Marketing Board for the purpose of contributions to any equalisation plan decided upon by statutory authority, shall be deducted from the amount in excess of the one shilling afore-mentioned.

##### Interest Rates.

Interest shall be chargeable on assessments, as follows:—Year 1936, 3 per cent.; year 1937, 4 per cent.; year 1938, 5 per cent., and the maximum rate of 5 per cent. thereafter, but subject to any fall in interest rates.

Each year to stand by itself.

Where in any one year the interest collected under this plan is insufficient to cover the total amount due for that year, the amount collected shall be deemed to satisfy the bank in its claim for interest for that year.

From and including the year 1940, the amount collected under this plan shall firstly go to discharge current interest and any amount remaining after current interest has been met, such amount shall be applied to the reduction of principal.

##### Appeal Board.

An Appeal Board shall be set up in the following manner:—

Composed of three members, viz., one Bank nominee, one settler nominee, and these two to select an independent chairman. The settlers' nominee to be selected from the district in which the dispute to be reviewed exists. The

Appeal Board so selected shall be empowered to deal with disputes as they arise. Decision shall be final.

**Objects of Board.**—The principal objects of the Appeal Board shall be: To settle disputes between the Bank and the client as to the amount of assessment; as to the sufficiency of area; as to the carrying capacity, or any other matter which may be in dispute between the Bank and the client.

#### New Assessment.

Where it is considered by the settler that the new assessments would be out of proportion to the earning capacity of the farm, the settler shall have the right of appeal. Where it is considered by the settler that the carrying capacity of his farm is below the figure provided hereinafter as a basis for carrying capacity calculations, he shall have the right of appeal.

#### Carry Capacity.

The basis on which this shall be calculated shall be at the rate of one cow unit to each five acres of pasture within the holding, but where, owing to low productivity of the land this rate can be shown to be too low, then the rate to be taken shall be determined by the Appeal Board afore-mentioned.

#### Area of Development.

Where, however, the developed area of the farm is insufficient to carry twenty cow units the farm shall be built up to an extent sufficient to carry twenty cow units. Such extra areas may be provided either by linking up where possible, or by extra clearing by sustenance workers—but interest on newly-cleared land shall not be chargeable until after the third year.

The farmer shall retain the proceeds from all recognised dairying side lines.

#### Side Lines.

Should, however, the farmer depart wholly or in part from recognised dairying practice, the settler to be the subject of special investigation by the Appeal Board, as a means to a separate arrangement with the Bank for interest payments.

#### Essential Condition.

An essential condition of this plan shall be that the farmer shall carry one milking cow to each five acres of pasture within his holding. Where, however, owing to the nature or quality of the pasture, or land, it can be established that five acres is insufficient as a basis of calculations, the basis shall be decided by the Appeal Board. The settler shall undertake conscientiously and properly to farm the land the subject of the mortgage, shall conserve fodder, consistent with the productive capacity of his farm and the needs of the herd, and shall at all times keep all assets up to the standard as at 1st January, 1936, fair wear and tear excepted.

He shall top-dress his pastures to the minimum amount of 112 lbs. of superphosphate per acre, between the first of January and the thirtieth of June in each and every year, and shall furnish invoice showing purchase of this on or before the thirtieth of July in each year.

He shall insure annually all dwellings and buildings on the property as at 1st January, 1936, on a basis of not less than 75 per cent. of their value as at that date and renewal certificates shall be produced for the Bank's inspection and approval whenever demanded.

In all cases when it can be shown that the gross income, including side lines, from the farm is under £120, on the figures of the year preceding, that pending consideration by the Appeal Board exemption from all demands of the Bank be granted.

