

Legislative Assembly,

Wednesday, 13th November, 1940.

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

QUESTION—FIRE BRIGADES BOARD.

Election Ballot.

Hon. W. D. JOHNSON asked the Minister for the North-West: 1, Is it a fact that there were complaints by local governing bodies regarding the conduct of the ballot for the election of the local government representative on the Fire Brigades Board? 2, If so, would it be possible to place the conduct of this year's ballot in the expert hands of the Electoral Department and by this means remove the previous complaints referred to in Question 1?

The MINISTER FOR THE NORTH-WEST replied: 1, The present returning officer is not aware that any complaints have been made regarding the conduct of the ballot for the election of the local government representatives on the Fire Brigades Board, which is being conducted in strict conformity with the regulations. 2, Answered by No. 1.

BILL—COMPANIES.

Introduced by the Minister for Justice and read a first time.

LOAN ESTIMATES, 1940-41.

Message.

Message from the Lieut.-Governor received and read transmitting the Loan Estimates for the year 1940-41 and recommending appropriation.

In Committee.

The House resolved into Committee to consider the Loan Estimates, Mr. Marshall in the Chair.

Vote—Departmental, £106,750:

THE PREMIER AND TREASURER

(Hon. J. C. Willcock—Geraldton) [4.36]: The submission of the Loan Estimates for this financial year has been somewhat delayed on account of the fact that an innovation has been made by the Loan Council in the method of allocation of loan moneys. As members are aware, the loan funds available to us have in the past been raised by the Loan Council, and after allocation by agreement among the Premiers the expenditure has been left to the discretion of the State Treasurers. The very heavy demands by the Commonwealth for loan moneys for defence purposes caused the Loan Council to agree to a proposal which has far-reaching effects and is a distinct departure from the procedure hitherto adopted. On my return from the Loan Council, I explained in some detail the result of the proceedings at the August meeting and I do not propose at this stage to repeat what I said then. I would, however, like to tell members the effect of the Loan Council's decision upon the expenditure of our loan money. In order to conserve as much of the available loan money as possible for Commonwealth defence purposes, the State Premiers agreed to a proposal submitted to them by the Commonwealth Treasurer for the appointment of a Co-ordinator of Works, in the person of Sir Harry Brown. His duties are to examine the proposed programme submitted by the Commonwealth for defence purposes and by the States for civil works, and, in agreement with the State officers, to arrange the works in order of priority, commencing with those which are essential and urgent and coming down to those which, though desirable, are not so pressing.

I take this opportunity of paying a tribute to Sir Harry Brown for the valuable work he has carried out on behalf of the Commonwealth and the States. As members can realise, it was no easy task for Sir Harry Brown, called in as he was at very short notice, to make a survey of the whole of the loan programmes of the States; consult with the State officers and submit a classification

for the consideration of the Loan Council in August. In addition, Sir Harry Brown had to make himself acquainted not only with the work being carried out by the Commonwealth for defence purposes, but also with the work being carried out in the various States, in order to dovetail the States' expenditure.

Hon. W. D. Johnson: Has the report of Sir Harry Brown been published?

The PREMIER: I recollect that a request was made for it and that it was said there was no objection to its being made available; but whether or not it is published I cannot say. It was adopted in its entirety by the Loan Council, and whatever has been done under it in the various States has received the approval of Sir Harry Brown.

Hon. W. D. Johnson: Will the Premier try to obtain a copy of the report?

The PREMIER: Yes. When the Loan Council met, it was speedily recognised that the distribution of Commonwealth expenditure on capital defence works would be far from even amongst the various States, and that some consideration would have to be given to those States in which the Commonwealth expenditure would be relatively small. We found that to be our experience when the report of the Co-ordinator General was before the Loan Council. The Premiers of Queensland, Tasmania and Western Australia could see that the loan expenditure in their States would be disproportionate to that of the other States, and some discussion occurred. After considerable negotiation, a larger amount was allocated to those three States because of the fact that Commonwealth defence expenditure in those States was much lighter than in the three large industrial States—New South Wales, Victoria and South Australia.

One of the outstanding factors which all State Premiers had to consider during and since the depression has been the relief of unemployment, and I think it is no exaggeration to say that all State loan programmes have been based very largely on the provision of unemployment relief works. I have repeatedly urged at conferences that the organisation and placing in work of value to our war effort of all our unemployed people is the paramount duty of the Commonwealth Government. We cannot do our best in our war effort if we have idle men and women and idle resources which, if utilised, would

assist in the stupendous task ahead of us. There are no idle men or women in Germany; in fact, Germany has really conscripted labour from the countries that have been overrun.

Hon. N. Keenan: You know the reason for that.

The PREMIER: Yes. A considerable proportion of the man-power of Germany is engaged in navy, army and air force work and the reserve of labour cannot be too great. Germany has about 100,000,000 people and probably not more than 10 per cent. would be engaged in actual war activities.

Mr. Sampson: The trouble here is the proportion of unskilled labour.

The PREMIER: Germany has tackled the task of making everybody within its borders do something useful towards the war effort. We have done something along the same lines, but we cannot be said to have been successful in exerting our maximum effort while there are idle resources of labour within the Commonwealth.

Mr. Sampson: Unskilled labour.

The PREMIER: Any class of labour; unskilled people might do work that would be valuable from a defence point of view. Even in Great Britain some of the people cannot be employed. With all the work required there, one would have thought that all the people in the country could be employed in military work, munition making or even repairing the damage done by the heavy air raids.

Mr. Doney: There is a great time ahead for the building trade.

The PREMIER: Therefore I say it should be the responsibility of the Government of our nation to see that there are no idle men in Australia. The very substantial expenditure by the Commonwealth on defence works has relieved unemployment in the various States, and I am informed that in some of the States the employment position is better than it has been for some years, even prior to the depression.

After the Co-ordinator General's report had been received and the Loan Council had agreed to the provision of funds necessary to meet the essential works of the States, the Loan Council readily agreed to provide additional funds to be distributed amongst those States in which the Commonwealth defence expenditure would be unequal to the task of relieving unemployment.

ment. Members can realise that, in agreeing to this arrangement, the States concerned made a very substantial sacrifice in their effort to assist the Commonwealth in its war effort. Hitherto the financial obligations undertaken by a State and the expenditure of loan moneys raised by a State had been the prerogative of the Government of that State, subject to the approval of Parliament. We have therefore reached the stage where the Governments have agreed to submit in detail their loan programmes, first to the Co-ordinator General and then to the Loan Council for consideration.

Hon. W. D. Johnson: Really for decision?

The PREMIER: Yes; it is not binding in the sense that we could not get out of the arrangement, but I think it wise that the States should as far as possible, considering their unemployment needs, curtail loan expenditure in these times so that money available for expenditure may be applied to the defence needs of the Commonwealth.

Hon. W. D. Johnson: The people should understand that the decision practically rests with the Loan Council and not with this Chamber.

The PREMIER: It does at present, but I should not like to predict what would happen if the Loan Council tried to exert unnecessary authority over one particular State. If the interests of one State were likely to be seriously jeopardised, the Loan Council would not be permitted to continue the arrangement. However, there has been general concurrence in the principle of allowing whatever money is available after the needs of Commonwealth defence have been met to be allocated under this arrangement, and that policy I think, will meet with approval throughout Australia.

Naturally the work involved in allocating the additional amount available to this State and the submission of the allocation to the Co-ordinator General, the subsequent correspondence and interviews with him, has taken some time, hence the delay in submitting to Parliament the Loan Estimates for this year. The Co-ordinator General made himself conversant with his duties by visiting the various States. Owing to our distance, Mr. Tindale went to Sydney, but subsequently Sir Harry Brown came here. His previous position fitted him to a great extent for this work; he had gained a tre-

mendous knowledge of the resources of the States. I do not know of anyone who could have occupied the position of Deputy Postmaster-General without having acquired great knowledge of the ramifications of industry throughout Australia. We were fortunate to get a man who had had such wide experience and could gauge the requirements of the various States. Rather a long time was occupied in co-ordinating the loan programme. I had desired to introduce these Estimates earlier, but because of that delay, they could not be introduced before to-day. Even so, their introduction is not much later than usual. Members have the satisfaction of knowing that the Estimates now submitted have been very carefully examined, not only by the Government and its officers, but also by the Co-ordinator General, and have run the gauntlet of consideration by the Loan Council. On this occasion, therefore, not much exception should be taken to the expenditure proposed. No work is included in these Loan Estimates which has not been subjected to searching investigation. I trust, accordingly, that the proposals will meet with the approval of Parliament, and that these Estimates will have a speedy passage and be adopted without amendment.

Inevitably, in time of war, marked changes in our mode of living are necessary to enable us to make the maximum effort towards victory. No great amount of thought is needed to realise that Australia cannot disrupt its economic life to the extent needed for the war effort without far-reaching changes resulting. It has been estimated that prior to the outbreak of war the German nation was expending in the vicinity of 35 per cent. of its national income on preparations for war. Great Britain, on the other hand, was expending about 15 per cent. The Australian position up to the outbreak of war was that we were spending about 4 per cent. of our national income for defence purposes. I presume no one can tell now what is the position in Germany. On the Estimates of Defence Expenditure for this year—which, as hon. members are aware, cover a very substantial sum—it is estimated that Australia will be utilising about 10 per cent. of its national income in the war effort. Great Britain is said to be spending £9,000,000 a day on the war, and even that figure is stated not to cover the whole of the cost. I have seen estimates that

Britain's total expenditure for war purposes has reached almost £10,000,000 per day. The figures are such as we can hardly take in. The £10,000,000 which Britain expends daily on war purposes is almost as much as our State's annual expenditure. Britain is not anxious to give to the world figures from which enemy countries could gauge what she is capable of doing.

In this war the whole nation will be engaged, and it will be necessary to see that no effort is wasted; that no work is done that is not essential for the prosecution of war efforts; that no one who can be employed usefully in assisting the nation towards victory remains unemployed. It is clear that the diversion of a large and increasing proportion of the national income into channels mainly unproductive—for war expenditure is unproductive—must seriously affect the people's standard of living, and that we must face the unpleasant prospect of having to do without many things which in the past we looked upon as almost essential. This diversion of expenditure necessarily affects Government spending, and we must prepare ourselves for a temporary curtailment of expenditure on activities which previously we might have imagined could not be done without. Government expenditure will have to be curtailed, and I do not think we are asking too much of the House when we suggest that State expenditure must be subordinated to the needs of defence. The Commonwealth is taking steps to ensure that as regards finance Australia's resources are being utilised to the best advantage. It has arranged, to this end, for the control of investments, so as to prevent the flow of capital into ventures not needed for war purposes and as far as possible to conserve the people's savings for the war. It has also arranged for the use of the national credit of the people; and so as to avoid evils which otherwise would follow on greater use of the national credit, the Commonwealth has set up a price-fixing authority. The Government and the Loan Council have effectively reduced interest rates. Prior to the outbreak of war, interest rates on Commonwealth securities were just under 4 per cent.—the last rate was £3 19s. 7d. per cent. The most recent loans were floated at rates of £2 15s. for short-term and £3 5s. for long-term—short-term being five years, and long-term 15 years.

Mr. Donoy: What was paid during the last war?

The PREMIER: Up to 6 per cent. Moreover, one war loan was issued at £96. The present position is gratifyingly different. I have read that the effective rates of interest for war bonds is now about £3 2s., which is lower than the last flotation. I have no wish to prophesy, but I believe that the next loan may be floated as low as 3 per cent., which, in view of the circumstances, will be a notable achievement compared with financial operations during the last war.

As I have previously stated, the Commonwealth in conjunction with the States has agreed upon a system of co-ordination of works programmes in order that, while the essential needs of the States are met, as much as possible of the loan money shall be made available for war finance. In this latter respect the States are playing their full part in the war effort. As members will realise when these Loan Estimates are being discussed, any loan moneys made available to us will be expended upon works essential to our well-being. For example, a substantial part of our expenditure will relate to the extension of electricity supplies—an extension rendered necessary by the fact that we shall be engaged on manufacture of war materials. In this work greater demands will be made upon electricity supplies. The member for Swan (Mr. Sampson) wakes up on hearing the reference to electricity supplies. The Commonwealth Government and the Loan Council, I may add, have for some time past insisted on the need for extension. We are also spending a large sum on the erection of an annexe to the Midland Junction Workshops, which is to be used in the first place for the manufacture of munitions and ultimately as an extension of the existing workshops. The Commonwealth is assisting to finance this work. Another item of expenditure relates to improvements at the Fremantle wharf, and the provision of a slipway, both of which are essential parts of the war programme.

While these things are being done, the Government is giving most careful consideration to the position of those people who in the past have been dependent on loan works for employment; and though the numbers of unemployed have decreased substantially, we still have a fairly large body of men for whom we must provide work. The reduction in the number of unemployed is directly attributable to the war. Many formerly unemployed men are now engaged on defence

works, while others have either enlisted or are filling the positions of men who have enlisted. At the commencement of the war 6,770 men were registered for unemployment relief. During the last 15 months the figure has fallen progressively to just under 4,800, a reduction of about 2,000. Of those 2,000, I believe, very few are men capable of work. This week the figure is down to 60 or 70. As a matter of fact, work could be given to everyone dependent on the Government if all of these men were prepared to leave the city; but for some good reasons some of them cannot do that. However, members will be pleased to know that the number on sustenance is at present less than 100. If they could work and go to the country, the unemployment position would be almost wholly relieved. During the year a survey was made of men registered for unemployment relief, and it was found that in many cases those men were physically unfit for laborious work. Steps are being taken to remove such men from the register of unemployment relief, and they will be given relief in other directions.

The survey was intended to ascertain the occupations which the men could follow in the event of their being required for Commonwealth defence works and we are hopeful that as a result of this knowledge it will be possible to transfer a greater number of men to works being carried out by the Commonwealth. Men described as fitters, munition workers and so on have been on our register but have been engaged upon labouring work. We have endeavoured to transfer such men to other avenues where their work will be of greater value to the country. In this State we are at a disadvantage as compared with the more highly industrialised States in the East because we have so few industrial establishments capable of carrying out defence contracts. It is probable, however, that the work made available to us will prove of lasting advantage in that our workers will receive an education in the higher branches of engineering which, but for the war, would have been denied them. This advantage will be a permanent one and the State should reap the benefit when the war is over. The extent of that benefit will depend to a large degree on the use to which this greater skill can be put, and if the necessary industries for the employment of the artisans are not operating in this State we will lose the services of the men.

No one can foresee what changes will be effected in the economic structure of Australia as a result of the war, but it may well be that after peace comes the disparity between the industrialisation of the East and the West will be more pronounced than it was before the war commenced. We are endeavouring as far as possible to see that our men are trained for the skilled engineering trades and other callings in which they will be able to make use of their technical knowledge. Thus, in the event of industries being established here that will offer to them opportunities for employment when the war is ended, there will be a trained personnel available for that purpose.

Mr. Patrick: If the industries are not here the men will drift to the Eastern States.

The PREMIER: Yes. We will be able to keep the men going on munition work and so forth, but after the war that will not be so, and we can only hope that in the interim industries will be established that will be capable of providing employment for them. During the last four or five years all the fitters, moulders and other skilled tradesmen have been able to secure employment owing to the expansion of the gold mining industry. I do not know that it has reached its maximum expansion yet.

Mr. Patrick: I think it has reached the peak now.

The PREMIER: I hope not.

Mr. Patrick: It is at its peak as regards men employed.

The Minister for Mines: It employed about 14,600 men last year.

The PREMIER: We know that all the world over, owing to modern developments, the number of men employed in industry has declined.

Mr. Doney: Many men employed on the mines have gone to the war.

The PREMIER: It is inevitable that industries will be established in the Eastern States for the production of war material which, when peace comes, will turn their attention to the production of manufactured articles hitherto imported from overseas. I am quite certain that this is an aspect which will have to be very carefully watched, and is one which the Government will have in mind in all its negotiations with the Commonwealth. As I have stated on previous occasions when introducing our Loan Estimates, the expenditure of loan money in any circumstances is a matter which demands the most careful scrutiny of any Government,

but more particularly of the Government of this State, where there is so much work to be done and the population is so small.

Frequently it has been held against us that we have the highest per capita public debt in Australia. While this is admitted, it has to be borne in mind that whereas in Western Australia practically all the large capital works are carried out by the State Government, the local governments and semi-governmental bodies in the Eastern States do a fairly substantial part of this work. In New South Wales, for instance, the Metropolitan Board of Works, the Hunter River Water Works, other water works, and many large undertakings are controlled by statutory bodies responsible for the capital expenditure involved. I understand the Metropolitan Board of Works alone spends £1,000,000 a year. If we had adopted the same system in Western Australia, much of our expenditure would not be debited against the State's capital account nor would it be included in our calculations of per capita indebtedness.

The comparison of the public debt per head is therefore not a fair one, but the volume of public debt is already of such a substantial nature that any addition to it must be viewed seriously and with due consideration to the economic effects of expenditure. Unproductive loan expenditure inevitably lays a heavy burden on the resources of our people and imposes a burden for repayment, which is spread over many years. It is a sobering fact to realise that last year 50 per cent. of the debt charges borne by Consolidated Revenue were not covered by the earnings of the undertakings in which the loans money was invested.

