

Hon. G. FRASER: The board is elected on a fairly democratic vote and its financial position is probably unique.

Hon. J. J. Holmes: Who is responsible for the board?

Hon. G. FRASER: I commend the Bill to the favourable consideration of members.

Hon. C. F. Baxter: The only thing is that the amount is too small.

Hon. G. FRASER: It is small and I regret that fact, but big things often grow from small beginnings. With co-operation between employers and employees, the fund should grow and should be an example for other organisations to follow. I do not anticipate that the measure will provoke any opposition. I move—

That the Bill be now read a second time.

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

*House adjourned at 9.20 p.m.*

## Legislative Assembly.

*Tuesday, 12th October, 1937.*

	PAGE
Auditor General's Report .....	1155
Bills: Collie Hospital Agreement, 1E. ....	1155
Municipal Corporations Act Amendment (No. 2), 3A. ....	1155
Air Navigation, report .....	1155
Jury Act Amendment (No. 2), 2A. ....	1155
Forests Act Amendment Continuance, 2A. ....	1156
Financial Emergency Tax Assessment Act Amendment, 2A. ....	1157
Road Transport Subsidy, 2A. ....	1158
State Government Insurance Office, as to Committee stage, Com. ....	1159
Nurses Registration Act Amendment, Com. ....	1170
Annual Estimates, Votes and Items discussed .....	1171
Minister for Lands .....	1171

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

### AUDITOR GENERAL'S REPORT.

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

### BILL—COLLIE HOSPITAL AGREEMENT.

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

### BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT (No. 2).

Read a third time and transmitted to the Council.

### BILL—AIR NAVIGATION.

Report of Committee adopted.

### BILL—JURY ACT AMENDMENT (No. 2).

*Second Reading.*

**THE MINISTER FOR JUSTICE** (Hon. F. C. L. Smith—Brownhill-Ivanhoe) [4.35] in moving the second reading said: This is a short Bill to amend Section 8 of the Jury Act and extend the exemptions under that particular section. Parliament has already agreed to exemptions from service on a jury to persons whose avocations are of such a nature that they are not readily replaceable, or of such a nature that it would perhaps be inconvenient to those to whom they render service if they were called upon to act upon a jury. Under that section doctors and chemists, and people engaged in transport generally, are exempt from service on juries. This Bill seeks to modernise these provisions. It proposes that there shall be added to the exemptions already provided commercial pilots of class B, namely those engaged in public air transport, navigators engaged in air transport, and radio operators, both radio-telegraph operators and radio-telephone operators, who are licensed as such, and are employed as such as members of aircraft used or engaged in public air transport for the carriage of mails and passengers. It is essential that the members of crews, who are highly skilled in their respective vocations and cannot readily be replaced, should be available for their particular class of work in accordance with their rosters. Many of the air services are subsidised by the Commonwealth Government. The aircraft associated with these services are required to fly to schedule times in carrying mails. Passengers are also frequently carried. To ensure the safety of all concerned, it is considered desirable that the

duty rosters of the operating companies should not be disorganised by pilots, navigators or radio-operators being summoned to act as jurymen. The proposal is already recognised in connection with other forms of transport. It will be agreed that the work performed by crews of aircraft is of a highly skilful character and that the crews are not easily replaceable. It is unnecessary for me to labour this question. Members generally will appreciate the desirability of extending these exemptions to this class of employment from service on juries. I move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

## **BILL—FORESTS ACT AMENDMENT CONTINUANCE.**

### *Second Reading.*

**THE PREMIER** (Hon. J. C. Willecock—Geraldton) [4.42] in moving the second reading said: This is a Bill that is introduced every year about this particular time of the session, dealing with the money which comes into the forestry account. The Act of 1918 provided that three-fifths of the net revenue from forests should be credited to a reforestation fund. In 1924 provision was made that 10 per cent. of the annual revenue from sandalwood, or £5,000, whichever was the greater, should be paid into a special account for the reforestation of sandalwood. Extensive experiments were carried out in various parts of the country in the endeavour to bring about the reforestation of this valuable timber, but they were unsuccessful. I think the depredations of rabbits and other vermin were to some extent responsible for the lack of success. It was decided that as the expenditure of this money on the reforestation of sandalwood was not warranted, seeing that no practical results had accrued, it should be discontinued, and I think it was in 1930 the £5,000 was appropriated to revenue.