#### Expenditure.

In considering the merits of the plan it will be necessary to take cognisance of all items of expenditure—in addition to interest—which have to be met to enable the farmer to carry on production, and this in addition to living expenses. The items of farm expenditure necessary to be considered would include: Fertilisers, seeds (cereals, grasses, summer fodder), concentrates, stock licks, stock medicines, tools, sundries (including bolts, staples, nails, etc.), oils and greases, machinery parts, replacements and repairs, dairying utensils, fencing materials, licenses, rates and taxes, vermin poisons, insurance and wages, etc., etc.

The plan deals with the settlers' position as we find it to-day, not with what they might have been, not with what they ought to have been, and not with the hypothetical cases of the future. We have these settlers in all stages, with holdings ranging from 40 acres to 120 acres, and yet they are dealt with on a straight-out basis and all are being asked to pay an equal amount. I claim that it would have been much better had the Bank adopted some scheme such as that. The Commissioners, in their reply to the Co-ordination Committee, stated that they could not approve of the plan owing to the fact that "everybody came first and the Bank came last." I take strong exception to that statement; it is definitely untrue. Under the Bank's plan, payments by clients would, on butter-fat production, be as follow:—

	12 cow clients.		15 cow clients.		20 cow clients.	
	£	s. d.	£	s. d.	£	s. d.
160 lbs. ...	20	0 0	25	0 0	33	6 8
180 lbs. ...	22	10 0	28	2 6	37	5 0
200 lbs. ...	25	0 0	31	5 0	41	13 4

Is it right that the Bank, who have received the moneys even before the settlers got their

amounts, should tell the Western Australian public that "everybody came before the Bank"? As regards anomalies, I have an-

other table to submit, based on statistics collected by me from 91 settlers in my district:—

—	Average Production per Cow.	Average Valuation.	Average per Acre.	Average Butter-fat per Cow.	No. Cows Milked.
	£	£ s. d.	£ s. d.	lbs.	
10 holdings under 50 acres ...	139	848 0 0	19 3 9	46	13
17 " " 50 to 60 acres ...	160	841 0 0	15 12 6	42	16
24 " " 60 to 70 " ...	152	902 7 0	14 8 0	39.8	16
10 " " 70 to 80 " ...	159	890 0 0	12 3 3	32.0	15
13 " " 80 to 90 " ...	142	981 8 0	12 10 9	32.2	18
17 " " 90 to 120 " ...	170	1,156 18 0	11 4 5	34	21
91					

From this table it will be seen that the more opportunity a man has to pay his way, the lesser amount he is to pay for his block. And that is called fair and equitable valuation! The table proves fairly conclusively that the Co-ordination Committee's average of 160 lbs. of butter-fat throughout the South-West was not far wrong. Is it possible to expect settlers to have any confidence in the valuations when such anomalies disclose themselves? The settlers do not expect to have even-handed justice meted out to them. It is impossible. They do not expect it, nor are they receiving it. Suppose everybody were paid before the Bank, suppose everybody else did come first, would that be wrong? Should not the fertiliser merchants be paid? Should not the suppliers of spare parts be paid? Should not the storekeepers be paid the amount of living expenses? If these traders are not paid, it will be impossible for the settler to continue, and then the Bank will receive nothing. We have offered the Bank a very reasonable amount, taking into consideration what the institution has been receiving. We claim that the Bank will receive nothing whatever if they continue on their present lines. Then there are the settlers' sons. It appears that there are not 10 per cent. of the sons remaining on the properties. I am perfectly certain the Minister for Lands will approve of the action taken by those young fellows. They have left the group areas, and have spread throughout the length and breadth of Western Australia in the endeavour to improve their conditions. They know perfectly well that the position