Mr. North: The State is borrowing less this year than the total interest payments that have to be made.

The PREMIER: Yes. An important point regarding capital or loan expenditure is that concurrently with our borrowing, we have a deficit and we make substantial contributions to a sinking fund. That has been the position during the past five or six years. Thus, while we may be getting a little further into debt, we are aware that we are making provision, by way of sinking fund, for a sum representing three or four times the amount of that indebtedness. In those circumstances the financial position is not so embarrassing as a cursory glance at the de-

ficit would perhaps indicate. A very large part of our public debt represents expenditure on the development of agriculture, and though on account of the present depressed prices it is impossible to avoid showing a heavy loss on this expenditure, it is also an inescapable fact that much of the money spent on the development of agriculture now represents a loss which, even under the best of economic conditions, could not be recovered.

While it is easy to be wise after an event there is no gainsaying the fact that if we had the experience we now possess, much of the public debt would not have been incurred. In view of the very heavy burden of debt charges which falls on the general taxpayer, it is essential that any future loan expenditure be restricted to items which show good prospects of being reproductive. By the assistance given to existing secondary industries and by its encouragement of the establishment of new secondary industries, the Government hopes to adjust economic balance and counteract the very heavy expenditure on the development of agriculture.

I shall now deal in outline with the figures affecting last year's expenditure and the estimates for this year. The programme approved by the Loan Council is—

				£
For Works	..	..	..	1,778,000
For Deficit	..	..	..	250,000
Total	..	..	..	<u>£2,028,000</u>

The total programme approved for 1939-40 was £2,120,000, so that our allocation for this year shows a slight decrease. Though the decrease appears to be slight there are features arising out of the co-ordination scheme connected with this year's programme which did not apply last year. As I have already indicated, our programme has been examined in detail by the Loan Council and the various items comprising it have had to be approved. The position is that though £1,778,000 has been allocated to us for works, all of this sum has not been approved. Works estimated to cost £1,662,842 have been approved by the Loan Council, leaving a balance of £115,158.

Though in framing the Loan Estimates I have apportioned the full amount of the programme over the various departments, I have not authorised individual works sufficient to exhaust this sum. I suggested to the

Federal Treasurer that a balance should be available to meet unforeseen contingencies and he agreed. Members will agree that it would not be wise to allocate every single pound of loan expenditure authorised, because circumstances may arise from time to time necessitating the expenditure on works for which no provision has been made. If no portion of the allocation remained, we could not undertake such work. For instance, after a series of years of drought, the weather generally breaks with heavy rains that cause washaways. We have suffered severely in the past with regard to the railway system. The washaways have certainly drawn attention to weak constructional spots, with the result that we have had to spend loan funds on making the permanent way safe for the future. Past experience has shown that provision for such work is necessary. While I will not relish authorising expenditure on work necessitated by washaways, I certainly hope that the long drought has ended. If it ends in the accustomed manner, we shall have to face expenditure in making good some washaways.

The Loan Council has arranged for a monthly review to be made by the Co-ordinator of the State loan expenditure, and any saving that can be effected will have to be made in order to leave as large an amount as possible for Commonwealth defence purposes. It does not necessarily follow therefore that the whole of the allocation will be available to us. The same conditions apply to the amount provided for the deficit, and any reduction made will increase the provision for Commonwealth defence expenditure. By prudent management, and had the Government the benefit, as I had expected, of the adjustment regarding the traffic fees, we would have been able to reduce the deficit correspondingly. As members are aware, a deficit of £250,000 has been estimated for this year, and so that money will not be available to the State. I hope that the deficit will prove to be less than £250,000 and the amount not required to cover the leeway will not be placed to the credit of the State but will be available to the Commonwealth for defence purposes. For that reason I am anxious that the improvement in the financial position shall be as pronounced as possible, because to the extent we can effect savings we shall be rendering a service to Australia and assisting materially in our war effort.

The estimated expenditure this year compared with the actual expenditure in 1939-40 is as follows:—

	Actual 1939-40. £	Estimated. 1940-41. £
Departmental	106,713	108,750
Railways and Tramways	99,239	302,000
Harbours and Rivers	47,845	102,250
Water Supply and Sewerage	785,942	924,500
Development of Goldfields and Mineral Resources	55,178	51,000
Development of Agriculture	206,790	168,500
Roads and Bridges, Public Buildings, etc.	414,582	372,954
Sundries	42,887	55,004
	<u>£1,759,174</u>	<u>£2,080,958</u>

Increase—£321,784.

These figures relate to the amounts to be charged to the respective years and do not represent the cash spent last year or to be spent this year. The figures for this year include amounts spent last year in excess of the loan authorisations and are included now for the purpose of obtaining the requisite authority. Similarly the 1939-40 figures exclude amounts spent in the preceding year.

A comparison of the cash expenditure last year with the estimates for this year is—1939-40 £1,939,551; 1940-41 £1,778,000—a reduction of £161,551.

Turning now to the main items of expenditure, the position regarding Railways and Tramways is:—

	£
Expenditure last year	99,239
Expenditure this year	302,000
Increase	<u>£202,761</u>

Hon. W. D. Johnson: The expenditure for this year is enormous.

The PREMIER: I will give the particulars to the Committee. The work consisted chiefly of reballasting, deviations, duplications and regrading, water supplies, strengthening of bridges, and provision of coaling plants. An amount of £10,000 was spent on new machinery for the Midland Junction Workshops. The provision this year is for work of a similar nature, including the balance of plant required at the Midland Junction Workshops in connection with the rolling stock construction programme. Provision has also been made for extensions to Block 3 at the workshops and the necessary equipment. The extension to the workshops represents a work long overdue, but has been held up on account of lack of funds. The

requirement of the Commonwealth for munitions, however, has made it possible to proceed with the extension immediately.

As members are aware, I had been pressing the Commonwealth Government to place some orders for munitions in this State but the answer given was that we had no suitable factories. Following conferences with the Prime Minister and later with the Commonwealth Department of Supply and Development I induced the Commonwealth Government to assist us in financing an extension of the railway workshops at Midland Junction. The Commonwealth considered that the type of building to meet its requirements could be erected for £15,000, but this would not have given us a building suitable for use as part of the workshops when the ammunition work was completed. It was finally agreed that we should erect the building we required and that the Commonwealth should lend us the sum of £15,000. The building will cost £50,000 and we will provide the balance of £35,000. This amount is included in the Loan Estimates. While the building is in use for munitions production the Commonwealth will pay an annual rent calculated at 10 per cent. of the £15,000, which will be applied to reduce the loan. No interest will be charged by the Commonwealth but arrangements will be made for us to take over any balance of the debt when the war is over. The building will have a floor space of 57,600 sq. ft., of which 25,000 sq. ft. will be set apart for munition work, the balance being available for ordinary railway work. The arrangement is most satisfactory. On rolling stock the estimated expenditure for 1940-41 is £33,000. Provision has been made to continue the programme during 1940-41, the principal items being progress work on construction of the 10 "S" class locos., and construction of 114 "Ka" wagons. The latter are steam trucks used mostly for carrying wheat.

The tramways estimate for 1940-41 is £20,000. Provision has been made for a feeder cable to Inglewood to increase the voltage and so speed up the Inglewood and Mt. Lawley service. Provision has also been made for the supply of more buses to absorb the additional traffic due to the petrol rationing. Pending the arrival of trolley buses which are on order, six petrol buses—which may be converted into gas producer-driven vehicles—will be in commission by Christmas.

Last year's expenditure in the electricity department was £1,045, compared with an estimated expenditure for 1940-41 of £126,000, an increase of £124,955. Expenditure last year was on minor extensions. Provision has been made this year for the following work: Extension of mains; transmission line to Bassendean; switchhouse at the power station, and additional high tension switchgear; ring main feeders and step-up transformers. This work has been deferred for some years, but the stage has now been reached when further delay would be dangerous.

On harbours and rivers there was an expenditure last year of £47,845 and for 1940-41 the estimate is £102,250, an increase of £54,405. The work last year consisted chiefly of the following:—Additions and improvements to North-West jetties; Fremantle Harbour Works; North Quay reconstruction and bell mouth dredging; improvements to harbours and rivers generally, principally Swan River reclamation, levelling and walling. Provision has been made for the following work to be done this year:—Additions and improvements in the North-West: Wyndham jetty dredging, Derby jetty extension, rolling stock and other minor works. Fremantle Harbour Works: New slipway at North Quay, reconstruction of berths 9 and 10 and 132 ft. extension. The main work to be undertaken is the provision of the new 2,000-ton slipway at Fremantle and the reconstruction and extension of the quays. Both of these projects have defence value, as well as being of use to the State. The Commonwealth Defence Department has requested that they be regarded as being urgent undertakings.

Hon. W. D. Johnson: Will that extension in Fremantle be made on the north or the south side or on both sides?

The PREMIER: I think berths 9 and 10 are on the north side. We have concentrated on that side for some time. On water supplies, sewerage, irrigation and drainage the expenditure last year was £785,942, and the estimated expenditure for 1940-41 is £924,500, an increase of £138,558. In regard to town water supplies, the expenditure last year was £16,077. The following projects were put in hand:—Geraldton water supply, improvements to town reticulation and boring at Wicherina; Narrogin water supply, completion of artificial catch-

ment: new town water supply at Serpentine. An amount of £10,000 has been provided this year, the principal work being improvements of town water supplies generally.

Last year the expenditure on metropolitan sewerage and drainage was £223,282 and for 1940-41 £107,000 is set aside. During the year work was continued on the Bayswater-Bassendean and Midland Junction-Guildford sewerage and reticulation, and on the South Perth, Claremont-Cottesloe and Maylands reticulation. Work was commenced on the Wembley-Floreath Park sewerage. Finance for sewerage house connections was provided. Drainage work was carried out in the Maylands and Bayswater districts. Work on the Maylands, Bassendean and Guildford sewerage and reticulation areas, and the Wembley-Floreath Park sewerage will be continued. Provision has also been made for sewerage at North Fremantle, the erection of a ventilation stack, and at Lincoln and Smith-streets, Perth, sewerage house connections and drainage works.

On metropolitan water supply, last year's expenditure was £162,374, and the estimate for 1940-41 is £137,000, a decrease of £25,374. The principal undertakings last year were the continuation of work on the Canning Dam and the reconditioning of the hills main, the purchase of pipes for the extension of the 30in. main to Maylands, and the commencement of the North Beach water supply. Provision has been made this year for the completion of the North Beach supply and the Floreath Park 15in. steel main: completion of Canning Dam; improvements to reticulations in the metropolitan area, and extension of the 30in. steel main to Maylands in order to increase the water supply in the eastern suburbs. The Canning Dam is now completed and the expenditure included in this year's figures relates to outstanding accounts.

The expenditure last year on the Goldfields water supply was £163,065 and the estimate this year is £294,000, an increase of £130,935. The principal works last year were: Renovation of main conduit; enlargement of Cunderdin reservoir; purchase and laying of 30in. pipes through Northam; cement lining and fabrication of pipes and purchase of meters. The provision this year is principally for the following works:—

Completion of 30in. main through Northam; completion of Cunderdin reservoir; continuation of the renovation of the main conduit and cement lining of mains at Kalgoorlie and Boulder; a new storage reservoir at Bulla Bulling, with a capacity of 30 million gallons. Provision has also been made to link the Mundaring reservoir with the Canning reservoir. This work is essential in order to provide an additional 2,000,000 gallons per day to the goldfields water supply system. The capacity of the Mundaring reservoir is sufficient for years of normal rainfall, but in dry winters such as we have experienced, the ability of the reservoir to supply the demand of the goldfields is inadequate. Whatever happens we do not want the goldmining industry or the agricultural industry between Northam and Kalgoorlie to be interrupted or to suffer from any severe restrictions. To obviate the possibility of that happening we will connect the Canning Dam and Mundaring Reservoir so that an additional 2,000,000 gallons of water will be available for pumping from Mundaring. If we have another year with as low a rainfall as that of this year the Mundaring dam will probably be empty. It was overflowing this time last year but is only half full now. I do not like to have to provide £60,000 or £70,000 for this work because we can reasonably expect to have a normal year next year, and in that event the expenditure would not have served much purpose. However, we must provide against the possibility of a continued drought.

Mr. Mann: When will the work be completed?

The PREMIER: I received a letter from the Prime Minister to-day stating that the steel plates necessary for the construction of the pipes required for the connection would be made available in the very near future. We will thus be able to have a connecting link provided prior to next winter if the Prime Minister's promise is fulfilled.

Hon. N. Keenan: What is the mileage?

The PREMIER: From 18 to 20 miles. A big proportion of the new line will be utilised for the reticulation of the areas between the Canning Dam and the far end of Belmont and portion of Guildford and Midland.

Hon. W. D. Johnson: And Queen's Park and Victoria Park.

The PREMIER: Yes. Previously Guildford, Midland Junction, Bassendean, and the eastern portion of Maylands were all sup-

plied from the Mundaring Weir, from which they drew a considerable quantity of water. In order to conserve the water in the Mundaring Weir for the goldfields area, water from the new main will be reticulated to the suburbs I have mentioned.

The expenditure on water supplies in the agricultural areas last year amounted to £217,346, and the estimate for 1940-41 is £365,000, an increase of £147,654. The principal works last year were: Irrigation, channel lining and drainage in the South-West; continuation of work on the Samson's Brook and Stirling reservoirs; provision of tanks in eastern agricultural areas, including roofing and improvements, boring and equipment of wells. Provision has been made this year to continue work on Samson's Brook and Stirling reservoirs; No. 3 district irrigation works; channel lining at Collie, Harvey and Waroona; improvements to irrigation, drainage and country water supplies generally.

On the development of mining the expenditure last year was £55,176, and the estimate for 1940-41 is £51,000, a decrease of £4,176. Expenditure last year was for assistance to prospectors, loans under the Development of Mining Act and additions and alterations to State Batteries. Provision this year is for work of a similar nature. Expenditure on assistance to prospectors was £37,739 during the year and £168,217 has been so expended since the inception of the scheme. Repayments by those assisted total £7,430 and £30,633 respectively. That is, at least one-fifth of the amount advanced has been repaid by successful prospectors. An amount of £11,000 has been provided for transfer to a Treasury trust account, in order to permit of a greater amount being paid to prospectors for ore treated at the State Batteries. Until recently the amount advanced was the standard price of £4 4s. 10½d. per oz., the balance being paid when the returns were obtained from the Royal Mint. As it is not possible to extract the gold immediately after the first crushing a delay of up to six months sometimes occurs before prospectors receive the balance of their payments. In order to provide a better return for the labour expended we have increased the payment to £7 an ounce. The people concerned have gratefully accepted the additional payment, and have agreed that as we have to find the money for seven or eight months we are justified in charging interest, and they will pay that

interest. The money will not be lost. The £11,000 will be available for the purpose of making advances to prospectors. When the final returns are received from the Mint, the suspense account will be recouped. It is necessary that we should have £10,000 or £11,000 available so that these additional amounts may be paid pending the receipt of the final returns.

In addition to the funds provided by the State for the development of mining, the Commonwealth made available an amount of £111,000 for the expansion of the gold mining industry with the object of encouraging an early increase in the gold output. With this object in view the money is being used principally to finance mines in the more advanced stages of development. The Federal authorities have been impressed by the fact that the production of gold is necessary in order to conserve the dollar exchange and make more dollar exchange available. By the expenditure of this Commonwealth money we will be able to assist production to a considerable extent. The Federal authorities and the Council for Scientific and Industrial Development have been so impressed by the representations made to them that they have made this money available out of the proceeds of the gold tax. We have a distinct grievance against the Commonwealth Government for levying a tax that is almost exclusively paid by Western Australia, but to some extent it has done us justice by making this particular sum available for the further development of the gold mining industry. I hope that as a result of the expenditure our gold mining returns will increase. No doubt the Minister for Mines will be able to give members further particulars when introducing his Estimates.

On the development of Agriculture, Forestry, etc., the expenditure last year was £206,790, and the provision this year is £166,500, a decrease of £40,290. The expenditure on abattoirs last year was £3,029, and was for the erection of cattle sale yards at Robbs Jetty, and additions and improvements to the Midland Junction and Kalgoorlie Abattoirs. The provision this year is mainly for additions to the Midland Junction Abattoirs. The item "Development of Agriculture" is for reconditioning vacant Agricultural Bank holdings, land clearing at Wooroloo and Bundibup Mental Hospital Farm, and experimental work. The ex-

penditure last year was £122,622 and the provision this year is £100,500 and is for work of a similar nature.

An item of interest is in regard to flax culture in Western Australia. Members may have seen the examples of flax in the corridor of Parliament House. That flax has been growing for two or three months in the South-West. It appears to me to be a very good sample. From what I understand from the Minister for Agriculture these samples are equal to, if not better than, the flax grown for experimental purposes in the other States. Some of the activities associated with the industry may be a charge on the Loan Estimates this year. We have planted 1,100 acres of flax and this promises to be a very satisfactory crop. So that it may be treated, provision is being made for the construction by the Government of a factory. The establishment will employ about 60 men, who will carry out what is known as the retting process.