Mr. Stubbs: That means that the sandalwood industry will be extinct before many years are past.

**The PREMIER:** No.

Mr. Stubbs: Sure.

**The PREMIER:** The attempts to reforest sandalwood trees proved unsuccessful.

In their natural habitat sandalwood trees will no doubt continue to grow, but the futility of endeavouring to conserve, reforest or regenerate sandalwood as a commercial proposition was demonstrated long ago. The House took that into consideration some eight years ago, and decided that, seeing the value of the industry to Western Australia, all possible steps should be taken to preserve it. It takes many years for sandalwood to reach a state of maturity when it can be pulled. In view of the failure of the experiment, and the knowledge that the attempts were not a commercial proposition, the expenditure of the money in this direction was stopped. At the same time no unlimited license to pull sandalwood wherever people feel disposed to do so is granted. The output is restricted severely each year, and we are endeavouring so to preserve the industry that it may exist in Western Australia for many years to come. In the North-West the position is rather different. There are some areas of sandalwood where, in order to conserve that wealth, no pulling is allowed at all. I am sure that we shall have the industry with us for many years to come, but as for the reforestation of sandalwood, that has been found not to be a commercial proposition.

Hon. P. D. Ferguson: With sheep and rabbits abounding, it was found impossible.

**The PREMIER:** Hon. members perhaps know that at Bencubbin and also outside Kondinin experiments were carried out, and plots were even fenced with rabbit-proof netting.

Mr. Stubbs: Large areas in the South-West carried enormous quantities of sandalwood.

**The PREMIER:** Yes, and also large quantities of other timber that have been utilised in connection with the agricultural and other industries. The Conservator of Forests and others have been most anxious to conserve sandalwood and carried out experiments in connection with its regeneration, but experience has shown it to be commercially impossible. Years ago Parliament decided it was unnecessary to continue further with that wasteful expenditure, and since then the money has been placed to the credit of Consolidated Revenue. I move—

That the Bill be now read a second time.

On motion by Mr. Stubbs, debate adjourned.

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

## *Second Reading.*

**THE PREMIER** (Hon. J. C. Willcock—Geraldton) [4.48] in moving the second reading said: The Bill contains one or two amendments that are practically similar to those embodied in the Bill placed before the House last session. During the last four years the exemption with regard to the financial emergency tax for people with dependants has been fixed on a figure that was just above the basic wage operating in the metropolitan area. Last year it was fixed at £3 15s. The method of determination of the basic wage makes no allowance for the payment of the financial emergency tax, and if it is to be deducted, the total amount from which the tax is so deducted becomes really less than the declared basic wage to cover the necessities of life. From time to time there are progressive increases in the declared basic wage, and each time it has been necessary, in order to pursue the policy that has been adopted for the past five years, to alter the figure at which the exemption commences. It commenced at £3 10s., and each year it has been increased progressively until last year the basic wage was £3 15s. In order to get over the necessity for altering the exemption figure each year, and still to give effect to the principle that has been adopted for the last four or five years, it has been decided, instead of having an arbitrary figure, to make provision for the inclusion of the statutorily compiled figure given effect to by the Court of Arbitration in the basic wage declaration, which is made every three months. For that purpose a definition of "basic wage" has been included in the Bill, setting out that it means the weekly wage for males as determined by the Court of Arbitration under the Industrial Arbitration Act. The Bill really provides for what we have been doing during the past four or five years, namely, exempts the basic wage earner with dependants from the payment of the financial emergency tax. It also provides that where a man receives a small margin above the basic wage, the tax will not reduce his actual weekly remuneration to less than the basic wage. There are two sections in the Act dealing with the basic income and the basic wage. In one case there is an assess-