on the dairy farms of the South-West is impossible, and they have left their homes to carve out opportunities for themselves somewhere else in Western Australia. Consequently it is useless for the Bank to expect the settlers to carry on and effect improvements with their sons. Those sons are no longer on the farms. I wish to show how some of the misfits spoken of have come about. I do not know the number of houses sold off abandoned holdings on group settlements, but it would be interesting to ascertain. For ten or 12 years the settlers have been struggling on those farms, endeavouring to do their best. When numbers of them failed, and left the properties, a report on the situation was called for. That report stated that it would be better to sell the houses off the properties, because the properties were not capable of maintaining a farmer. The Bank officials themselves to-day would admit that the properties were never able to maintain a family, and yet they call the settlers wasteful and misfits! Unless the present attitude of the Commissioners is modified, it will be quite impossible for more than 10 per cent. of the settlers to continue operations next year, as merchants and South-Western storekeepers are in fear and trembling already that the settlers will leave their farms before they have paid for fertiliser and other supplies. One storekeeper in Manjimup has £4,000 outstanding, to be paid during the ensuing flush months under procuracy orders signed by the settlers. The Bank are not taking any notice of those orders. If sufficient

revenue is not forthcoming from the farm to meet the demands of the Commissioners, the merchants and storekeepers will lose their money, and then there is not the ghost of a chance of storekeepers and fertiliser merchants making similar advances next year. Just as surely as the sun rises, if no fertiliser is put on the land the settlers will have to leave their holdings. Let us consider the cost of maintaining these holdings. It has been claimed that the settlers should be doing a certain area of extra clearing each year. It can be honestly maintained that to clear their properties of fallen timber each year costs the settlers £1 per acre. That is proved by the fact that the work of sustenance men at present engaged at Quininup is costing the Bank, or else the Lands Department, from £2 to £3 per acre that is, to bring back the land on abandoned farms from practically a state of nature. The settlers are not in a position to do any further clearing work. They have enough to do in as far as possible maintaining their assets. An interjection was made here yesterday to the effect that the anomalies in revaluation to which I have referred represented gifts to the settlers of £1,000 each. I rather like the way that is put. I believe I can prove that in writing down there are greater anomalies than in any other direction. Recently it was stated in the Press that actual gifts of £17,000—or was it £19,000?—had been written off two groups. If those people have had £19,000 written off their indebtedness, why should not the settlers on every group have £19,000 written off their indebtedness? There is an anomaly. Does the Minister consider that writing-off to be a gift of £19,000? Other groups, getting only £2,000 or £3,000 written off, have the right to complain of anomalies from that aspect. We must realise that revaluations have not been made on productive capacity. The results of the farm competition have shown that each cow requires 4.7 acres. The Co-ordination Committee approved a basis of 5 acres per cow unit, and have made a far better offer than that to the Commissioners. When there is talk of a 20-cow farm, do members realise that to carry 20 cows a farmer must of necessity have 24, because in any case a cow can be milked only for 10 months of the year, so that extra

cows are needed to make up the temporary deficiencies? Surely it must be well known that it is not possible to milk every cow every year, and that accidents are always bound to occur. With a 20-cow farm, there must be 24 cows. Since the cows are of poor quality, further breeding-up and grading-up must be done. We think it necessary for the settler to have at least five two-year-old heifers, five one-year-old heifers, and five calves, two horses and one bull, in addition to 24 cows, a total of 42 head on 90 to 100 acres.

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

Mr. DOUST: A short time ago members must have noticed in the Press an intimation to the effect that to provide all the unemployed and those on sustenance work with full-time jobs, would cost the State an additional £900,000. I would point out to members that £900,000 would pay the whole of the interest in full on the total debts owing to the Agricultural Bank to-day. I refer not only to the debts owed by group settlers but also to those by wheat farmers, pastoralists and everyone else. There are not many members in this Chamber who, if they could by any possible means get hold of that £900,000, would not be glad to place those men on full-time work. I do not think there are any members who would wish to contradict me when I say that amongst the primary producers in this State at present there must be almost a similar number who are not receiving anything like the basic wage. There are men working in all kinds of primary production who, owing to low prices, bad seasons and one reason or another, are not enjoying the proceeds earned by the full-time worker. If it would be fair to provide £900,000 in order to place sustenance workers and other unemployed on full time, will you not agree with me, Mr. Speaker, that it would also be fair to find a similar amount in order to place the primary producers in a more profitable position? Would it not be possible to place quite a large number of our unemployed married men on group holdings that are to-day abandoned, and even to pay those men to go on the blocks? Perhaps we might not have to pay them as much as the basic wage at present, but, for the sake of argument, we could pay them at the rate of £2 a week and continue to make those payments until a certain time had elapsed, after which there could be a reduction of