Mr. Patrick: A great deal of water will be required in the process.

The PREMIER: Yes. The flax harvest will start in the next fortnight or so. The Minister for Agriculture and the officers of the department are very pleased with the experiment, and consider that there are possibilities of considerable expansion for this important industry. We shall probably provide a sum of money for the erection of the factory. I hope the industry will make solid progress.

Mr. Warner: Will the flax be cut with a binder?

The PREMIER: I think so.

Mr. McLarty: Pulling machines are used in the other States.

The PREMIER: I understand they give the best result, but the Minister for Agriculture will probably deal with that industry at a later stage.

The expenditure of £9,198 under the heading "Assistance to Settlers, Industries, etc.," was for advance to pearlers and banana growers, and a loan to the Albany freezing works. This year £10,000 has been provided for assistance to industries, and it is hoped that some of the expenditure incurred will be for the development of secondary industries. Members are well aware, I am sure, of the Government's very definite desire to stimulate the growth of secondary industries in this State. So far, arising out of the

efforts of the Department of Industries, most of the help rendered by the Government has been by way of guaranteeing bank overdrafts. We have not invested much direct capital in these concerns. Some factories requiring money for extensions are able to make suitable arrangements with one of the banks provided the Government stands behind them with a guarantee. Other firms have not sufficient capital to enable them to stand upon their own feet. For the assistance of secondary industries we think the best thing we can do is to provide a guarantee so that one of the commercial banks can provide the necessary financial assistance to its clients to enable them to carry on. That system is found to be better than that of providing money directly from the loan funds of the State. Some people unfortunately hold the opinion that money loaned by the State for the assistance of industry need not be repaid. When such people have to deal with one of the chartered banks, in a commercial sense, better results are usually achieved. Not only have they to justify every item of expenditure, but a tight hold is kept upon their accounts by the banks, and if they are able to repay a proportion of the capital the bank sees that that is done.

Mr. Seward: Do not you think the banks place more reliance upon the guarantor than they do upon the clients?

The PREMIER: Yes. We have been advancing money for such purposes for two or three years in connection with industry, and in connection with the mining industry for many years, and our experience has been that the money we have guaranteed has been repaid. I think the pearling industry has shown the worst results, because we have lost money there. Most of the money we have guaranteed by way of bank overdrafts has been repaid, and the State has not been called upon to make good any loss in connection therewith. The officers of the department make a thorough examination of the mechanical and technical side of the factory, and the Treasury officials then come in on the commercial side. Banks are not anxious to advance money to a concern that is likely to go down. Some people think that so long as banks are guaranteed they will advance money for anything, whereas, as a fact, they do not like to be associated with undertakings upon which they may have to foreclose. They, too, make a careful scrutiny of every

item, and by the time the rule has been run over all applications by three sets of people, the prospects for the success of the industry that wishes to borrow money are generally deemed to be bright. We have not lost any money yet.

Mr. Patrick: You think that is better than the system of lending money outright?

The PREMIER: Yes. It does not curtail our loan expenditure, and the system has been of great assistance to people who in ordinary times might have had a sound enough financial proposition, but in these days of restricted credits and difficulties in raising money for almost any kind of industry, without the direct permission of the Commonwealth Treasury, could hardly get along without it. At all events, the Government has found this system of finance quite satisfactory. We are not losing anything by what we are doing to assist in the building up of industries. We have guaranteed tens of thousands of pounds, and so far have not made a loss. We think it is better that we should assist private enterprise in this way, people who are prepared to put some of their own money into these industries. There is a paramount necessity for the establishment of new industries in Western Australia. If private enterprise is prepared to finance them, I am sure the Minister and his technical officers will be only too pleased to give them every possible assistance. The Treasury, too, will be glad to render such assistance as it can. If industries are not established by private enterprise we shall have to raise the money ourselves and spend it directly in the establishment of secondary industries. We must have those industries here if we are to bring about that balanced economy and diversion of interest that are so essential to the development of the State. We are not dealing with that aspect at the moment. We have made some advances in secondary industries, and the assistance we have been able to give is satisfactory. If it comes to a showdown, and we think that in the interests of the State smelting works should be established for the handling of pig iron, we may do something about it. Practical approaches have been made to the Broken Hill Proprietary on the subject, and we are now inquiring about another process. If the Broken Hill Proprietary with all its resources and its metallurgical and technical knowledge, is prepared to start such works

here, we are willing to assist. If the State is altogether neglected, as the industry is so important that we cannot do without it, we will consider what we can do for ourselves. The amount provided on this year's Estimates, £10,000, seems rather small, but that is not all that is involved in the assistance to industry. The money actually runs into tens of thousands of pounds.

Last year the expenditure on forestry was £71,082, the work consisting of reforestation of mallet and jarrah, reforestation and forest settlements. To continue this work, £50,000 has been provided this year. The expenditure last year was £325,000, which included £117,678 spent in 1938-39, and charged to Suspense as there was insufficient loan authorisation. The actual cash expenditure was, therefore, £207,322, of which £120,000 was for assistance to local authorities under the scheme whereby we provided the labour and they the material for road works. The provision of £38,000 this year is to complete the work in hand at 30th June last, and to meet outstanding commitments. The expenditure last year on public buildings was £89,582. The principal works were—new block at Claremont Hospital for the Insane and Point Heathcote Mental Receiving Home, Technical School new building, erection of and additions and improvements to schools generally and provision for new Chemical Laboratory. The provision this year is £72,000 and is for buildings generally, including the balance required to meet commitments on completed and partly completed works at 30th June. It is hoped to make a start with the new technical school at Fremantle.

Mr. Doney: What are you earmarking for schools this year?

The PREMIER: I do not deal with the allocations of those amounts. The total amount allocated for public buildings this year is about £72,000. That will mean rather a lot of money spent in more or less small works, because we have no large works in hand now such as Heathcote and hospital buildings. We are not getting much relief from that, however. The Commonwealth Government has taken over the new Claremont hospital. Whilst that is convenient from the financial standpoint, it does not relieve the position as we would like it to be relieved as regards the provision of increased accommodation.

For hospital buildings and equipment, the provision for 1940-41 is £259,291. This represents expenditure last year charged to Suspense, as there was not sufficient loan authorisation. The expenditure was incurred on the new Perth Hospital, including provision to carry on the work during the current year. The amount also includes a grant to the hospital fund of £61,000 to assist in meeting the cost of capital works undertaken last year and proposed new works. The hospital fund will pay interest and sinking fund on this money. An amount of £9,707, including a recoup to Loan Suspense of £1,707, has been provided for water supplies on native stations, principally Moola Bulla Station, and the purchase and reconditioning of settlements, mainly that at Carrolup; also for additions and improvements to native hospitals. The expenditure last year on works of this nature was £8,294.

On State hotels and Tourist resorts, the expenditure last year was £9,173, principally for the completion of work in connection with the new Cave House and additional capital provided to the State hotels for the erection of a new hotel at Wongan Hills. The amount provided this year, including a recoup to Loan Suspense of £20,338, is mainly for the completion of the Wongan Hills hotel.

The amount provided for State ferries is the balance required to meet the contract for the new boat. On State vessels the expenditure of £3,000 last year was to meet the cost of additional refrigeration space on the M. V. "Kybra" and additions to the Fremantle Office. At Bundibup £9,415 was expended on the establishment of a farm for mental hospital purposes.

The Workers' Homes Board was provided with £20,000 additional capital, £10,000 of which was charged to Suspense, as there was insufficient loan authorisation. The amount is included as expenditure this year.

That completes my review of our loan estimates. As I stated in my opening remarks I trust that our proposals will be acceptable to Parliament. All the items now submitted have been carefully examined by the Government and its officers, as well as by the Co-ordinator of Works. So far as is possible loan expenditure should be limited to works of a reproductive character, and the improvement in our unemployment

figures will to a great extent allow this to be done. Works which are not immediately and imperatively necessary will be deferred.

We shall have to face a big problem when the war is over in the rehabilitation of our soldiers into civil life. Suitable employment works which can be postponed should be held over until the time the soldiers are being repatriated, so that we can be prepared to some extent to meet that problem. In the arrangement of the works programme the Government has this aspect constantly in mind. I imagine that no member will object to any work included in the Estimates, but some members may feel disappointed at the non-inclusion of a work in which they are particularly interested. Under normal conditions the exclusion of some such works is almost inevitable, but under present conditions we can spend our loan moneys only on these undertakings which are vital to the maintenance of our economy. In these circumstances I am sure that members will bear their disappointments philosophically in the knowledge that the sacrifice is a direct contribution to the war effort.

Progress reported.

BILLS (2)—THIRD READING.

- 1, Margarine.
 - 2, Legitimation Act Amendment.
- Transmitted to the Council.

BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

Received from the Council and read a first time.

BILL—FARMERS' DEBTS ADJUST- MENT ACT AMENDMENT.

Message.

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

Second Reading.

THE MINISTER FOR LANDS (Hon. F. J. S. Wise—Gascoyne) [5.55] in moving the second reading said: The object of the Bill is to continue the operation of the Farmers'

Debts Adjustment Act. The Act first came into operation on the 30th December, 1930, and it was continued each year until 1934 when it was extended for three years to the 31st March, 1938, and, by No. 16 of 1937, for a further three years to the 31st March, 1941. The Bill now proposes to extend the Act for a further period of three years to the 31st March, 1944. The Act, as members who have been associated with the subject of farmers' debts in recent years know, provides the necessary machinery for a farmer to apply for a stay order with a view to submitting a proposal to his creditors to carry on under the control of a receiver. At present there are 24 farmers working under this section of the Act, and their positions will be reviewed by the creditors after harvest. Provision is also made for farmers to apply for stay orders with a view to submitting proposals to their creditors for the adjustment of their debts by means of an advance from the Rural Relief Fund. On an order being granted, creditors submit details of their claims to the director and the proposal is then framed for submission to the creditors. If the proposal is accepted, the farmers can then apply to the Rural Relief Trustees for the necessary advances to pay the claims in accordance with the proposals. It is possible that there will be more applications than were thought likely at this time last year. Unfortunately there has been considerable disagreement, or rather I should say a doubt has been expressed by the Commonwealth authorities, regarding the efficacy of the proposal. From the total fund it was originally intended to provide, I think about half is still unpaid. I believe Western Australia is still entitled to £134,000. In all likelihood the Commonwealth Government will request the States to include the balance of the money due to them in some other proposal. That, however, is not definite, but there are indications which support the belief that the Commonwealth will endeavour to apply the outstanding amount to another form of relief for farmers. In Western Australia we still have £30,000. We are committed to £12,000 and we have £18,000 in hand. It is expected that we will receive that this year. From time to time we have supplied particulars of cases dealt with, the number approved, the number suggested, the number deferred, and so on. There is no doubt that for reasons, mostly seasonal, there is every need for the continu-

ance of this legislation, and so there is no occasion to further amplify my remarks. I move—

That the Bill be now read a second time.

On motion by Mr. Mann, debate adjourned.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

MR. BOYLE (Avon) [5.59]: This is another of the continuance measures originally enacted in 1931, in conformity with the plan put into force in that year. The Act made provision for reductions in salaries, superannuation, mortgage interest, and several other matters. Today the Act controls only interest on mortgages, the other provisions that were made having served their purpose by reason of the more or less normal condition of the matters that were embraced by the Act. The protection afforded to mortgagors is of course only applied in the first place to mortgagors up to the 31st December, 1930. The Act was amended to bring in mortgagors up to 1934, and today the Bill virtually applies only to land mortgages and to leases, that is, they will have to be long leases to come within the scope of the legislation now being continued. The Act itself is not of great protection except to people who gave mortgages before 1931, and we on this side of the House are much interested in the protection of mortgagors of that type. I have no hesitation in supporting the second reading.

HON. N. KEENAN (Nedlands) [6.0]: This is a measure which, unfortunately, we must continue because of the position of mortgagors who have executed mortgages over country lands. The legislation, however, constitutes a grave disability to many worthy people in all walks of life. We all of us know of the working man who has provided for his wife and children by leaving a mortgage. The object of the testator was, of course, to provide a fund to place his children in life. Some of those mortgagors died as long ago as 1924, when the possibility of the mortgage being tied up for a long term of years could hardly have been conceived.

Mr. Boyle: This Bill does not affect the recovery of principal moneys.

Mr. Watts: The Bill affects interest.

Hon. N. KEENAN: In that case I do not wish to proceed with my observations.

MR. WATTS (Katanning) [6.3]: I support the second reading. The previous speaker has put a thought into my head, notwithstanding that he was to some extent referring to the wrong measure. At first I thought his remarks were applicable to this measure, although they were based on incorrect premises. The Act which the Bill seeks to continue has the effect of reducing by 22½ per cent. the rates of interest payable on mortgages executed before 1931. If the Act were not to be continued, the interest payable under such mortgages would revert to the rate payable in 1931. Members will no doubt agree with me that that would be decidedly unfair, as interest rates have in the meantime and in the ordinary course of business been reduced in many cases by probably more than 22½ per cent. The rate of 8 per cent. in 1931 might have been reasonable, but a reduction of 22½ per cent. brings it down to £6 4s., or 6 1-5 per cent.; 7 per cent. might have been regarded as fair in 1931, but the 22½ per cent. reduction brings that rate down to £5 8s. 6d. per cent. The Act does not permit of the rate being reduced below 5 per cent. He is a fortunate mortgagee who to-day can get more than 5½ per cent. on first-class security. It is just as well, from the point of view of those who are, under our existing system, forced to borrow, that that should be so. If this measure is not passed, then, as I said, the rates of interest applicable to mortgages given before 1931 would again become payable, and we should then find that mortgagors, particularly those engaged in rural industries, would have great difficulty in obtaining fresh loans to pay off their indebtedness, owing to the decreasing value of their assets. They would find themselves in a most unfortunate position, because they would have then to pay the original rate of interest, which is far in excess of the rate obtainable by people advancing money to-day. On this ground, and on other grounds that I need not go into, I have no hesitation in supporting the Bill. I have no doubt that next session it will again be necessary to continue this legislation.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the previous day.

MR. MANN (Beverley) [6.7]: This Bill dovetails in with similar measures passed by the House. The Minister stressed the importance of the measure, and we on this side of the House give it our whole-hearted support. We realise that whilst it may have its objectionable features, many mortgagors in farming districts at the present time are in need of the protection which it affords. The position in rural districts appears to be just as bad as it was when the Act was first passed. I have much pleasure in supporting the second reading.

HON. N. KEENAN (Nedlands) [6.9]: This is a measure which I was under the impression we were discussing a few moments ago. Undoubtedly, it is necessary in the interests of our rural industries; but, like all measures of a similar character, it inflicts considerable hardship in many cases where hardship is least capable of being borne. As I was telling the House, I am sure members know of cases where provision was made by a man, who afterwards died, for his family, but the provision has been upset by legislation of this kind. Men who invested their money on mortgage intended that after a period of time, seven or eight years, or whatever the term of the mortgage was, the money would become 'available for their dependants. This legislation has in many cases tied up the money for the past nine years. It is desirable that legislation of this kind should be gradually thinned down. I do not suggest it should be abolished, because that would possibly cause grave disturbance, but certainly it should be thinned down. Some portion should be restored to the original position. The absurdity of the position becomes apparent when it is realised that mortgages executed in 1932 are not subject to this legislation. I know of a man who died in 1925 and whose money

is tied up; his widow is unable to receive it, notwithstanding that the money was intended by her deceased husband to be applied in settling his children in life. No one would question the necessity for this legislation in an emergency; but when the emergency has passed—to a great extent it passed in 1935—we should gradually try to restore the original position. Unfortunately, we did not do so and therefore are faced to-day with this Bill. As I say, it is necessary in the interests of those engaged in rural activities, although it applies also to people in towns. It is regrettable that we allowed the opportunity to pass in 1935, 1936, and 1937 to give some measure of relief to mortgagees who are placed at a disadvantage by this legislation. I do not offer any opposition to the second reading, because I have admitted we must pass the measure for the benefit of those outside our city limits.

Question put and passed.

Bill read a second time.

In Committee.

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

Sitting suspended from 6.15 to 7.30 p.m.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Second Reading.

Debate resumed from the previous day.

MR. DONEY (Williams-Narrogin) [7.30]: Members will realise that we on these benches would be very happy indeed if we could oppose this Bill on the ground that the position of the rural industries of this State was so entirely satisfactory that they could do without the assistance provided in the parent measure. Unfortunately, such a happy state of affairs is not with us yet, and so we have no option but to support the Bill. It is a sorrowful reflection that the outlook for the wheat industry during the last quarter of a century has been such that, year by year throughout the whole of that very long period, the assistance mentioned has been necessary. In 1915, when the original measure was enacted, there was no

man, I dare say, so pessimistic as to envisage even the bare possibility of this industries assistance machinery being required for 25 consecutive years; and quite likely for a number of years yet.

Hon. W. D. Johnson: It was introduced as a temporary measure.