ment every 12 months, and the tax is paid in the ordinary way that the income tax is paid. As regards the basic wage, there is a weekly deduction from the earnings by those people who are employed under the daily wage system. Exemptions in respect of the wage earners will commence as from the 1st January next when the present Act expires, unless it be again passed, as I presume it will be. Wage earners receiving the basic wage or what is actually less than the basic wage have, in almost every instance, already paid the tax for the current half year ending the 31st December next. It will be realised that there are some who are paying the tax which makes them receive actually less than the basic wage. For instance, in the metropolitan area, the basic wage is £3 15s. but in the agricultural areas it is £3 15s. 10d. The workers in the goldfields areas have to pay the tax because exemption from payment of the financial emergency tax is fixed at £3 15s. The men in the agricultural areas have paid that tax during the past six months. They have been really in a worse position than others in the metropolitan area during the past four or five months. We do not wish to place the man who is paid the basic income there in a worse position than others, and so we say that the basic wage declaration operating on the last day of the year preceding the assessment will be the basic wage for the purposes of those who are called basic income earners. As regards last year's income, some who would otherwise have been exempt as basic wage earners have already paid the tax and, because of that fact, we say that they will be exempt from payment of the tax for the other half-year. In other words, they will pay only half the rate they otherwise would have done. The proposal merely brings the income-earner into line with the wage-earner with regard to the incidence of the financial emergency tax. The Bill necessarily defines what is regarded as the basic wage, and that gives no undue advantage to the wage-earner, because the basic wage is determined in the district where he earns his wages. With regard to other income-earners, it is necessary to select some date in order to multiply by 52 to ascertain what is called the basic income. In that respect more or less equality of burden will be achieved between the ordinary

wage-earner and the income-earner. Those are the main principles embodied in the Bill. It deals with the basic wage and fixes the point at which the deductions will be made rather than have some arbitrary figure, which experience has taught us requires to be amended each year to conform to the Assessment Act. Clause 4 of the Bill makes provision that employers and others who pay wages or salaries shall be personally liable if they do not collect the amount of emergency tax due. That provision is necessary because some employers, although the duty is statutorily cast upon them to collect the financial emergency tax from payments made by them, have not done so. The only way to collect the money when those who have earned the wages have left and cannot be traced, is to make the employers, upon whom the statutory duty is imposed, personally liable for the tax. Clause 5 provides that the period allowed for prosecutions to be launched respecting any offence under the Act shall be extended to three years. At present there is the limitation of six months under the provisions of the Justices Act, and that period is not sufficient in many instances. It will be evident to hon. members that over a hundred thousand people pay financial emergency tax, and it takes a long time to ascertain whether people have, or have not, met their obligations under the Act. Therefore, the period of six months allowable under the Justices Act is not sufficient to enable money that is rightfully due to the State to be recovered. For that reason it is proposed to extend the period to three years. That is already provided for in connection with the Land and Income Tax Assessment Act, and it is a reasonable period. It is thought that the time is opportune to bring the Financial Emergency Tax Assessment Act into conformity with the Land and Income Tax Assessment Act, and that is the reason why these amendments have been included in the Bill. I move—

That the Bill be now read a second time.

On motion by Mr. Patriek, debate adjourned.

## **BILL—ROAD TRANSPORT SUBSIDY.**

### *Second Reading.*

Debate resumed from the 5th October.

**MR. WATTS** (Katanning) [4.48]: It gives me considerable pleasure to say that I support the second reading of the Bill

which, in all the circumstances, I think is necessary for carrying on the past methods of the Transport Board or rather what I hope will be their intentions in the future. It will be recollected that, under Section 59 of the State Transport Co-ordination Act, a fund is placed in the hands of the Transport Board, which is made up of the various license fees collected from all classes of public vehicles including commercial goods vehicles and omnibuses, and that at the present time, after the payment of the cost of administration, the fund is divided between the various local governing authorities that are concerned with the activities of the vehicles that contribute to the fund referred to. The net result is, as the Minister pointed out, that the amount received by a great many of the local authorities has been very small indeed. Apart from the Main Roads Board and one or two local authorities, very small sums have been made available as the result of the distribution of the fund. The Act, however, does not prevent the Board from continuing to divide the balance on hand in the fund among the local authorities concerned, but merely gives them the prior right, which they have not previously had, to use portion of the fund for the purposes set out in the Bill and to subsidise public vehicles for carrying out necessary services. There are already in existence in this State a number of subsidised services which primarily are for the carriage of goods. But there is nothing in the Bill to prevent such subsidies being paid for the transport of passengers, and I have no doubt whatever that even in the metropolitan area there are places that would be advantaged if such services could be subsidised. There are many instances at present where the Transport Board is subsidising transport services, and it will be of advantage if the board can maintain that system and extend it. Up to the present they have been obliged by statute to distribute the funds they have in a specific manner, and they have been obliged to approach the Treasurer if they wished to subsidise transport. In my opinion it is no longer desirable that they should approach the Treasurer in the matter; an examination of the position will show that it is desirable rather that they should have the right out of their own funds and on their own volition to carry out the necessary work that they have in mind. I would quote for the information of the House the position of one of the services