10s. a week until the sustenance payments had been wiped out. It would be necessary to provide a certain number of stock, but I understand that already the Agricultural Bank Commissioners have several thousand head of milking cows available. I feel quite certain that instead of allowing these vacant locations to be abandoned as at present, it would be far better to pay a certain amount each year in order to place unemployed men on the blocks. If it would pay the State to make such a contribution in order that unemployed men might stop on the blocks and recondition them, would it not equally pay the State to keep the present settlers on them? I make this final appeal to members on both sides of the House. What we pay at present to an unemployed married man over a period of four years would actually purchase the abandoned blocks outright, and it would be far better to continue making the payments I suggest for a term of, say, seven years, in which time the blocks would be paid off and the men would be kept on the land. It is quite impossible to expect settlers to pay interest either now or for years to come. The country in the South-West cannot possibly be built up in one generation to be made self-supporting, and I earnestly appeal to the House and to the people of Western Australia to take this question into consideration with a view to determining whether it would not be better to give blocks to the settlers and thus enable them to work out their salvation without further cost to the State beyond what has been incurred previously. It will not require any further financial burden because the State already has to pay interest and sinking fund on all the loans raised for group settlement purposes within the last 14 and even within the last four years. The paltry £40,000 that the Government expect to get back by way of interest is not worth considering when set against the sum of human misery experienced by the settlers. We will always have unemployment unless we can always borrow and at a larger volume than at present. We shall certainly have to borrow more in the future than at present, particularly if we are to place men on full-time work. If what I have suggested were done in order to induce people to stay on holdings that are at present abandoned and thus recondition them, it would tend to reduce the necessity for further borrowing. It would increase production, which would be for the advancement of the State; it would increase exports

to pay for our external interest; it would fill our schools again and increase social amenities, especially amongst those who at present are remaining on the groups; it would represent a source of additional railway revenue; it would increase the avenues for the employment of youth on public works; it would reduce the cost of converting butter-fat into butter, and thus represent greater profit for those who remain on their farms; it would increase the revenue of local authorities; it would increase the solidity of the local towns in which many of these people live. If we could achieve these objectives, I think the public would regard it as something worth battling for, something worth while asking the public to do in order to help these unfortunate people. It would in many indirect ways represent a national asset to the State. Let us approach what has been, so far as these people are concerned, a national disaster in a broadminded, far-seeing, far-reaching and statesmanlike manner. Let us subvert our Shylockian environment which results in our demanding our pound of flesh, and recognise that the interest on £7,250,000 has to be paid by the people of the State generally. What is a paltry £43,000 in interest as against a satisfied agricultural community? Let us rise above this paltry system that places interests above human happiness and State prosperity. Let us use our combined wisdom and solidify it in an everlasting monument to the happiness of our primary producers and to the lasting benefit of the State we love so well.

**MR. FOX** (South Fremantle) [7.39]:  
With other members, Mr. Speaker—

Hon. C. G. Latham: Just a minute, let us give you some welcoming applause.

Mr. Raphael: You won't want to do that after he has finished.

Hon. C. G. Latham: I am fair, if you are not.

Mr. FOX: With other members, I desire to extend my congratulations to you, Mr. Speaker, upon your re-election to the position you now occupy. I would also like to congratulate my colleague from Fremantle on his appointment to the Chairmanship of Committees. I compliment the member for Nelson (Mr. Doust) on the admirable speech he has just delivered. I have been wondering what were the feelings of the Leader of the Opposition while the hon. member was making his speech. No doubt he could see