Mr. DONEY: Yes, and that makes the position all the more astounding. I recall that during the first two or three years that witnessed its re-enactment the same point was stressed—that it was purely a temporary measure. Still, we have got beyond that stage, and there is no doubt that right now the plight of the farmers is as desperate as it was in 1914-15. I cannot help thinking that the position of the farmers to-day is such as should incline every member towards generosity when he comes to discuss measures designed to relieve the farming industry. The Minister for Lands, during his remarks yesterday, mentioned the need for a Bill to protect the interests of the farmers and the State with respect to the disbursement and repayment of the funds being made available by the Commonwealth Government for the relief of the farmers stricken by drought. At this juncture I do not wish to discuss the possible provisions of such a Bill other than to assume—and the Minister will understand this—that the machinery then to be laid down will be divorced entirely from the provisions of the Industries Assistance Act. That is all I feel called upon to say on this Bill. I favour the Bill wholly on the ground that unfortunately it is still as necessary as it was when the original measure was introduced.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—RESERVES.

Second Reading.

Debate resumed from the previous day.

MR. THORN (Toodyay) [7.36]: This is the second reserves Bill that has been introduced in the last few weeks. I suggest to the Minister that he should marshal all his

facts in future and include all the reserves in one measure.

The Minister for Lands: I am afraid the hon. member is in error. This is the first Reserves Bill this session.

Mr. THORN: Then I stand corrected. The first reserve dealt with is one which the York municipality is agreeable to being made over to it from the Good Templars, a very worthy organisation.

Mr. Marshall: What do you know about it?

Mr. Patrick: No, the organisation is giving up that piece of land.

Mr. THORN: That is so. As most of these reserves have been agreed to—

Hon. W. D. Johnson: By whom?

Mr. THORN: By the Town Planning Commissioner, the Lands Department and others concerned. The hon. member ought to know that.

Hon. W. D. Johnson: Yes, but I want to get the approval recorded in "Hansard."

Mr. THORN: If members are particularly interested in any of these reserves and the accompanying plans, I am sure they will make themselves heard. The last plan deals with the municipality of Geraldton. A reserve granted as a site for a town hall is no longer required for that purpose and is desired by the council for use as a municipal bowling green. That is a quite acceptable exchange. After having considered the Bill very thoroughly, I have no objection to offer to its being passed and shall therefore support the second reading.

MR. WILLMOTT (Sussex) [7.39]: I have no objection to the Bill. Plan 4 relates to a reserve in my electorate. The Minister told us that the area had been set aside for the purpose of a hall site at Cowaramup. It was held by the Cowaramup Agricultural Society, but that organisation is defunct, for the time being at any rate, and the desire is to hand the reserve over to the Augusta-Margaret River Road Board. I know that the local authority is anxious to take over the reserve and there is no objection to the transfer being made.

Question put and passed.

Bill read a second time.

In Committee.

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

ANNUAL ESTIMATES, 1940-41.

In Committee of Supply.

Resumed from the 5th November; Mr. Marshall in the Chair.

Vote—Agriculture, £104,212:

THE MINISTER FOR AGRICULTURE

(Hon. F. J. S. Wise—Gascoyne) [7.43]: I have asked the Committee to give consideration to this division to-night in preference to others in order that it might be dealt with while I am present. I have no intention of delaying the Committee unduly in introducing these Estimates. In past years the practice has been to make a statistical review and survey of the activities of the Department of Agriculture and of the industries of agriculture, giving details of the different types of produce consumed in and exported from this State. On this occasion I shall content myself by simply giving a brief review of the activities of the department from the research side and by making some comments on the overseas position as it affects the products of the lands of this State. Hon. members will be well aware, from the information I gave them during the Address-in-reply debate, that most of the contracts referring to produce are being continued for another year, that arrangements have been made for 240,000 tons of meat to be shipped from Australia, and that the wheat contracts are continuing. In connection with wheat a very complete review was given by the Chairman of the Australian Wheat Board here in the Press a day or two ago. I was privileged to see that report two or three weeks ago, and undoubtedly the position for Australia is not as bright as it might be either in the quantities carried forward or in the prospects for the coming harvest. It appears that although Australia has an annual requirement of about 55,000,000 bushels, the total crop to be harvested in all Australia this year will not exceed 90,000,000 bushels. In point of fact, the position in Victoria might well be that that State will not have a harvest sufficient to meet her own requirements. The Australian Wheat Board, in its report which was published here two days ago, shows an undisputed carry-over from last harvest, the quantity sold which is awaiting shipment, and the quantity contracted for in the way of purchases for the balance. The entry of

Greece into the war is likely to deprive Australia of a market which had become very active for a portion of our wheat holding. We do not know from day to day just what might arise in respect of orders from other countries. We do know that the controlling agents of the Australian Wheat Board in this State, and the storing authorities, are endeavouring to clear from the country bins in this State all of the wheat and ship it where there is no question of weevil, or where it might be held as well as it would be in the bigger bins that have been installed.

It seems from the last examination of the harvest figures for this State that we will quite conceivably get a harvest much in excess of our original estimate. We might even reach 18,000,000 bushels. It is very difficult, even at this stage, to obtain a reliable estimate, because very much of the crop which promised a very big grain yield has been cut for hay; but we have one advantage in that crops in other districts which promised a very small yield have appreciated considerably since the estimate of a month ago. But it seems in an Australian sense that there will be a shrinkage of possibly 140,000,000 to 150,000,000 bushels from last year's harvest. This represents a terrific falling-off.

During the year bulk handling facilities have been erected at many other centres and sidings, and it is hoped that there will be a possibility for installing port handling facilities at Albany. From that aspect it is especially regrettable that the harvest in that district, and especially in those areas where there is usually a very high yield, is not such as to warrant a port installation this year. Installations have been made in the Lakes district, which have been a vexed question for many years. Generally, the condition of the wheat stored in this State compares more than favourably with that of wheat stored in other States. Although there have been many complaints in regard to opening dates, I think the central authority is quite justified in making the stipulations it has made. The moisture content of wheat, as I have expressed here more than once, has a very distinct bearing on the capacity to store the grain; and if, as in this instance, even in the northern wheat there is a moisture content approaching 13 per cent., although the grain in the bag seems quite dry, it is a definite invitation

to weevil infestation, particularly in districts which have suffered from that pest during past years. It has entailed a considerable amount of work and a great deal of activity to endeavour to clean the bins in those districts which had big crops last year, and where there were infestations of weevil.

Bulk Handling, Ltd., has co-operated very freely with the Department of Agriculture in experimentation. The department and the firm have been engaged in endeavouring to control weevils in this State, and I think it is in the best interests of the farmers to follow out the instructions which have been so freely expressed, and not deliver to the bins, or expect to deliver to the bins, wheat which has any rubbish in it, or immature grain, which entails so much moisture as enables the weevils to take hold.

We have in Western Australia a system which for its capital cost and costs of handling compares more than favourably with the more up-to-date installations of other States. Our handling costs and methods have proved to be highly suitable for our needs and, as a matter of fact, have brought down Australia's average handling costs during the period when storage is such an important factor.

Hon. W. D. Johnson: Hear, hear!

THE MINISTER FOR AGRICULTURE:

The Australian Wheat Board figures as published here I am not quite sure of, but the total average cost for Australia during the operation of the Wheat Board is about 9.4d. per bushel, including an average rail. That cost has gone up by approaching 3d. from previous averages. Many members might wonder why in war time it is not possible further to reduce the charges, or further to curtail the expenditure; but whereas in normal times it was possible to arrange shipping freights so that there was a continuous flow of wheat from sidings to the ship, very little of that has been possible during the past 12 months. There had to be additional haulage and storage; there had to be double handling; there had to be interest on the capital involved in the additional storage. These factors have brought up the cost by two or three pence. However, I believe the over-all cost was in the vicinity of 9.4d. per bushel. Members will be aware of the endeavour of the Commonwealth, quite apart from the circumstances of drought and activities in drought relief, to stabilise the wheat industry. Members are also aware of proposals which suggest that

3s. 6d. should be the f.o.r. ports price. On a 9.4d. over-all charge, this would bring the siding price back to approximately 2s. 9d. per bushel. However, I know from conversations during the past week with Sir Earle Page and with the Department of Commerce that the Commonwealth proposals also include certain refunds or rebates on some of the cost, which it seems to me will mean a siding price averaging 2s. 11d. per bushel.

Mr. Boyle: All for bagged wheat.

The MINISTER FOR AGRICULTURE: Yes. There are also other incidentals to be considered which might even bring the price above that figure. A lot will depend on whether the Commonwealth will endeavour, under the National Security Act, to enforce its present proposal or will be prepared to listen to the case from the various States. The Commonwealth authorities seem to have in their minds a fixed idea of the free on board price; but if within the costs which are consequent upon all sorts of handling of wheat they are prepared to make further allowances, and further concessions to be recouped by the Commonwealth, it is quite possible that the price will be even better. In my opinion, if we had agreed to the original proposal, the Commonwealth would certainly have stood firm and insisted that the States come to an understanding with the Commonwealth that that should be its maximum contribution. Together with the proposal to stabilise the price, the Commonwealth intends to submit to the States certain further restrictive proposals which may necessitate after the war period legislation, but which can be well carried out during the war period under Commonwealth control.

The Commonwealth intends to propose licensing of production. It is possible that the Commonwealth will ask the States to define a line outside of which wheat for grain should not be grown. The Commonwealth has not yet determined what it proposes to do in regard to the debt structure of those areas to enable the farmer, quite apart from the present marginal area proposals, to be put on a basis of an income, or a prospective income, for the future. It is another aspect, too, that the area between the outer marginal area and the area which is safe must receive consideration, for the reason that it is not practicable for the farmer, if one side of the road is

out of bounds and he is on that side, while the other side is of similar country and similar rainfall, to be deprived of the rights involved. A proposal is likely to be submitted that a buffer area be created, in which certain restrictive proposals regarding fallow cropping might be imposed. There are also other suggestions which involve the financial aspect, such as farmers' debts, which must come within the review of the whole wheat industry of Australia when it is discussed in Canberra next month. I understand that New South Wales is to continue to press for its lands to be approved; that is, that a guaranteed price be given up to 3,000 bushels, and after that a proportion of the payment to be received. People who grow a hundred or even fifty acres of wheat have grown up to 250 bushels. Where New South Wales average areas end is where our average production begins. We in this State are so circumstanced that it would need great modification of the New South Wales proposals for me, at any rate, to agree on behalf of Western Australia to their being put up as a basis for favourable consideration. New South Wales has, in many parts of Riverina as well as more recently settled wheatgrowing districts, very large areas which were formerly station property. Those areas were subdivided, when wheat was round about 8s. per bushel, into blocks ranging from 600 to 1,000 acres in extent.

In Western Australia we have one or two estates capable of comparison with those estates in New South Wales. In that State there are hundreds of farmers with plant suitable for the production of wheat but with only a cropping area of from 500 to 600 acres. Their total operations are restricted to about a square mile of country, on which they have only between 200 and 300 acres under wheat. It is such uneconomic production of wheat that has raised Australia's production costs so tremendously. New South Wales, in sponsoring the case for her repurchased estates and proposing to keep in production individuals with a square mile of country, is certainly not acting in the best interests of the wheat-growing industry of Australia. We know that in Western Australia the most efficient farmer is the man who has plant capable of good farming over at least a fair area, and I think the general opinion of Western Australians in any way allied to this industry is that we

cannot afford to support the case of New South Wales and give any protection to the uneconomic wheat farmer. New South Wales claims its case, in such circumstances, is entirely different from that of our marginal areas, but the relative problem is almost similar to ours. Although the marginal areas offer little scope for production and do not give the holders of properties there any prospect for the future because of seasonal circumstances, those confined to small areas are equally uneconomic farmers if we consider them as wheat farmers. We have several repurchased estates in Western Australia and I may mention one in the district represented by the member for Beverley (Mr. Mann), which has given us a very distinct and worrying problem to adjust. In that case a certain repurchased estate was cut up into small areas which give the holders no prospect at all of agricultural development with any possibility of an adequate return on the capital cost involved or on the cost of plant and seasonal operations.

Speaking in an Australian sense, Victoria has a somewhat similar problem. Thus when this problem is approached in an Australian-wide sense, members will realise that there are many and extensive implications which prevent the States from getting very close together when a scheme for Australia as a whole is under consideration. It would be the finest thing that could happen in the interests of the industry if, at this stage as the result of a Commonwealth conference, it was found possible to bring closer together interests so divergent and to secure an agreement under the provisions of the National Security Act. Queensland's problem is entirely different. Because of the advent of the cactoblastis, an insect which has attacked the prickly pear, several million square miles of country eminently suitable for wheat-growing have been entirely cleared in recent years. Until recently Queensland production has never even nearly approached her internal requirements for wheat, and she has always been an importing State. Now she has some of the best country in Australia suitable for wheat although that country was formerly lying idle because of the prickly pear pest. Since that area has been completely cleared, the land has become attractive to Queenslanders, not because of their effort to secure internal price regulation or because of the prices ruling—

she has been an importing State—but because the drift of farming developed in those areas has been towards wheat and sheep. Tasmania, on the other hand, is an importing State. She can grow only a soft, macaroui type of wheat and for biscuit-manufacturing purposes grows a small quantity for export to the mainland.

I give that brief review of Australia's many angles in connection with the wheat industry and its problems. One of the many vexed problems attaching to the question is that the points of view of the States have been, and are, so very far apart. We have much more in common with South Australia than with any other State. If it could be arranged that Australia's production, by some fair and equitable means, could be fixed on the basis of 140,000,000 bushels for sale, we would go a long way towards solving many of the problems attendant upon our present wheat industry.

Hon. W. D. Johnson: Does the prickly pear country require a dressing of super?

The MINISTER FOR AGRICULTURE: No. Last year that country produced ten and twelve-bag crops in the second year of production, without fallow and without any additional fertilising.

Mr. Patriek: The same applies to some of the country in New South Wales.

The MINISTER FOR AGRICULTURE: Yes, in the Riverina. But to contemplate the possibility of cropping a square mile of country and anticipating economic wheat production is simply ridiculous, when the basic price is in the vicinity of 2s. 11d. at siding.

In respect of many other commodities there is great variation in points of view between the different States. Australia is very fortunate in that a contract was reached with the British Government so very quickly. If it had not been done in that way—it was not done at the time after consultation with the States but was done, as it were, on the spur of the moment—by the then Minister for Commerce, Senator McLeay, we would have been left lamenting when the sorting out of the world's market for Australia products had been undertaken by the British Government. We were fortunate to have secured that benefit in view of the turmoil of war, the difficulties regarding markets, the almost entire lack of refrigerated space and the lack of demand for apples

and pears, and to have secured such a market with such prices as have been offered to us for the duration of the war. That applies to more than one commodity.

I assure the Committee that our apples and pears are in a very dangerous position. It would appear from recent reviews that the British Ministry of Food may ask the growers of apples and pears to submit their fruit next year on a basis of purchase that has not reached so low a level in Australia for very many years. Members whose district interests have forced them to study closely the difficulties attendant upon reaching an agreement between the States will know how much it means to Western Australia to participate in some scheme of acquisition. We have approximately an anticipation of 1,500,000 cases for this year, with a very good crop setting. There is a prospect of an internal market for 500,000 cases, and the prospect of no market for 1,000,000 cases. Victoria is not particularly interested in an acquisition scheme because that State possesses such a large internal market and a big consuming State adjoining. In consequence, Victoria shows no disposition to give Western Australia the benefit of the unit value that growers in Victoria can enjoy. Tasmania is in a worse position than Western Australia. We find that Tasmanian and Western Australian interests, except with regard to varieties, are almost identical in the endeavour to reach an Australian-wide understanding to ensure some return to the growers of apples and pears. The arrangement so far has been that certain varieties have been placed in certain groups. Nos. 1, 2 and 3 grading for marketing purposes. The grading is on the value as a marketable variety. Outside that grouping are the uncommercial varieties which have been exempt. The proposal has been advanced to have groupings with six, four and two units of price in three different gradings of variety. The unit value desired for these different groupings is 6d. so as to ensure a return on that basis of 3s. for the top grade, 2s. for the next and 1s. for the lowest grade. The Commonwealth has offered 5d. per unit which would mean that the best apples in Australia—the Granny Smiths produced in Western Australia—would be worth a maximum of 2s. 6d. I assure the Committee that for several hours

in Melbourne recently a very strong argument was presented from the representatives of Western Australia in an endeavour to secure for our growers a much better deal than that.

The difficulty is that the financial responsibility the Commonwealth undertook last year proved to be much greater than expected, and, consequently the Commonwealth is most reluctant to enter into any agreement that will impose such a charge against the Federal Treasury. We are hoping that Tuesday next will see finality reached regarding this argument. I am hoping that those concerned will revert to the unit basis of grading and grouping as agreed upon in Sydney in August last. If that should be so, then this State can see some daylight and the growers will be assured of some return. Without a Commonwealth scheme—I may admit that the Commonwealth is not anxious for a scheme and would appreciate the opportunity to drop it—I can visualise grave difficulties confronting the fruitgrowers of this State.