that the State Transport Board is subsidising.

The Premier: That the Treasury is subsidising now?

Mr. WATTS: Yes, that is so, on representations from the State Transport Board. I am referring to the Boyup Brook-Cranbrook transport service. In the report of the board for 1935 it is mentioned that a railway had been authorised for that area, and that the estimated loss on that railway would have been no less than £22,500 per annum. I do not think that many of us feel, if some other way can be found to give the settlers the transport they require, that the State would have been justified at the time in proceeding with that railway, which would give an estimated loss of £22,500 per annum, when it has been definitely established that by the payment of a subsidy of £500, which will not have to be increased by any great sum, the reasonable requirements of the settlers for the transport of their goods can be carried out by commercial goods vehicles. I know of another instance where there is no railway and where, if there had been one, there undoubtedly would have been a substantial loss per annum on its working, and where the expenditure by the Treasury of £175 or £180 is producing a satisfactory service to the settlers for the transport of their goods at prices which are comparable, or even better than comparable, with the prices they would have had to pay for the railway service, in that while the railway could not take the articles the settlers require to have transported to their actual farms, the transport service very often does. So to that extent it is an improvement on the railway. There has been some suggestion made that the proposals contained in the Bill will merely tax one small section of the community for the assistance of another small section of the community. I cannot see that that is so. It seems to me the alternative of completing authorised railways in the districts I have mentioned, and in other districts would have meant in much greater extent the taxation of one section of the community for the benefit of another section of the community: because I assume that the loss must be paid by the general taxpayer, and it seems to me the system proposed in the Bill, which will enable the State Transport Board to pay such reasonable amounts as it sees fit for the purpose of transporting

goods and passengers in an area where that transport is required, is much better than meeting the greater loss. I do not see that there can be any sound objection to the proposals in the Bill. For example, much of the revenue is derived by the State Transport Board from the licensing of commercial goods vehicles, in particular for the carrying of goods over country roads; and indeed some of the revenue is derived from omnibuses through the payment of licenses for the carrying of passengers over country roads. So it seems to me it is eminently desirable that people in outback districts should be given every opportunity, without too much expense to the State, of being able to bring their goods to the nearest railway siding, which is all that the Transport Board will enable them to do. I am sure it is not asking of the House too much to agree that the State Transport Board should have the right to subsidise those services when it thinks it ought to be done. I will support the second reading.

On motion by Mr. North, debate adjourned.

## BILL—STATE GOVERNMENT INSURANCE OFFICE.

*As to Committee Stage.*

### THE MINISTER FOR EMPLOYMENT

(Hon. A. R. G. Hawke—Northam) [5.7]:  
I move—

That you, Sir, do now leave the Chair for the purpose of considering the Bill in Committee.

MR. WATTS (Katanning) [5.8]: What I have to say on this motion is in the nature of a minority report. I am afraid that in the course of my remarks in regard to the proposals that have been brought forward by the select committee it may be necessary for me to read a portion of what I wish to say in that regard. To that extent, Sir, I shall have to crave your indulgence, because it is not the easiest matter in the world to deal with this subject without doing so. It will be noticed from the report of the select committee that the member for Murray-Wellington (Mr. McLarty) and I dissented from certain items in the report, and in saying what I am about to say I think I may announce that I am speaking for both that hon. member and myself. It is very desir-

able in the first instance that certain statements should be cleared up, statements that have been made in connection with those insurance companies known as the tariff or associated companies, and in regard to what arose in 1925. In consequence of an amendment to the Workers' Compensation Act at that time, it has been suggested that those companies declined in any circumstances to quote for what is known as miners' diseases business. While, of course, it is apparent on the face of the evidence taken by the select committee that those companies did not quote, it is also apparent to me that there was scant opportunity given to them for that purpose. I should like in the course of my observations to make some reference to the evidence given by Mr. Bennett, the Government Actuary, in explaining the formation of a committee which consisted of the Government Actuary himself, the Under-Secretary for Mines, and Mr. Grealy of the Queensland State Insurance Office, a statistical officer employed there. He expressed the view that the companies concerned were in just as good a position to quote for the insurance of miners' diseases as he was. He went on to say that the information which they desired—and there was strong evidence to show that they did desire it—in connection with the various stages of silicosis and the number of men affected by those various stages, had been published in the "Westralian Worker" newspaper, although it had not been supplied to the companies concerned in any official manner. That point is to be found in questions No. 1211 and No. 1212 of the evidence. Question 1211 and the answer by the witness are as follows:—

You made some reference to certain information being available in the "Westralian Worker," and said that in your opinion the companies could have gone to the Mine Workers' Relief Board and the medical people to whom you went, and possibly could have obtained the services of Mr. Grealy. But if there was a bona fide intention on the part of the Minister that they should quote for this business, it appears to me—I do not think you can answer this question, but you may be able to—that something more definite in the way of information could have been given to those companies?—I do not desire to be unfair in any way, but I do not know of any information that was available to me which was not available to them, excepting those percentages of advanced silicotics and early silicotics and other normal cases. That information was available to me a little earlier, but certainly within a few weeks it had been published in the "Westralian Worker."

There is a definite admission that the evidence as to silicosis was not available to those companies. As will be seen in the report of the select committee, there is no desire whatever that the statement should be disputed that the insurance companies that concerned themselves with this matter sought to obtain information regarding workers' compensation insurance. At the same time I think it advisable, in fairness to the parties concerned, that there should be some explanation to clear up the position that arose at the time. After he had made that statement I questioned Mr. Bennett as follows:—

If I saw a thing of that nature published even in the "West Australian," I would not be likely to take much notice of it in a matter of this kind, and I do not think you would?—No.

In furtherance of this argument it appears that under the Workers' Compensation Act of 1924 the maximum liability has been increased from £501 to £870, and the Minister, having made certain provisions to come into operation by proclamation, early in 1925, came to an arrangement with the insurance companies for an increase of rates for ordinary compensation by 25 per cent., for delaying the proclamation of the Third Schedule until after the expiration of one month's notice and for the approval of all companies under Section 10 of the Workers' Compensation Act that had complied with the Insurance Companies Act. Reference to that agreement is to be found in the evidence of the secretary of the Underwriters' Association, and as it was sworn testimony I am prepared to attach full credence to it as there is nothing, I think, to contradict it. Later in 1925 a special committee was appointed by the Government consisting of the Government Actuary and the other gentlemen referred to to advise what action should be taken before proclaiming the Third Schedule and what should be reasonable premiums thereunder. We did not have a copy of the committee's report, but were informed that the underwriters had had no opportunity to give evidence or attend meetings of the committee. That was in June, 1925. In November of that year the Government Actuary informed the insurance companies that the medical examination of the miners was proceeding and had reached the stage when it was desirable to consider the proclamation of the Third Schedule, and it was apparently suggested that the insur-

ance companies should pool their resources for the purpose. Members will find on page 15 of the evidence full information on that subject given by the secretary of the Underwriters' Association. The main points appear to be the number of men affected with miners' disease, the difficulty of estimating the retrospective liability and the question whether the Government would be prepared to guarantee the companies against loss. A perusal of the evidence will show that the retrospective liability has never been ascertained, and I doubt very much whether it is capable of being ascertained and expressed in a sum of money at this time. That there is a big liability now is assumed, but there are no figures to show exactly what it is. The point, however, remains, that there is a liability unknown and not cleared up, and the position was the same in 1925 without the information that has since been acquired. The secretary of the association also made reference to a proposal, as to which we have no other evidence, which he said was made on behalf of the Minister that ordinary workers' compensation premiums should be increased to meet the prospective liability, that this proposal was considered unsound by the association as it would be morally unfair to and probably would create some hostility amongst other people who wanted to insure, because they would not be satisfied with the rates they were paying as compared with the rates payable elsewhere, where no such attempt was made to increase the ordinary rates in order to keep the other rates within bounds. It is quite clear that the companies had required proof of the number of men affected in various stages of the disease, and while they did not expect that the names of the men concerned would be revealed, they were and I believe to this day are quite unable to understand the Minister's contention that he was under a bond of secrecy not to disclose the number of men. All I can say is that no evidence was brought to the select committee in support of the contention that the Minister was under a bond of secrecy in regard to the number of men, though I admit that to disclose the names of the men affected would be quite another matter. In April 1926 the Minister gave notice of his intention to proclaim the Third Schedule of the Act covering those diseases. The information sought by the companies had