I do not wish to refer to many other commodities affected by the war situation. We have been very fortunate in some respects regarding our lamb position. Negotiations were entered into at an early stage to ensure that Western Australia would be allowed to participate in the trade and that we would not be put to additional expense for storage because of lack of shipping. The Commonwealth Department of Commerce worked in a free and very friendly way with the Department of Agriculture in this State and with the general manager of the meat works at Wyndham. In fact, we have had a very good deal from the department. As I assured members during the Address-in-reply debate, the Department of Commerce pledged its word that if Western Australia was in a tight corner regarding the lamb trade, shipping would be diverted on the eastern journey rather than that our storage capacity should be unduly taxed. The Commonwealth department has lived up to its undertaking. There is one other matter I shall mention before turning to the research activities of the department. I have in mind a matter mentioned by the Premier regarding the flax position. We have 1,100 acres sown under flax in Western Australia this year. As a matter of fact we were

very nearly left out. The Commonwealth Government had decided that we had no interest in this crop and that we were to receive no seed at all. However, eventually the Commerce Department communicated with me one morning at about 11 o'clock and I stated that I would advise them by 2 o'clock in the afternoon as to what seed we would require. The Government hurriedly discussed the matter. From small and individual trials made in the past, we knew the capacity of this State to produce flax and decided to ask for a quantity of seed. The consequence was that at three hours' notice we guaranteed that 1,000 acres would be sown this season, though we were not sure about the availability of seed. By the time the officers of the department had completed their efforts to have contracts signed, growers had agreed to sow over 1,100 acres. The seed was made available to them at a cost of 15s. a bushel. I have instanced that to show how easily we might have been left out. As it is, I think this industry promises to be of great importance to the State in later years.

Considerable criticism has been levelled at me for allowing officers of the department to persuade farmers to undertake the growing of a crop of this kind on irrigated land or on land considered to be too highly priced for the growth of such a crop. Even if the criticism were deserved, it should be borne in mind that what was done was undertaken in the best interests of the State. Even if we have made a mistake, and even if some farmers are unable to secure an adequate return for their labour, they will be assured of a guaranteed price for the acreage sown. In the circumstances we would have neglected our duty if we had not made an effort to secure seed for this season and to ensure that the State received a larger share in future years.

Mr. Sampson: You did well. Every effort, whether good or bad, is criticised.

The MINISTER FOR AGRICULTURE: A fortnight ago I was assured by Dr. Richardson, of the Council of Scientific and Industrial Research, that Australia will receive an order from the Imperial authorities alone for 10,000 tons of fibre next year.

Mr. McLarty: At how much a ton?

The MINISTER FOR AGRICULTURE: At a price which leads them to consider that they will be able to increase the guaranteed price to the farmer to something above £4 10s. an acre. They are not sure of the details because of the arrangements which have to be entered into in regard to milling and other appliances needed for the proper carrying out of the project. We have been unfortunate this year because, as a result of seasonal conditions, we have experienced very serious attacks from a certain type of caterpillar which at one stage threatened some of the crops with extinction. Fortunately, however, although the caterpillars have affected the leaf and seed, they do not appear to have affected the fibre to an extent that will render the crop unprofitable. The estimated yield of the Victorian crop is within 50 per cent. of the estimated yield of our crop.

Mr. McLarty: What yield per acre do you expect?

The MINISTER FOR AGRICULTURE: It will vary considerably in this State for more than one reason. We had to be content with a variety which is not as long in the straw as some of the highly tested varieties that have come from Ireland and England in former years. In some instances yields as high as from 25 to 30 cwt. are probable.

Mr. Doney: In what area has the seed been sown?

The MINISTER FOR AGRICULTURE: In the area between Bunbury and Armadale. We have also experimental plots at our research stations and various farmers have conducted experiments for the department on properties extending from Denmark to Northampton. At Denmark we had a crop which had a fibre length of nearly five feet.

Mr. Doney: What is the best rainfall for this crop?

The MINISTER FOR AGRICULTURE: Conditions are ideal where there is a spring and early summer rainfall. Consequently we think the land having the best promise is that which enjoys late rains following the winter downpour, or irrigated land, or land which has some natural moisture. The venture is largely experimental but I think it will prove to be one of the most important experiments undertaken in this State in recent years. If we meet with only partial success, we will secure a return to primary

producers from a new kind of crop, and employment will be given to many people in the various processes through which the product has to pass before it leaves the State to be converted into canvas and other commodities. The seed of our variety is not so important as is the seed of many other varieties such as those producing the linseed of commerce. Varieties we hope to introduce next year will be important from that angle and will also provide a contribution to the stock feeds of this State. We have arranged for the harvesting of the crops with reapers and binders. That was not easy to achieve because so many of the areas are disconnected. Only a few areas have been put under seed this year. We have men on relief work pulling up flax so as to make the harvesting more economical. Areas in the beds of creeks and other places which farmers did not mind devoting to this crop, have been utilised. In handling the crop it is not possible to utilise a binder and crop the outside cut as in a crop of wheat, because the crop will not come up again; it will not stand up. To avoid waste, therefore, we have arranged for cutting with smaller machines or alternatively for pulling by hand.

Mr. Doney: Is the straw likely to be of importance?

THE MINISTER FOR AGRICULTURE: Very little. The crop is either a fibre crop or one grown for linseed, and once the fibre is taken the residue is as brittle as that of any crop we know. There is an excellent sample of this commodity in the Chamber at the moment.

There is one activity of the department which usually receives very little mention and which passes almost unnoticed until definite result is achieved. I refer to research work. At the moment we have a trained scientific staff numbering 15, and a trained technical staff of 30. It has been said that the State has reached a stage when there should be a slackening in the activities of the Agricultural Department, but with the growth of land settlement and the setting down of pastures, in addition to the employment of new methods, there is always an increase in attendant problems. When we set out to solve problems—and especially those associated with stock—we find that as soon as we have reached a solution of one difficulty, many others present themselves. The value of the agricultural research work undertaken

by the Department of Agriculture would be hard to estimate. We know that the State yield of wheat has materially increased as an outcome of the experiments regarding the treatment of fallow that have been conducted at the various State farms, but fully to measure the increase in production that has occurred in the State as a result of research activities into methods and treatment of fallow, the applications of different quantities of fertilisers and other departmental inquiries, would be extremely difficult. We know that the use of different types of fertilisers has been proved to be uneconomic, and farmers have been saved hundreds of thousands of pounds in consequence of advice tendered them by the department.

The evolution of new varieties of wheat has been an important phase of the department's activities. For the past five years 60 per cent. of the total acreage in Western Australia has been planted with varieties evolved by the department, and for the last season nearly one-third of the wheat planted in Australia consisted of varieties which originated in this State. That is a remarkable tribute to those who have been associated with the evolution of new varieties of wheat. We are facing a year when the yield in some districts can be compared with that of 1914 when the State's average was 1.9 bushels per acre, but in spite of the season being so adverse in so many districts, with a consequent decreased fertility, the average yield for the State is three or four times higher than that for 1914. The utilisation of hardier varieties more valuable for general use in the State is very important in adverse seasons as well as in the good seasons. The development of rust-resistant varieties has been an important feature of the department's work and the treatment of seed prior to planting has led to a big annual saving to Western Australia.

I wish now to refer to work done in regard to lamb production. I would like those interested personally and those whose districts are interested in this subject to follow more closely than they do the experiments at the Avondale Farm, situated in the district of the member for Beverley (Mr. Mann). Lambs from that station this year have brought record prices. The results of trials at different stations under the control of the department show that much remains to be done to bring lambs from this

State up to a standard at which they will be able to meet the competition of that world-famed lamb-growing dominion of New Zealand. Hon. members are aware of the tremendous losses occasioned in past years by braxy-like disease and toxic paralysis. Inexpensive vaccines have been produced through the research conducted by the officers of the veterinary branch of the department, and they have been made available to farmers in this State. The result has been that whereas we used to lose up to 2½ per cent. of our flocks as a result of toxic paralysis, representing a value of about £150,000, the loss to-day is practically negligible. When we take the case of Gingin rickets, Denmark wasting disease, and any other diseases of that character, we find that the work of the two or three scientists of the Department of Agriculture has been a material contribution towards the progress of the State and the national wealth. It was estimated by one resident in Gingin that the annual saving to the farmers of that district by the solving of the problem of rickets represented £100,000. That is a very material contribution, and meant a saving of 100,000 valuable sheep, which were kept alive each year because of the preventive methods discovered for dealing with the disease.

Mr. Doney: The stock-raisers are not lacking in appreciation.

THE MINISTER FOR AGRICULTURE: It is not generally recognised that the work done in connection with pastures represents one of the most important activities of the branches of the department. Only members who come from the far South-West, where it costs thousands of pounds to clear small areas, recognise the value of the work done in connection with pastures through cultures. Thousands of cultures are treated annually for those who treat clover seeds prior to planting, and the attendant results are little short of marvellous. In the minor elements the work conducted by one or two of the officers has shown remarkable results. By the addition of a few ounces per acre of some elements in the Albany district, the increase in the potato yield in really productive country has been from seven or eight tons per acre to 13 tons. The results compared with the treated and the non-treated land are little short of wonderful. In the minor elements experiments with oats and other cereals have yielded pro-

nounced results. Where it has not been possible to produce any crop people have been able to get up to 1½ tons of hay per acre.

Hon. W. D. Johnson: Is that continuous or is it an annual treatment?

THE MINISTER FOR AGRICULTURE: The work is continuous. Projects are planned from year to year, but a long-range plan has been agreed to by the officers of the department and the Council for Industrial Research. These experiments are not carried out merely for Western Australia, but in collaboration with the Waite Institute and the C.S.I.R., so that any tangible results achieved can be used for the benefit of Australia generally. The work is continuous. We have not added to the staff engaged in the work, but the officers are very interested in it, and the results they have achieved, which might well have taken a life-time, have given them great encouragement. To many other aspects of the work members will find reference in the quarterly publications of the department. These are worth a lot of consideration. Quite apart from the advice which is always available, whether in connection with such matters as fruit-fly or very many other important aspects of rural activity and production, the department is available to render cheerful and enthusiastic service, and certainly a very efficient one, to all farmers, whether they be in the metropolitan area or in the further back areas.

Mr. Mann: The officers are an obliging body of men.

THE MINISTER FOR AGRICULTURE: I have no hesitation in supporting them. I have been privileged to be associated with the department in one way or another, and for varying periods in different years, since 1923. In more recent years there has been a very keen appreciation on the part of the farming community of the tremendous work the officers have undertaken and the success they have achieved.

MR. PATRICK (Greenough) [8.35]: I am sure members all listened with great interest to the informative speech of the Minister for Agriculture. I feel that the department is very dear to his heart. Agriculture is our most important industry. Any industry that provides food and clothing for the people must be of first importance. In fact, some of what may be called pieces of mental gymnastics, to which we

have listened on various occasions, have been made possible only through the work of farmers in providing the necessary fuel. Agriculture is one of the most important industries in our war economy, for it provides credit abroad. The other day I picked up an official statement which declared—

It is expected officially that sales of Australian primary products during the current financial year will realise £127,000,000. Under contracts alone, the United Kingdom will take £115,000,000 worth. The several lines are estimated to yield as follows:—Wool, £60,000,000; meat, £12,000,000; dairy produce, £16,700,000; dried fruits, £1,800,000; canned fruits, £750,000; wheat, £12,000,000; sugar, £6,250,000; metals, £4,000,000; other products, £1,500,000; total, £115,000,000.

Members will see what a big bearing that has on Australia's ability to finance the war. We must export our products to obtain credit abroad for the purchase of those things we require in connection with the carrying on of the war. One of our major problems is that of marginal areas. It is not confined to Western Australia or Australia, but has occurred all over the world. In the United States 20,000,000 acres of farm land have been taken out of production in the last few years because it was uneconomical. I notice that Canada proposes to take not less than 10,000,000 acres out of wheat production. The same thing has been occurring in the other States of Australia. All this is due, as has been found, to the opening up of uneconomic lands, and that in turn was largely due to one period of high prices for agricultural products. I have expressed the opinion on more than one occasion that if those prices had continued we would by this time have been attempting wheat farming somewhere in the neighbourhood of Kalgoorlie.

The Premier: And out on the trans. line.

Mr. PATRICK: We seem to be going further east every year.

Mr. Rodoreda: What about north of Yuna?

Mr. PATRICK: Had that district been opened up earlier it would have been one of the finest wheat-growing areas in the State. It is an essentially safe area, as has been proved during the current season. I think a great deal of the trouble was due originally to the lack of co-ordination between the Lands Department and the Agricultural Department. In arriving at the

present value of marginal lands, the experts of the Agricultural Department should give attention to a particular point of view. We are to-day apparently going to link up holdings because they are uneconomical for wheatgrowing, and convert them into grazing propositions. The value of those properties should depend largely on the opinion of officers of the Agricultural Department. Unless they are valued purely from the grazing point of view, I am afraid the linking up will be a complete failure. We cannot afford to have them over-valued. I believe it was intended originally, when the properties were linked up, that they were to be used partly for wheatgrowing and partly for grazing. I understand that under the present scheme for the stabilisation of wheatgrowing, as proposed by the Commonwealth Government, the marginal areas will be withdrawn altogether from wheat production, and will become purely grazing propositions. In that event, a low value will have to be put upon them if the farmers are to have any chance of making a living. Some figures I have taken out in connection with wheat production make interesting reading. These relate to wheat averages. During the season 1934-35 there were 2,777 farmers in the State who averaged under six bushels to the acre of wheat, and cropped 664,000 acres. In 1936-37, there were 3,319 farmers in the same category who cropped 980,000 acres, and in 1938-39, there were 2,340 farmers who cropped 845,070 acres and averaged under six bushels to the acre. Farmers cropping six to eight bushels to the acre numbered 2,312 in 1934-35, and the number of 1,851 in 1936-37, and 1,356 in 1938-39. The State averages in those years respectively were 9.76, 8.37, and 10.8. In the face of the Minister's statement that a tremendous improvement has been effected in our wheat averages, I would point out that there is still vast room for improvement.

Hon. W. D. Johnson: You must remember that in many instances crops were ruined because sheep were run on them.

Mr. PATRICK: Through the courtesy of the Minister I have been supplied with the figures for last year. That was the best wheat-growing year we have ever experienced in this State. The average for the State was 13.8 bushels per acre, the highest we

have ever had. Even last year 999 farmers averaged under six bushels to the acre.

Hon. W. D. Johnson: They were not wheat farmers.

Mr. PATRICK: And there were 1,294 farmers who averaged only from 6 to 8 bushels to the acre.

Hon. W. D. Johnson: They ruined their crops with sheep and harvested what was left.

Mr. PATRICK: They may not have been wheat farmers, but they represented 26 per cent. of all the wheat farmers of the State. There is need for a comprehensive survey of the reason for those low averages. There is no doubt, as the member for Guildford-Midland said, that some of those farmers were growing wheat only as a side line, and their main business was that of grazing. It would be interesting to ascertain how many farmers came into that category, how many were in marginal areas unsuitable for wheat growing, and how many for various other reasons such as lack of finance, insufficient manure and improper farming methods, could not get results. It is very necessary that we should have a comprehensive survey of that nature. No doubt, whatever scheme is arrived at with the Commonwealth, there is great need to eliminate uneconomic areas from the growing of wheat. There is need for a greater diversity of farm practice. An old saying runs that it is best to drive products off the farm. Instead of putting in crops to take off, the farmer puts the crop into his stock in the form of grazing. That is the better system of farming if the fertility of the land is to be maintained, because the constant cropping year after year merely results in a diminution of the fertility of the land, which has to be built up by means of different farming practices. By diversifying our farming methods, we would not only develop better methods of farming practice, but also increase the fertility of the land. I cordially commend a resolution passed last year at a Melbourne conference which I attended. The resolution was submitted by a well-known Western Australian to the following effect:—

That advances should be made to farmers by the Commonwealth Bank on the security of wheaten hay properly conserved and insured and so reduce grain output by fodder conservation.

There is no doubt the resolution would have that effect. We must all realise the futility of growing an article that is not required

at present in the quantities we can produce. The wheat position to-day does not present any bright prospects. For instance, Canada has enough wheat, quite apart from the present crop, to cope with the requirements of Great Britain for the next three years. The British market to-day is practically the only one left to us. In any scheme of this description it would be sound financing on the part of the Commonwealth Bank to advance money for the purpose indicated, and that course is to be commended. I previously referred in this House to the experience gained at Roseworthy College in South Australia as a result of which it was found that, by conserving fodder, there could be kept from year to year, an unvarying number of stock. Thus if a bad season should be experienced, fodder supplies were available from the previous year. By this means, it is possible to carry the same number of stock at that institution regardless of seasonal conditions.

Hon. W. D. Johnson: In our wheat areas water is the problem.

Mr. PATRICK: In our areas there have been years when heavy hay crops could have been grown and conserved.

Hon. W. D. Johnson: Yes; and that would have served to build up our stock and then our water supplies would give out.

Mr. PATRICK: Of course, that is another phase altogether. Members will appreciate the fact that even dry seasons have served to prove the value attaching to our light lands, which should be given closer consideration. Naturally good land is useless without an adequate rainfall, but given the rainfall, even poor land can be built up to a high state of fertility. That has been proved in Europe. In these days we do not like to refer to anything good coming from Germany, but the fact remains that the country there was very poor from an agricultural standpoint. It was built up by the use of legumes such as blue lupin, to a high state of fertility. Thus I think we should concentrate upon land with a secure rainfall. There is room for enormous expansion by means of top-dressing for the development of that type of country. There is a very large area of light land in Western Australia with a good rainfall. Some is to be found in the district represented by the Minister for Justice. That country was examined by a certain Royal Commission that considered it well worthy of development.

The Premier: For grazing?

Mr. PATRICK: Yes, I should say for grazing and for the growth of fodders. I do not think there is any water problem there.

The Minister for Justice: No, and the people do not realise the value of that land.

Mr. PATRICK: The State does not appreciate its value. I think it would be better to concentrate on that type of land rather than attempt to use heavier country with a risky rainfall.

The Premier: I thought you were suggesting an extension of wheatgrowing.

Mr. PATRICK: No, I did not have that in mind. I regard it as most regrettable that we should have experienced what has been described as a drought this year after one of the most promising seasons for a long time. I was one of those who considered that, on the law of averages and after looking over the records for the past 60 years in my district, we were due for a run of wet seasons. It was most extraordinary that we should again have experienced a dry season.

The present year has been compared with 1914. As the Minister has pointed out, the season this year was nothing like as dry as the season in that year. In 1914 we cropped 1,376,000 acres for a return of 2,600,000 bushels, or an average of 1.9 bushels per acre. Taking the Australian basis, 1914 was a far worse year than the present, because throughout the whole of Australia only 25,000,000 bushels of wheat were produced, whereas the worst estimate for this year stands at 85,000,000 bushels. So far as I remember in 1914, every State in the Commonwealth had to import wheat for flour production. I know that Western Australia and South Australia imported Argentine wheat which was very inferior. That season was one of the most extraordinary we have experienced. With a total production of 25,000,000 bushels, Australia did not grow enough wheat to feed the population. We can say about this year that with a greater area under crop we have probably registered a greater area on which there has been a failure, or partial failure, of operations. The season has also been complicated because of the stock position. In 1914 there were 4,456,000 sheep in Western Australia. To-day there are over 9,000,000 and there was a time when our flocks aggregated well over 11,000,000.

The Premier: And in 1914 three-quarters of that number were north of Murchison.

Mr. PATRICK: Yes. The 9,000,000 sheep we have to-day are mostly in the agricultural areas. As the member for Guildford-Midland (Hon. W. D. Johnson) remarked, one difficult factor to-day is the water problem, which has been largely responsible for our stock troubles in the drought years. Apart from that, as I previously remarked, experience has demonstrated the urgent necessity for financing reserves of fodder in good years. The tendency on the part of the financial institutions has been to perpetuate a great mistake by not requiring that the farmer should establish reserves of fodder but insisting upon grabbing everything that came along in good seasons in order to reduce interest and other indebtedness. The member for Mt. Marshall (Mr. Warner) will probably correct me if I am wrong, but I believe grasshoppers have again been very busy in his electorate. Naturally that would occur in a dry year. I have heard of one particularly bad case in the Greenough district. It was a rather unfortunate one because the farmer became ill and his daughter left a good position in Perth in order to run the property. She was doing the job very well, but when I met her in Mullewa recently she informed me that the grasshoppers had eaten out the property. That refers to a holding on the Wongoody estate.

Mr. Sampson: And that was a most promising property.

Mr. PATRICK: As regards the actual working of the Agricultural Department, its activities are worthy of the highest praise. The personnel of the department is probably the smallest in Australia, but they have accomplished results that have set an example to other departments throughout Australia. Our officers have carried out original work that has become entitled to recognition in the history of Australian agriculture. At the same time we must not forget the work carried out by practical men. We must recollect the improvements effected in Australia with the merino sheep, which is to-day the admiration of the world. That was done by practical sheep-breeders. At the same time, as a result of piling the wool on the backs of the sheep, we have rendered the flocks less immune to certain diseases. That is where the work of the departmental offi-

cers comes in. They have to deal with the blowfly and other pests. Probably most hon. members do not know that in the handling of wool Australia is more up to date than in any other country in the world. I remember some years ago procuring an American book on agriculture in the hope of learning something new. I read with amazement the directions given in the book for the handling of wool. These were to the effect that the fleece was to be placed on the floor, the dags and everything else thrown in the centre, and then the fleece was to be rolled up and tied with string, after which it was ready for market. Yet America is supposed to be one of the most up-to-date countries in the world!

The Premier: Was there no mention about skirtings, pieces and so on?

Mr. PATRICK: No, everything was to be thrown on the fleece and rolled up. That was not in accordance with the ideas of practical men in Australia. In fact, it is not so many years ago that Americans came to Australia to study our methods of handling wool. Then again, in the realm of wheat-breeding, practical men were operating long before Government departments participated in the work. In my young days in South Australia a farmer named Marshall produced several varieties of wheat including Yandilla King, Marshall No. 3, and many others. They proved highly successful. Of course, wheat-breeding is not a very economic proposition because once a farmer disposes of supplies, the next year everyone has them as well. One cannot expect to make an income continuously from a newly developed type of wheat. Gluyas Early, for instance, is still holding the field and that was developed by a practical farmer. Scientific knowledge plays an important part in agriculture, but the real test, to my mind, is whether the farm pays. It is all very well to have scientific knowledge, but even in that respect not enough attention has been paid to the economics of farming. I understand that the University of Western Australia has detached an officer for the purpose of studying that phase. I do not know if he will turn his attention to a study of the question of why farming does not pay.

Mr. Needham: I know a research officer is investigating the economics of farming.

Mr. PATRICK: That is so. Improved methods in agriculture have been constantly defeated by increased costs. Wool and wheat at one time carried the whole economic structure of Australia. Now they are both sinking under the burden of costs. One need only consider the index figure for food and groceries in 1911; accepting that figure as 1,000, this year—1940—it is 1,737. Farmers' costs have risen even higher. When I was at my farm recently, I took the trouble to go through some of my old books in order to compare prices then with prices to-day. I found that in 1912 I purchased a 6 ft. binder on terms for £45. The binder was sent to the farm in cases and built on the farm, thus saving several pounds in freight, because a built binder occupies a whole truck. In 1912 I purchased a 5 ft. harvester—we used small harvesters in those days—for £65 on terms. I also purchased a 6 ft. windmill—a popular mill at that time—on a 20 ft. galvanised tower, for £7 10s. That price seems almost incredible in these days; yet that windmill was imported from America and had to bear freight and handling charges. Afterwards certain customs duties were imposed on those mills and the price went as high as £22. Finally the mill disappeared from the market. A mill of that type cannot be bought to-day under about £15. Twine, wire and other necessities have increased in price, and this despite our living in a so-called machine age. I have heard members on the other side of the House tell tales on various occasions of how machines are now doing the work of thousands of men, how one man with a machine can produce more than 100 or even 1,000 men can produce without a machine. Yet since 1912—28 years ago—farm machinery has doubled in price.

I remember in my young days, before there were large implement-making works, that the village blacksmith turned out many of the cultivating implements we are using to-day at less than half the price we are now paying for them, and it must be borne in mind that they are being turned out in much larger numbers. In spite of all this, the prices of wheat and other agricultural products are less than they were in 1912. In America, President Roosevelt made a determined attempt to solve this problem by providing that under his New Deal a bushel of wheat and a bale of wool should purchase the same in essential commodities as they

purchased in 1912. I may say he was not successful, but nevertheless he made the attempt. I thought that was an original idea until the other day, when I was looking through my first speech in this House, I find that I then said that in my opinion Australia would never get back to a sound basis until a bag of wheat or a bale of wool would purchase the same in essential commodities as it purchased in 1913. So great minds sometimes think alike! I read recently that one great authority said the purchasing power of wheat to-day is only 38/100ths. of the average of the five years from 1910 to 1914. The statement was made by the Hon. T. H. Bath, who at one time was a member of this House, and who is considered to be an authority on these matters.

There is another danger, a danger which was emphasised last night, the danger of substitutes. It is all very well to restrict the sale of margarine in the Western Australian market, but we have to compete against it on the British market with our butter. I read the following statement recently in a New Zealand paper:—

New Zealand must very soon face up to the fact that the competition of substitutes is going to make it almost impossible for us to carry on successfully at the present level of operating costs, says "Point Blank," the official organ of the New Zealand Farmers' Union.

If we maintain our present attitude and our present ideas, which consist of selling butter at 1s. 7d. a lb. in the United Kingdom, it is inevitable that sooner or later in the lives of the great masses of people in Great Britain butter will occupy the position which caviare now occupies with us; and margarine will capture the market. We cannot afford to ignore this menace; and it is evident that for the sake of our own safety, it is absolutely essential for this country to concentrate on a policy of low production costs, otherwise in our efforts to provide a higher standard of living we may take away that standard altogether.

The same thing applies so far as wool is concerned. Staple fibre is making tremendous advances; and as is the case with butter, New Zealand must face up to the fact that she will be required to sell her wool (and her other primary produce) to people impoverished by the war.

The safe and sane method of dealing with this problem is to tackle it in advance; and at the moment we should be concentrating on methods of lowering our costs of production. After the war, this is the most vital task that confronts us, and it is a job which should be tackled resolutely, without delay.

The dairy farmers of Australia have to tackle something greater than the local market; they have to tackle the job of competing in the British market at a price which will assist to drive substitutes out of the market.

Mr. McLarty: How can they do that?

Mr. PATRICK: I do not know. I am not making a suggestion, but in New Zealand it was said that costs would have to be reduced. What I say is that farming costs have more than doubled since 1912, while the price of primary products has remained practically stationary. If the interjector can suggest a way out of that net, I shall be pleased to hear from him. The position is that rising costs are putting agriculture into an impossible position. If the previous war is a test, then costs will be higher after this war. Costs will rise as they rose after the previous war. There is no doubt that unless a solution is found, wheat-growing—at least for export—will soon become as a tale that is told. We can see the disastrous effect on our countryside to-day. Vermin—rabbits—are assuming control of land because to fence it is uneconomic; a return could not be obtained commensurate with the cost. Land in my electorate is going out of production altogether. Noxious weeds are increasing. Cleared areas are reverting to a state of Nature; nor does that take very long in some districts of the State. I once bought a property and was told by the associated bank controlling it that a certain portion had at one time been cleared; that portion cost me more to clear than it cost to clear it originally. Fencing, buildings, etc., need repair. To-day it is a grim struggle to hold on at all, even for the farmer who has been in good circumstances. The Minister mentioned a scheme put up by the Premier of New South Wales, but so far as this State is concerned, the scheme is ridiculous. As the Country Party pointed out some time ago in a broadcast, 80 per cent. of the wheat yield in our State is grown by farmers who produce in the neighbourhood of 7,000 bushels, so that a scheme which provides only for the first 3,000 bushels is absolutely useless for this State. That scheme was put up by one of our great political parties as a solution of all our difficulties. Farmers were to be paid on the basis of the first 3,000 bushels, and that was to be the salvation of the farmer. Yet the Minister, who knows the position, says that the scheme would be of no value to this State. In my opinion, a leader of

a political party, such as the one I have mentioned, should at least consult men of his own party, men who, like the Minister for Agriculture, know something about the matter, before putting up such a scheme as a solution of the farmers' difficulties. If our local production price were reduced to 4s. a bushel, that would be practically the same price as prevailed in 1912. A different view of the position is taken in Great Britain, where the Minister for Agriculture recently said—

I am quite convinced that the quickest and best way is to offer an adequate price, and to tell the farmer the price he is going to get.

If Australian Governments desire agriculture to continue as an export industry—there is no doubt we could rig prices in Australia—they will have to tackle this question of costs and prices; either that, or the industry will fall into the hands of foreigners with lower standards than ours. This has already happened in some branches of our primary industries.

As a result of the calamity in Europe, there are some promising avenues for export. For instance, before the war Great Britain imported 270,000,000 dozen eggs, and less than 20 per cent. of this quantity is now available. Denmark alone supplied Britain with 170,000 tons of bacon, and Denmark is out of the market. Undoubtedly countries like Denmark will take years to recover their agricultural system when the war is over. Denmark imported annually 10,000,000 tons of fodder for its stock. In fact, agriculture in Denmark might be termed factory agriculture, because Denmark imported fodder from other countries with which to feed its stock. That fodder of course cannot now be imported, and much of the stock has been slaughtered. There is also necessity for marketing schemes—this I think is dear to the heart of the member for Guildford-Midland (Hon. W. D. Johnson)—and also for more co-operation among farmers.

Hon. W. D. Johnson: And, remember, you cannot export eggs unless you candle them.

Mr. PATRICK: That is so, but eggs cannot be exported unless the costs of these various schemes are reduced. There is room in such matters for more education.

Hon. W. D. Johnson: Hear, hear!

Mr. PATRICK: Victoria has a marketing scheme. Let us take the Victorian Egg Board as an example. I quote from the

Leader of the Victorian Labour Party, who is a strong supporter of the marketing scheme. He said—

Probably the most serious shortcomings in the activities of the board arose from the fact that its members had not the requisite business training and other training to handle the marketing of one of the most difficult of all commodities to market.

The administration costs of this board amounted to £14,700 for the year. I believe in marketing legislation, but I believe also that this business needs a lot of study and a lot of education to avoid mistakes such as have been made in Victoria.

Mr. Fox: What was the turnover?

Mr. PATRICK: I do not know, but I have quoted the Leader of the Victorian Labour Party, who is a strong supporter of egg marketing, which there has been very largely a failure.

Hon. W. D. Johnson: A start was made at the wrong end there.

Mr. PATRICK: Much of what I have said might sound rather pessimistic, but I am beginning to realise the position into which the farming industry has drifted. I speak from a lifelong experience of the industry. I started right from the beginning on virgin land; I had had some experience of farming but none of developing a farm from the virgin state.

The Premier interjected.

Mr. PATRICK: I might tell the Premier that his Government has built a road from Geraldton to Northampton, and I have seen motorists cover the distance in half an hour, whereas it took me, with two horses and a spring dray, two days. Much of the track at that time was sand. The first crop I sold off that farm I shipped through one of the large firms on consignment to London with an advance of 2s. 6d. a bushel, and when the returns were received I had to refund 3d. a bushel, and so I realised only 2s. 3d., but the price gave me a far more profitable return than 4s. would give to-day. Those were the days when 10s. a bag for wheat was considered a highly profitable price.

Member: A larger bag was in use then.

Mr. PATRICK: No, I am referring to the three-bushel bag. I have handled the four-bushel bag averaging about 300 lbs. weight; I could handle bags of that weight in those

days. The wheat industry is our most essential industry and in my opinion the people engaged in it should be healthy, happy citizens. For a long time I have viewed with growing concern the position into which the industry has drifted, together with the gradual depopulation of the wheat-growing districts. The Minister for Labour the other night interjected that within a 10-mile radius of the Perth Town Hall 52 per cent. of the population of the State was congregated. That figure was hardly correct; I think it is $48\frac{1}{4}$ per cent. Even that percentage is much too high. It would be far better if, instead of having that large proportion of the population herded into a small area, the people were distributed in healthier occupations over the countryside. In conclusion, let me say that I should hate to see the growing of the nation's food pass into the hands of foreigners with a lower standard of living than that of Australians.

MR. BERRY (Irwin-Moore) [9.20]: I wish to add my congratulations to those of the member for Greenough both to the Minister and to the officials of the Department of Agriculture. We all appreciate what a severe task the Minister has had not only this year but also in previous years owing to low prices and high costs, and now this year a severe drought has brought him additional anxiety. I am particularly interested in one or two matters mentioned by the Minister. The first I wish to deal with is the Commonwealth scheme. I feel that a price of 3s. is inadequate and unsound from a farming point of view. If we are going to do anything at all, the price at the very least should be 3s. 4d. a bushel, equal to 10s. a bag at the siding. Anything below that means that we are merely going on fiddling with something that will have to be done properly sooner or later. The recommendations of the Royal Commission showed that 3s. $10\frac{1}{2}$ d. a bushel was somewhere near the mark for those whose farms are situated favourably climatically and for men who do their cropping efficiently. As regards efficient farming, my contention is that the efficiency of the farmer depends entirely upon the amount of rainfall received during the growing period of the crop. We have been talking about inefficient farmers for years, and if we have not got rid of the inefficient farmers, it does not say

much for the efficiency of those city financial magnates who for so long have busied themselves with this inefficiency culling.

Mr. Patrick: I think they have been pretty well culled out by now.

Mr. BERRY: Yes. I assume from the Minister's remarks that some form of restriction is to be imposed in order that a total crop of about 140,000,000 bushels will be produced annually in Australia. The question of restricting production is a very interesting one. In many ways I am for it; in some ways I am against it, because so many people are dependent on the industry who, if restriction is imposed, must lose their employment. If we are going to rob Peter to pay Paul, there will not be much benefit from restriction of production.