not been supplied. In their opinion they were in no position to decide whether £4 10s. per cent. as proposed by the Government committee was a fair rate or not. Moreover, I am satisfied that the companies did not quote 20 per cent. or any other rate. The Government Actuary's answer to question 1148 is of some interest—

Did the association companies suggest any figure at which they might consider covering the risk?—I do not think the companies submitted any premium or suggested any rate of premium as a collective body, but I daresay that individual companies may have suggested a figure. It is in my mind that they would have required about 20 guineas per cent. instead of £4 10s.

He said quite plainly that the companies, as an association, did not quote any figure for the purpose. Following the notification by the Minister, the Secretary of the Underwriters' Association on the 4th May, 1926, wrote to the Minister setting out the association's attitude. That will be found on page 17. The letter read—

Following my letter of the 30th ult., I have now by direction to notify you that the underwriters are still in the same position as expressed to you when representatives of controllers and this association saw you in March last, viz., that the absence of the knowledge of the number of men affected with disease precludes underwriters from estimating the liability which would follow, and this figure is a necessary factor in the compilation of a rate. They further consider it right to inform you that, after consideration of the known factors of the risk which, if accepted, would place upon underwriters liabilities of a retrospective character, for which no premium has been received, the formation of a pool is considered impossible unless suitable guarantees against loss are given by the Government.

From this it will be noted that the companies again stressed the fact that they lacked essential information. On the 14th May the Minister announced through the Press that he had decided to proclaim the Third Schedule and on the 4th June he announced his intention to establish a State Insurance Office. He said he had been forced into that decision by the action of the companies concerned, but so far as I can see there is very little if any evidence to support that contention. On the 10th June the association made a statement in the Press in reply to the Minister's statement. That is also to be found on page 17.

Mr. Raphael: Was mention made of increasing motor car insurance by 40 per cent.?

Mr. WATTS: I am speaking of the year 1926 and possibly if we stick to that year for the time being, we shall be able to make a little progress. I do not propose to quote the whole of the statement that the association supplied to the Press, but it pointed out that the amending Act of 1924 introduced a new principle. Here is the reference—

The amending Act of 1924 introduced a new principle that if a worker is disabled by or died from a specified disease due to the nature of his employment within twelve months prior to his disablement or death, then he should be entitled to compensation as if the disease were a personal injury by accident. This was a wide extension of liability . . . . Soon after the amending Act came into force a conference was held with the Minister in reference to rates which needed readjustment in view of the increased maximum liability from £501 to £870 . . . . The result of the conference was that the companies previously agreed to rates as required by the Minister for the usual workers's compensation risks, but express provision was made in the agreement for the payment of increased rates should experience show that the rates as agreed were inadequate . . . .

If these diseases were so included the risk would entirely depend upon the number of miners who were then suffering from them. If all miners were free from such diseases, estimates might have been prepared based on mortality statistics (although even then there would be much uncertainty), but the principle of extra premium for extra risk is well established, and as data are obtained rates are readjusted.

In the absence of those data which Mr. McCullum, for reasons only known to him, refused to disclose to us, we can only estimate the number of miners already affected with miners' disease; and if only ten per cent. are so affected (and the percentage is believed to be much greater) the liability for their compensation would represent the whole premium revenue for 7½ years based on the Commission's proposed increase of rate.