To furnish a parallel, let me say something about the restriction of rubber production, in which I was engaged for many years and in which I am still interested. When I first entered the industries, we experienced all the difficulties that we hear of nowadays when we are told that New South Wales wants this, Victoria wants that and somebody else wants something else. We had the Dutch East Indies, and the French possessions as well as Chinese, Indians and Malays to convince, but we overcame the difficulties by the simple process of arriving at a standard production. This was calculated from returns submitted by the agriculturists—the rubber growers in this instance—who showed the amount of produce they could harvest from their properties per acre per annum. Those forms were checked by an efficient department, and from them it was eventually decided that the standard production of any rubber estate was a figure agreed upon by the Government inspector based on the returns submitted by the grower. There is no reason why we in Australia should not arrive at the standard production of each acre growing a crop of any sort during the last 10 years. There is no reason why compensation could not be made to men who have drifted into smaller areas because the industry did not pay or justify larger wheat planting. I repeat that it is easy to ascertain the standard production of each acre on each farm. It has been done elsewhere and could be done in Australia.

Hon. W. D. Johnson: To do it thoroughly in Western Australia would be a colossal job.

Mr. BERRY: No, it has been done elsewhere, and I could give the hon. member a return of every bushel of wheat taken off my land since I began farming.

Hon. W. D. Johnson: Not per acre.

Mr. BERRY: Well, make it per thousand acres, and then the result could be divided by 1,000. That calculation could probably be made even by the member for Guildford-Midland. Unquestionably the figure could be arrived at. Having calculated that figure, it would not be difficult to decide what proportion of the 140,000,000 bushels each should produce. Allowing for a total crop of 140,000,000 bushels, the individual production would be 25, 35 or 45 per cent. of the standard production according to the returns submitted and the export and consumption needs. I believe this would overcome the difficulties pointed out by the Minister in the case of small areas in New South Wales. No matter how small or how large the area was, it would have a standard production, and once this was arrived at, there is no reason on earth why the areas should not be equitably restricted over the whole of Australia because the individual productivity of every farm in Australia would be known.

The reason I said there were certain aspects of restriction that I did not like was this: In Malaya and Dutch East Indies, when the production of rubber was restricted, a large number of people were thrown out of employment at the commencement of the scheme. I think 40 per cent. of the production or potential production was not being raised, and the people between the 60 per cent. and 100 per cent. were affected and lost their jobs. That country happened to be particularly favoured because it could send its unwanted labour back to Indo-China, India, or Australia, so that really the headaches arising from restriction were borne by other countries. That is one reason why I do not like the proposed restriction for Australia. I understand that something like 800,000 people are directly or indirectly dependent upon the wheat industry, and to displace a proportionate number would be very dangerous because the cost of keeping them would cause a rise in taxation and consequently in the cost of producing the restricted quantity.

We have at the present time a wonderful opportunity to try out the scheme because so many of our men have gone to the war and still more will be going, so that the disorganisation I mentioned would probably not occur if we attempted something of the kind now. Furthermore, I assure the Committee that by restriction in the rubber industry and in the tin industry, we lifted those two industries out of the doldrums back to prosperity, and for the last few years, probably five years, those industries have been enjoying prosperity, which in turn has brought prosperity to all the people in the countries where the system was adopted. The price of rubber at one stage sank to 1¼d. a lb. To-day, on a 90 per cent. output of standard production, the price of rubber is 1s. At that figure prosperity has not only returned to the primary producers but, because it has come to them, it has also come to all the people in the Far East—to secondary industries and to labourers generally. I think that if we work along those lines in Australia, we have a wonderful opportunity to show the rest of the world that it is possible to impose this restriction and do it in such a way that individuals not only in the country but also in the cities will reap the benefit.

I admit that wheatgrowing is somewhat different from rubber. It is difficult, too, because it is international. However, let us not forget that rubber was international, and that it was necessary to induce the French and Dutch people, and the Chinaman, the Indian and the Malay, to say nothing of the Britisher, to agree to the proposal. We have the opportunity to try it for ourselves now. With the war on, and with lesser demand for our products, and our men going away to the war, this is a fairly safe proposal to experiment with. It is even an essential one, likely to be forced upon us by the Federal Government. If we people in Australia went to the trouble of getting standard production figures, we would know a great deal more about our industries than we know now. In Western Australia the wheat industry has kept practically no books; and estimates are framed in the course of half-an-hour, and at the end of the year they are changed again. A policeman travels miles on horseback to gather statistics. One

met me once at the siding. Having got my figures, he says, "It is a long way out; can you tell me what the chap next door is likely to get?"

Mr. Patrick: But you would have a better idea than the policeman.

Mr. BERRY: The policeman was required to ask me how many hundred dozen of eggs my neighbour used on the farm in the year. Those statistics are really worth twopenee a thousand. If we get the standard production certificate in our pocket, we have something definite to work on. Then we shall know exactly who produces one bushel, and who produces four, and whether the one-bushel production is accidental—due to, say drought—or is a permanent feature and should be discontinued.

Now I go off the question of the Commonwealth scheme to the question of pastures. Every member of this Chamber, be he a farmer or otherwise, realises fully the tremendous advantages that have accrued to Western Australia through the past few years from top-dressing with superphosphate. When I first came to Western Australia I was told that the country in the South-West was not much good, but when I came again later, and for the second time, that country had been turned into excellent clover pasture by top-dressing with superphosphate. Superphosphate is absolutely imperative if we are to maintain our pastures. Some of us have taken our pastures from nothing and brought them up to something worth while. My superphosphate bill has been £500 a year. This year, however, the price of superphosphate has been allowed to go up and up; and this year consequently my superphosphate bill is likely to be £600 for the same production as last year's. Professor Copland did not seem to have enough ingenuity to infer that the rising cost of superphosphate was a rising cost against the farmer. No effort has been made to ensure a compensating rise for farm products as against the increase in the price of an essential. As a result many of us will be compelled to reduce the quantity of superphosphate applied to our pastures this year. I am not going to sling £600 around just to allow a lot of hooligans from the city to go to Albany and enjoy themselves fishing. I should like to catch a few

fish myself. The rising cost of superphosphate means that we shall lose almost the entire efficiency we have produced in pastures during the past few years. The matter should be taken up seriously by the Premier and the Minister for Agriculture in Canberra. This country's agriculture is entirely dependent on superphosphate supplies. Any serious rise in the cost of that essential jeopardises our chance of maintaining the efficiency produced when we were able to buy superphosphate at a cheap price. If the price increases, we shall be shot, and then the country will be shot.

When the Minister spoke on this vote last session, he gave valuable information about exports to the Far East. The Far Eastern business is another hobby of mine. I am firmly convinced that if we will only inform ourselves of the requirements there, we shall be able to supply those needs in full—for instance, eggs. The Minister told us last year that there had been an enormous increase in shipments of condensed milk to the Far East. Last night the hon. gentleman drew a veil over the subject. I have been informed that the condensed milk in question is manufactured in Denmark.

The Premier: It was.

Mr. BERRY: I understand that we can take up the slack in the Far East caused through Denmark being overrun by the Germans. I am told we can take up that slack five times over; but the only way to do it is to send people up there to ensure that the Far Eastern residents know our stuff and realise that it is good. Last year, I have learned, £45,000 worth of apples went to the Far East from Western Australia. That is a large figure, but I want to know how much increase, if any, it represents on that of the previous year. I find also that grapes to the value of £39,000 have gone to the Far East. When I was first mixed up with Far Eastern affairs, many years ago, it was impossible to get grapes in Singapore. However, last year that part of the world obtained £39,000 worth of grapes from this country. There again the Minister, I feel sure, should tell us whether there has been an increase. I am convinced that there can be a further increase annually if we but try. I see no limit now that the Far Eastern markets are open to us; that is, unless Eastern Australia gets the whole

of the trade. Again, there is £1,661 worth of oranges. In that respect there is ample room for expansion. Every member knows that Californian oranges and grapefruit taken to Singapore and sold there are not only carefully wrapped in tissue paper but are marked "Sunkist." The exporters went to the trouble of doing that, and importers said, "Those articles must be good, because they have been picked over and graded so carefully."

The Minister for Lands: Rigid restrictions are imposed on fruits imported into those countries.

Mr. BERRY: Since when?

The Minister for Lands: For years past. California can give guarantees against fruit-fly.

Mr. BERRY: I am sorry to hear that explanation.

The Premier: We sent the Minister up there a year or two ago.

Mr. BERRY: The Premier had better send me with the Minister next time. Many of these things can be exported. Would the fruitfly story apply to apples?

Hon. W. D. Johnson: Transport is the trouble.

Mr. BERRY: That is true. There is nothing to come back from the Far East, because of our over-selfish tariff regulations.

Several interjections.

Mr. BERRY: Is that an admission that intelligence in Western Australia is only half of that in California? How does California get its potatoes, for instance, to the Far East? Surely Western Australia, which is only about three spits away, can do it.

Mr. Sampson: Californian growers are organised.

Mr. BERRY: Exactly. The member for Greenough (Mr. Patrick) said the cost of production was a highly important matter, and he proved that to be the case. There is no need to labour the point. We know that is a difficulty which has to be overcome. The hon. member also spoke of substitutes, and the dangers lurking in them for us. Last night I did not say anything about substitutes, but the opportunity seems to have come again. That question is really serious, because if people can buy a substitute which is as good an article as the other, they will buy the cheaper substitute. The whole thing is a question of sound finance again. If people have the

money to buy a decent product, they will buy it; otherwise they will go in for such shoddy stuff as, we were told last night, margarine is. Germany in 1932 was unable to obtain raw materials, not having sufficient buying power in the form of cash. Consequently she was compelled to invent substitutes for some raw materials. In 1930 she commenced to make wool-fibre textiles from wood. That year she manufactured £7,000,000 worth of the inferior product. The German scientists kept at it; and when this war broke out Germany had made 700,000,000 lbs. of synthetic fibres, which have all the strength of our own fibres if mixed with 50 per cent. of these. Apparently the substitute fibres need no scouring, and dye better than pure wool, and have no burrs to be contended with. They are a substitute which is being accepted all over Germany. In Italy a similar article is being made of skim milk with an addition of 50 per cent. of raw material. This is wiping our fibres out in that country. Finance has a lot of sins to answer for.

MR. SAMPSON (Swan) [9.44]: I have listened with interest to the various speakers. I take first the member for Irwin-Moore (Mr. Berry). No doubt what the hon. member said concerning Singapore—and he might have added Thailand and also Java—is perfectly correct. We should enjoy a greater trade with those countries, and some day I suppose it will be brought about. Already in Java there is an increasing consumption of Australian butter. There the sale of butter in opposition to margarine is not taken for granted. The advantages, including the food value, of butter are advertised throughout the leading newspapers in Java. The result is that the consumption of butter is steadily growing. The position is that the consumption of margarine was much larger than it is to-day, but the consumption has been decreased because, in addition to newspaper advertising, booklets have been issued in both Malay and Dutch languages pointing out that "butter is better." I have copies of the booklets, which have proved most effective.

I will refer to the Deputy Leader of the Country Party (Mr. Patrick) and acknowledge the splendid address which he delivered. It was an address that could come only from a man who

thoroughly understood the farming industry. We are also indebted to the Minister for his address. He spoke of the fertility of the land of Queensland, and he was quite right; but the growers of Queensland realised as long ago as 1924 that a measure of control was necessary to enable them to make a living. I am aware that the Minister has a knowledge of Committee-of-Direction methods. He has expressed himself as being in favour of organisation, and I trust that some day—I hope he will not delay too long—he will bring down a Bill providing for minimum prices for growers. The Minister has shown that he admires the methods adopted by Queensland growers, and there is equal justification for the adoption of similar methods in this State. I well remember that in 1924 a Bill was introduced by the then member for Mt. Magnet (Hon. M. F. Troy). The Bill was passed by this House.

The CHAIRMAN: I draw the attention of the member for Swan to the fact that legislation, either pending or necessary, cannot be discussed in Committee of Supply.

Mr. SAMPSON: I was discussing legislation of 1924.

The CHAIRMAN: I informed the hon. member that neither existing, necessary nor pending legislation can be discussed at this stage.

Mr. SAMPSON: I was referring to past legislation. The last thing I would do would be to take advantage of anything you, Mr. Chairman, might rule. That legislation was considered a long time ago; it is not pending unfortunately; I wish it were. I hope the Minister will bring down such legislation, because undoubtedly there is need for it.

The CHAIRMAN: I remind the hon. member that he may not discuss necessary legislation.

Mr. SAMPSON: Very well, Mr. Chairman. I sometimes think that the Minister is rather over-worked; but, if so, the quality of his work has not been affected. I understand the Minister is to attend a conference in Melbourne on Tuesday next, when the matter of apples and pears will be discussed; I sincerely trust that the result of the conference will be successful. The position with regard to apples and pears is full of difficulties, but I say without hesitation that the work of the acquisition committee in this State was most helpful. It has been criti-

cised by many people, but it has done much to alleviate the difficulties of the growers.

Mr. J. H. Smith called attention to the state of the Committee.

[The Speaker took the Chair.]

Mr. SPEAKER: I have counted the Committee and there is a quorum present.

[The Chairman resumed the Chair.]

The CHAIRMAN: The member for Swan may proceed.

Mr. SAMPSON: I am sorry attention was drawn to the state of the Committee, because I brought in two members, and in a little while we would have had a full quorum.

Member: What is a full quorum?

The CHAIRMAN: Order! The hon. member may not discuss a quorum under this vote.

Mr. SAMPSON: I regret the courtesy I exhibited in answering the interjection.

The CHAIRMAN: The hon. member knows that interjections are highly disorderly and that he should pay no attention to them, but address the Chair.

Mr. Cross: He is too—

The CHAIRMAN: Order!

Mr. SAMPSON: I left off at that part of my remarks when I was dealing with the importance of the Apple and Pear Acquisition Committee. I desire the Minister, when he replies, to say whether consideration has been given to the appointment of a citriculturist in this State. We produce an enormous quantity of citrus and the services of such an officer would be extremely helpful. I shall not labour these points. I regret it was found necessary to retire Mr. Wickens, the Superintendent of Horticulture. He was fully equipped with knowledge of fruit growing, was highly respected, very industrious and welcomed wherever he went. As a result of his work, our fruitgrowers are better off.

Mr. Cross: You told us that earlier in the session.

Mr. SAMPSON: I did, but it is necessary to tell some members more than once.

The Minister for Mines: Hear, hear!

Mr. SAMPSON: The services of Mr. Wickens were availed of by our fruitgrowers, who greatly appreciated his work. Capable men are more than ever required to-day.

Hon. W. D. Johnson: Hear, hear!

Mr. SAMPSON: I hope that the unfortunate policy of retiring officers at 65 years of age will be further considered.

The Minister for Mines: You are about reaching that age.

Mr. SAMPSON: I do not know the age of the Minister for Mines, but I think he is good for a few months, anyhow. Mr. Wickens received another appointment the day after he left the department. I hope this statement will not be misinterpreted or that it will be considered to be a reflection on the Minister for Lands who, after all—as is the case with most of us—is the victim of circumstances. He is a victim of an unfortunate policy that should be ended. No remarks concerning the agricultural industry would be complete without some reference to the fruit fly tax. In answer to a question some time ago the Minister was good enough to say that consideration was being given to the removal of the tax from owners of nurseries, and plantations as yet so immature as to be incapable of bearing fruit. Perhaps the Minister may say a few words in regard to this matter when he replies to the debate.

I want briefly to refer to the storm that occurred at Bickley some years ago. The pitting and bruising of the bark of hundreds of trees in that locality is still evident and in many instances those trees will never completely recover. I desire to repeat a statement I made previously that growers did not receive fair consideration from the then Premier.

In Perth and no doubt in other parts of Western Australia there is to be seen towards the end of the year grape fruit, which comes from Palestine. It is sold at 6d. per piece and I have often thought that consideration should be given to the conducting of experiments into the possibility of the cold storage or refrigeration of grape fruit grown in the cold season in this State, with a view to its being held until the weather becomes warmer. It should be quite possible for grape fruit to be carefully gathered by cutting and held in cold storage for a period of three months. I know there is a difficulty in doing that, but refrigeration methods are receiving more and more consideration in other countries and I see no reason why the system should not be more widely adopted here. To me it seems a satire on our production that when people require

grape fruit, namely, in the heat of summer, they are compelled to buy a product imported from Palestine.

Mr. Cross: There is nothing to prevent growers having cold storage, is there?

Mr. SAMPSON: Cold storage is a method of preservation of which everything is not known and I am suggesting with, I hope, the approval of the hon. member, that the Minister should give consideration to the encouragement of investigation into the possibility of the cold storage of locally grown grape fruit so that it may be made available to the public at a time when it will be welcome. Although it is ripe in the cold season, it is hardly enjoyable at that period of the year.

The member for Greenough (Mr. Patrick) stated that wool and wheat—and I would add fruit—carry much of the burden of the State. Because of the increasingly heavy tariff, the difficulties of the farmer are destroying him; he is unable to secure a living. Everything he buys costs more and for everything he sells he obtains less. That however, is outside the power of the Minister; it is not competent for the State Parliament to deal with that matter effectively. I propose now to leave the questions to which I have referred for the consideration of the Minister. I hope the Minister will be thoroughly successful in the great work in which he will be engaged in the Eastern States. The Apple and Pear Acquisition Committee has demonstrated to growers that notwithstanding the unusual difficulties that face growers of those fruits, control was a very useful thing and did secure for them a return which otherwise would have been impossible. I claim that we have been given an example of the results of control and of organisation which if the conditions had not been as bad as they have been, would probably never have been tested. I hope the Minister will bring back to Western Australia a decision from the Federal authorities to do what is reasonable and thus ensure a fair return to growers of apples and pears.