Mr. Bennett, in dealing with this matter in evidence, suggested that as he had been able to obtain certain information from the Mine Workers' Relief Fund and the Government department, and as the committee's inquiry had been made before the medical examination of the miners was completed, the companies should have been in as good a position to examine the question as he was. I should like to quote his answer to question 1149, which to some extent is illuminating—

Would you regard the investigation which you, Mr. Grenly, and Mr. Calanahini conducted as an expert inquiry into this problem?—I think so. If I had not been trained as an

actuary the method of going about it would not have occurred to me. This type of risk is not an ordinary risk such as the manager of a general insurance company, as distinct from that of a life insurance company, has to deal with. With general insurance it is a matter of weighing the year's risks with certain limitations against the year's contributions. Miners' phthisis risks are different and cumulative. You cannot say that the situation reaches its peak or its minimum in any particular year. At present there are thousands of miners on the goldfields. We do not know how the disease is advancing in its effect upon their lungs. I am certain that thousands of them are now developing into silicotic cases. How they will develop into claims in the future, I do not know, but I do know there is a big risk developing against the substantial funds now held by the State Government Insurance Office. I have always sincerely taken the view that this fund cannot be looked upon as profit, as an inspector for the Auditor General at one time regarded it, but there is a great probability, when we find to what extent the risks develop into claims, that this fund will be required, and it can in no way be looked upon as a profit.

I think there is no doubt about that. Concerning the investigation of the Government committee, Mr. Bennett's answer to question 1213 is also, to an extent, illuminating—

You also said in regard to this proposition concerning miners' diseases that you made this premium quote assuming the Government would meet the costs of the advanced cases of silicosis which from an insurance point of view were not a proper risk. Did you mean by that that you took that assumption into consideration in fixing the rate of £4 10s.? Put it another way. If you had had no idea that the Government would assist in the finding of all over and above a proper insurance risk on account of these cases, would you have still quoted £4 10s.?—The experience of the Mine Workers' Relief Fund had not had such an instance, and I assumed that the experience in the future would be as it had been in the past. I knew that the quoting of that premium might raise an embarrassing position in the early stages if a great number of men suffering from advanced miners' phthisis decided to submit claims. But we did not know how they would claim. As circumstances turned out, they did not come with a rush. Had they done so, that £4 10s. would not have met it, not then, but it would have done so afterwards.

1214. In the back of your mind there was the impression that if there was such a rush, funds would be provided?—Yes, and that is partly why I thought it was the type of risk that the Government were best associated with rather than private companies.

I must say that I believe all members of the committee were agreed upon that point after hearing the evidence. I have quoted those



extracts to show that there was grave doubt even in the opinion of the Government Actuary as to what would be the ultimate obligation. Therefore, in fairness to the other parties concerned, and in view of the statements made from time to time in regard to them, it is well to point out that they were not in such a favourable position as the Government Actuary. They had the knowledge that there was a considerable unascertained risk, and so far from offering any figure whatever as an estimate for an increased premium they apparently refrained from offering any figure at all. We have endeavoured to clear up the matter, not with any idea that the covering of miners' diseases should now be undertaken by the insurance companies—which we believe to be impracticable—but simply in fairness to the parties concerned. We believe such a change to be now impracticable for a variety of reasons. One of the reasons is that the business has been so long conducted by the State Insurance Office that any change would involve the handing over of the reserve fund of something in the vicinity of £400,000 to some outside organisation, which could not be contemplated for a moment, or, alternatively, asking the outside organisation to take on the risk without the reserve fund, which they would be well advised to refuse to do, and would almost certainly refuse. There has been considerable discussion regarding the reserve fund of the State Insurance Office. The belief has been expressed, particularly in another place, that the reserve fund was something in the nature of a myth. At least, that is the impression the reading of the observations made elsewhere has conveyed to me. It is fair and reasonable that we should at any rate endeavour to show that we believe the State Insurance Office has the reserve fund mentioned. Whether or not it is adequate for the purpose for which it will be required is something more than I, or apparently the Government Actuary, can say. In this connection again we rely on the evidence of the Assistant Under Treasurer, Mr. Reid—which was given both clearly and completely, in my opinion—for our belief in the creation and position of the reserve fund. Mr. Reid said that at the end of August, 1937, the State insurance fund amounted to £402,519, which was being held in reserve for meeting eventualities, principally in respect of occupational diseases. Other evidence showed that, for the time being at

least, the fund was being increased, the increase being the difference between the payment out for workers' compensation and the actual premiums received, less administration expenses. An amount of £25,000 a year is being paid by the State Insurance Office to the Treasury for reasons which were explained to us by more than one witness. They were, however, mostly clearly set out by the Under Treasurer himself. At the risk of taking up some little time, I propose for the reason previously mentioned—that it is desirable there should be as much publicity as possible given to both sides of the issue—to read Mr. Reid's answer to question 1417—