[Mr. J. Hegney took the Chair.]

MR. HOLMAN (Forrest) [10.2]: I congratulate the Minister and thank him for the assistance he has given me and, through me, to the people in my district, especially those in the lower portion of the elector-

ate. The work he is doing is mirrored in the activities of his departmental officers. The Minister referred to the important research work conducted by the department. It was my privilege at this time last year to be in the company of Mr. J. A. Aird, the Chief Irrigation Officer of the Agricultural Department of Victoria, who, in company with Mr. Morgan, the irrigation field officer, conducted field competitions. During my trip with him I noticed how interested were the different settlers in the advice given them, and the welcome they gave to the visitors. Because of that, the results in the irrigated portions of Victoria have been vastly superior to those achieved in our own irrigated areas. The excuse may well be offered that irrigation in this State is in its infancy, but much more interest is taken in research farms in that State than is the case here. Increased production throughout the irrigated areas of Victoria has resulted from the interest taken in experiments on different pasture plots, in rotational grazing, in top dressing and in irrigation generally. I could wish that more notice was taken in this State of the advice given by our own technical officers in this direction. As to the fruit industry, I was grieved to hear the remarks of the Minister regarding the apple and pear crop in the coming season. Last season there was quite a lot of opposition to the acquisition scheme, but those who opposed it at that time, I believe, have come to the right conclusion that but for the scheme the apple and pear industry would have been in a more or less chaotic condition. I feel concerned when I hear and read that the selfish attitude of Victoria, because of the possibilities of its local market, may be the cause of upsetting the acquisition scheme for the coming season. We estimate a crop of $1\frac{1}{2}$ million cases and it is said there is a potential market for only half a million cases. If this is so, it will be a serious matter for the growers of the South-West. Still, I have confidence in the ability of the Minister and our members on the board to argue successfully for an equitable acquisition scheme to carry on the industry during the coming year.

The introduction of flax growing in the South-West marks another milestone in the progress of the State. In my opinion the South-West is capable of growing anything, and we should foster every form of production. Flax is of vital importance to the Em-

pire, particularly to England. Because of war conditions, England has been denied access to the source of previous imports and has called upon the Dominions to assist to make good the shortage. Australia has been asked to do its part. At one time there was a belief that the only States that could grow flax were Tasmania and Victoria. That idea was held as late as this year by the Victorian Department of Agriculture. A statement to that effect was made in the official journal; it was said that because of climatic conditions, those two States would be growing the increased quantity of flax needed by Great Britain. Strange to relate, the crop in Western Australia to-day is 50 per cent. better than that of Victoria. Flax-growing is not only a war-time industry; the product is very necessary in peace-time, and the beginning of the industry at the present time should mean a big thing for Western Australia even after the war is over.

Let me now refer to the growing of flax and the return to be received by the growers. The Minister said he had received a certain amount of criticism on this score, but I do not think that criticism was justified. If any criticism can be levelled regarding the South-West, it is in respect of the unused land, and by unused land I mean the large tracts of land in the hands of certain owners that, if subdivided, could be made available to people who would work it properly. The price to the individual farmer for his flax will probably be much higher than was at first expected. I have seen crops as high as 5ft., and in my own district there are numerous crops as high as 4ft. 6in. Because of that, some growers are expecting a yield as high as three tons to the acre, whereas the guaranteed price by the Commonwealth Government was £4 10s. a ton on an approximate crop of one ton per acre, plus the cost of seed. However, we must not be misled by the bountiful crop this year as to the possibilities next year. Phenomenal weather conditions have prevailed throughout the State this year and the South-West has received only about 50 per cent. of its average rainfall. On that lower rainfall the flax crop has been a wonderful success, but we do not know what the result will be when we return to the average seasonal rainfall of about 40 inches.

Another point that growers must bear in mind is the need for adopting the system of rotation of crops. It has been proved that flax should be grown on a particular plot only once in every five years. Next year the department intends to increase the acreage of flax grown. Many questions have been asked by flax-growers about harvesting conditions, but I am pleased to say that the department has already taken the matter in hand. It has sent officers to the Eastern States to collect data essential to the successful harvesting of flax in the South-West. Some of the farmers are prepared to harvest it themselves, but others who are unable to do so are being assisted by the department. Some of the growers are concerned about the method of harvesting because harvesting by reaper and binder results in a loss of three or four inches of the fibre. In the Eastern States it has been proved that although pulling the flax gives an increased length of fibre, the increased cost of labour makes this method uneconomical. Therefore there is no need for individual farmers to feel concerned about the harvesting. The proved method of harvesting is by means of the reaper-thresher.

Probably something can be done to deal with the rabbit pest. During a visit I paid to the South-West two weeks ago I was amazed to see so many rabbits. As I passed by they stood up and watched me. They were as tame as cats and numbered thousands.

Mr. J. H. Smith: Where was the inspector?

Mr. HOLMAN: I do not know, but I could tell him where innumerable rabbits are to be found.

Mr. J. H. Smith: Someone is neglecting his duty.

Mr. HOLMAN: I am coming to that point. The farmer who does his utmost to exterminate the rabbits on his property is unduly penalised because of the lackadaisical methods adopted by his neighbours. Furthermore, too much of the cost falls upon him. Rabbits have become so numerous that the question of eradicating them is a national one. Although the local governing bodies provide poison at cost price, the farmer who attends to his duty methodically is called upon to buy extra poison, whilst the uninterested farmer neglects his job. The fault

does not lie with the inspector. If many more inspectors were appointed, and these were obliged to keep track of every farmer to see that he did his best to eradicate the rabbits on his property, they would be working 24 hours a day for seven days a week. Some means should be devised to spread the cost to ensure its not falling too heavily upon those farmers who are doing their best to keep down the menace.

I wish also to refer briefly to potato growers in my electorate. Probably one or two of the points at issue can be cleared up with the assistance of the Railway Department. I am thankful the Agricultural Department has been in agreement in respect to the establishment of a central sorting shed for potatoes. Unfortunately, that department has not all the say. I shall, however, have an opportunity to deal more elaborately with that topic when the Railway Estimates are before us. Again I thank the Minister for Agriculture for the assistance he has rendered to me and the electors of Forrest.

MR. McLARTY (Murray-Wellington) [10.20]: The activities of the Department of Agriculture are of great interest to members representing country districts. It is a pleasure to see that the vote has been increased, though only to a small extent. I am particularly pleased that an additional amount is to be made available for grade herd testing. The outlay under that heading in the past has been of wonderful help to the dairying industry. The Minister said nothing about that industry when introducing the vote, but presumably he felt he had said enough about it when speaking on the Margarine Bill. Dairymen have an assured market at present at a payable price, and it looks as if the present market conditions would hold good while the war lasts. The price, however, though payable, is not a lucrative one. As has already been stated, a sharp rise has occurred in the cost of production. Especially is that so with respect to superphosphate. Owing to the increased cost of that commodity the value of top-dressing that has been done this Spring has been greatly reduced. I rose in the hope of getting some information from the Minister. Western Australia has no representation on the Australian Dairy Products Board. Mr. Noakes was our local representative, but was defeated some time

ago by Mr. Murphy, who resides in South Australia and now represents Western Australia, South Australia and Tasmania.

Mr. Seward: Whose fault is that?

Mr. McLARTY: If the producers of South Australia and Western Australia voted according to their numbers Western Australia would never get representation on the board. Great difficulty will be experienced in getting such representation at any time. It is absurd that three States like South Australia, Tasmania and ours should be represented by only one man. The Minister could make out a special case for this State. South Australia can keep in close touch with Victoria and New South Wales, and indeed with the other States, whereas our representatives are too far away to enable them to do so. The fact that we had representation on the Australian Dairy Produce Board was of great service to Western Australia, but under present conditions I see no prospect of getting back such representation. I hope the Minister will tell us he is prepared to do something towards making an effort to see that Western Australia secures personal representation on the board.

I wish also to refer to the amount of money paid by producers into the dairymen's compensation fund, formed as a result of the passing of the Metropolitan Whole Milk Act. That legislation has been in operation for eight years, during which time dairymen have paid £6,215 into the fund. Not one penny has been paid out, and from what I can see there is not much likelihood of any money being paid out in the near future. The amount in question represents a big sum to withhold from the producers. I hope the Minister will give us some information with respect to the intentions of the board in regard to the use of that money. The member for Forrest referred to the rabbit menace in the South-West. Undoubtedly the pest is increasing in volume. I doubt if in any farming portions of this State greater difficulty is experienced in eradicating the rabbit than is the case in the South-West. Green feed is available almost throughout the year, and any amount of cover is provided for the pest. Some of the country is hilly and usually contains an abundance of water. The fact that we have had a season that has been

short as regards rainfall has materially assisted in bringing about an increase in the number of rabbits. In times when the rainfall is normal many rabbits are drowned in the resultant floods. This year, however, they are able to burrow, and have not been checked by want of water. I observe that the Minister has again provided an increased vote for vermin destruction. We are all glad to see that. However, regarding rabbits in the South-West I wish to suggest that the present haphazard way of dealing with them will not prove effective. One farmer poisons this week, and perhaps his neighbour poisons a week or two later. If towards March all farmers in a certain district were obliged to poison simultaneously, the effect would be a very decided one. I am greatly afraid that under present conditions the rabbit menace in the South-West will increase, and at an alarming rate. Therefore I commend to the Minister the application of compulsion so that all farmers may poison at one suitable time—I would recommend March.

I wish to say a word or two in commendation of those farmers who so readily engaged in flax growing when requested to do this in order to help the Empire in its war effort. I am quite certain those farmers did not consider the monetary gain they would obtain, but were solely anxious to help Britain in providing an essential commodity. The Minister referred to a pest which has attacked the flax crops. I myself noticed that caterpillars were doing considerable damage. To-day the Minister told me that he had sent two of his experts into those areas to see what could be done to combat the caterpillars. Unquestionably the grubs have had an effect on the flax crops. I know nothing about flax growing. I had never seen it growing until it was grown recently. However, I am told that in other countries it is pulled; and I can see the difficulty of pulling it, especially in Western Australia. I understand that in the Eastern States flax-pulling machines are used.

The Minister for Lands: They have not been a great success.

Mr. McLARTY: I suppose that accounts for the Minister's not having had any of these machines in Western Australia. At this late hour I shall not say more; but I should be glad to receive from the Minister information regarding the Western Australia

lian representative on the Australian Dairy Products Board, and also concerning the producers' fund in connection with the Milk Board.

MR. HILL (Albany) [10.29]: I congratulate the Agricultural Department on the work it is doing in the way of research. The Minister referred to this activity of the department. In my opinion it is impossible to estimate what that work means, and will mean, to Western Australia. The hon. gentleman referred to the Denmark wasting disease. On the 23rd of this month a field day will be held at Denmark, and I am asked to extend an invitation to as many members as can possibly make the trip. I can safely promise that those hon. members will see a smiling country town, which will be a treat after visiting the drought-stricken areas. The Denmark wasting disease had the department puzzled. On what seemed beautiful crops, stock were dying. The discovery of the cause of the disease, and furthermore the discovery of its cure, are regarded as one of the scientific achievements of the world. That success resulted from team work in our Agricultural Department. The disease, it has been ascertained, is caused by a deficiency of cobalt. The Minister will correct me if I am wrong, but I believe it takes only one ounce of cobalt to supply the deficiency for 40 cows over a period of 12 months. That seems incredible, but it is a fact.

A few days ago I was on a farm in my electorate, and the farmer said to me, "Most people buy the farm, but I believe in buying the climate." That struck me as a wise observation. We can buy superphosphate and other minerals, but we cannot buy a first-class climate. In the south, our end of the State, is to be found the best climate Western Australia offers; but Nature is never over-generous. We have not the best land in the south, it, in common with other parts of the State, being short of superphosphate and some minor elements. Dr. Teakle is doing wonderful work there, and I should like to couple with the name of Dr. Teakle that of Mr. H. B. Burvill, the chairman of the Albany Road Board, who is carrying out local experiments in conjunction with the doctor. The Minister explained how a few shillings worth of sulphate of copper with manganese is giving wonderful results.

I am convinced that the work of the Agricultural Department will prove of immense value to Western Australia, and particularly to the southern end of the State. I sincerely hope that the Minister will still make funds available to continue the highly interesting work that has been carried out down south as well as in other parts of the State.

Reference has been made to the Apple and Pear Acquisition Committee, which during the past season has received considerable criticism. The committee has made mistakes, but it had an extremely difficult job to perform, and that job was made more difficult as the war position deteriorated. The wonder is not that the committee made mistakes, but that it did so well as in fact it did. I admit to feeling a little disappointed at the way in which it handled the local marketing question. I do hope that in the coming season more attention will be paid to increasing the local consumption of fruit. I am indeed pleased to say that the most cordial relations exist between the Minister and the executive of the Western Australian Fruitgrowers' Association. That co-operation works for the benefit of the industry and of the State as a whole.

I also wish to thank the Minister for assisting the lamb export trade in the southern end of the State as he has done. While thanking him I also wish to point out that the encouragement given to lamb export by facilities at Albany has shown how the provision of port facilities encourages production. It is rather unfortunate that since the lamb works have been established, seasonal conditions have been adverse. In spite of that, however, the trade is steadily increasing. I am sure that money advanced to those works by the Agricultural Department will be made up in many ways to the State as a whole. Speaking as an agriculturist, I wish to say that in the Agricultural Department we have officers who are a credit to the State and a pleasure to work with, and that we must not in any way neglect the department's needs for finance.

MR. J. H. SMITH (Nelson) [10.33]: The apple and pear industry is a highly important industry, especially in my part of the State. I do hope and trust that the Minister on his return from Canberra will be able to give the growers some form of satisfaction. I hope and trust also that his endeavours at

Canberra will be successful in the direction of doing something for those people, who are a very hard-working section of the community. I am also grateful for what the Minister has done for the tobacco growers. It is pleasant to know that we have a Minister for Agriculture who realises that men working in that primary industry in the only part of the State where tobacco is grown are men who should be assisted. I am heartily grateful to him for having come to their rescue as he did this year. Had it not been for the hon. gentlemen's large-mindedness, many of those growers would not have been able to continue. The business houses would not carry them any longer. I desire to place on record my best thanks to the Government for assisting that section of my people.

With regard to the growing of flax, I am glad to know that the experiments have proved successful. The Minister will remember that I got in touch with him on that question when it was announced that the Empire required a greater output of that commodity. The people in my electorate wanted to put in 1,000 acres in the vicinity of Bridgetown. They were satisfied that the rich chocolate soil of the hills there would prove suitable for the purpose, but the Minister could not obtain the necessary seed supplies. I hope the Minister will take steps to enable the experiment to be carried out in the Bridgetown area next year. The member for Forrest (Mr. Holman) referred to the rabbit pest which keeps the farmers in the South-West on their toes from January to December. The only way to deal with the rabbit pest is to engage in systematic poisoning and trapping. The inspectors are strict, but that is merely in the interests of the farmers themselves. Prosecutions have been launched from time to time, but the farmers generally realise that they have to undertake the task of eradication. The country in the South-West is heavily timbered and there are large areas of Crown land controlled by the Forests Department. Where pasture land joins forest country, the farmers find it quite impossible to cope with the rabbits. At a conference held in Bridgetown some time ago an inspector contended that rabbits would not live on Crown lands. I could take any unprejudiced person to the Bridgetown district and show him where there are rabbit warrens on Crown lands and prove that the pest is breeding like flies.

Mr. Patrick: Do you know if the rabbits know the difference between Crown lands and other classes of country?

Mr. J. H. SMITH: At any rate, the inspector told the conference that rabbits would not live on Crown lands, but he is entirely wrong in his opinion. I hope the Minister will be generous and make arrangements to put on poisoners and others to clean up Crown lands at least within a mile of settlement. The work could be undertaken without much cost. The road boards provide poison already and the Agricultural Bank also makes supplies available for its settlers. I am pleased to know that there is slight increase in the Agricultural Vote. The Minister has a great duty to perform and he is carrying out his task very well. To my mind, the agricultural industry is destined to be our most important and in the end will lift us out of the mire.

MR. SEWARD (Pingelly) [10.39]: The Estimates provide £13,700 for rabbit and other vermin eradication and the upkeep of rabbit-proof fences. I can truthfully say that during the last 18 months whenever I have gone through No. 2 rabbit-proof fence, I have never yet found a gate closed. Five or six weeks ago I saw the ranger with his cart about a mile from a gate, and when I reached that gate I found it wide open. We are hard up financially and we cannot afford to throw money away. Instructions should be issued to ensure that the gates are closed. Failing that, the Government should take steps to sell the fence to the people owning the adjoining properties. In existing circumstances, the fence is quite useless in my electorate. When I was in the York district recently, the gate I passed through was not only open, but tied back.

Mr. Watts: The same thing happens in my electorate.

Mr. SEWARD: I merely rose to bring this matter under the direct notice of the Minister.

Vote put and passed.

Vote—College of Agriculture, £14,435—agreed to.

Progress reported.

House adjourned at 10.41 p.m.