This is a long and involved story. You are aware that when a man in the mines is suffering from T.B. he is immediately withdrawn under the Miners' Phthisis Act. Most of the men are compensated under the Miners' Phthisis Act. The great majority of these men, in addition to suffering from T.B., also suffer from silicosis, which is one of the industrial diseases under the Third Schedule of the Workers' Compensation Act. If they were not withdrawn from the mines on account of suffering from T.B. they would ultimately become claimants under the State Insurance Office. The compensation under the Miners' Phthisis Act to men withdrawn from the mines is paid out of Consolidated Revenue. I do not know how it originated—whether Mr. Bennett suggested that he might relieve Consolidated Revenue of part of that liability or whether the Treasury spoke to him. I think he suggested that a sum of £10,000 might be paid each year from the State Insurance Fund to Consolidated Revenue. I believe that was the amount taken. Calculations made in the Treasury showed that the liability of which the State Insurance Office was being relieved was very much greater than £10,000. It was more like £40,000. Consequently, the £10,000 was increased to £25,000, and that amount has been taken for the past five or six years. The Treasury feels that it is entitled to take that money from the State Insurance Office in respect of those men who, if not compensated from Consolidated Revenue, would have been a burden on the State Insurance Office.

I quote also question and answer 1419—

Then it is not a question of a debt outstanding; it is a question of an annual contribution?—Yes. The men now being withdrawn from the mines are being compensated under the Mine Workers' Relief Fund. In time those receiving compensation under the Miners' Phthisis Act will die out, and the liability will cease.

Mr. Reid also told the committee that of the amount of £402,519, only £105,566 was invested, the balance of approximately £297,000 not at the present time, or at the time Mr. Reid gave evidence, earning any

interest. In view of the latent liability not ascertained, it is desirable, in our opinion, that the fund should be increased by every possible means; and interest on an investment would be one of those means. We were therefore glad to note from Mr. Reid's evidence that consideration is being given to the investment of £233,000 now held in cash in the Treasury, not to mention the small balance of £60,000 which is in suspense and in revenue for general account purposes. I propose now to turn to the question of the State Insurance Office continuing to carry the risk. The operations of the State Office in the past have, so far as the public are concerned, been confined to workers' compensation insurance of the various kinds. The office has carried on without legality. It could not, therefore, sue or be sued. In this connection hon. members should refer to the evidence of the Crown Solicitor in the later portions of question No. 1, where he makes the matter perfectly plain. There can, in our opinion, no longer be any justification for refusing to legalise the past transactions of the State Insurance Office, which because of its illegality has been prevented from recovering premiums owing in a number of cases. Moreover, because of the illegality it could not be, if the occasion arose, have been successfully sued. That position, we contend, should no longer continue. But that gives rise to the question how far the State Insurance Office should be legalised. There was a general consensus of opinion among all the witnesses that cover against Third Schedule diseases should not be regarded as business insurance in the ordinary sense of the term, but should be taken from that category and considered more or less as a social welfare matter. A perusal of the evidence taken both from representatives of the insurance companies, tariff and non-tariff, and also from Government witnesses will satisfy hon. members of the accuracy of that statement. There was also much evidence to support the contention that where workers' compensation is compulsory on all employers, the best possible method of conducting it at as nearly as possible to cost price, if I may so express it, should be ascertained, because in those circumstances of compulsion it appears to be closely allied to, if not included in, the social welfare to which I have just alluded. We heard a great deal of interesting evidence on that aspect. It was evidence which compelled us, I think, to join

whole-heartedly in the recommendation that there should be an inquiry by a Royal Commission into the question whether cover of this kind should be any longer regarded as insurance business for anybody to transact, or whether it should not be made something in the nature of a public trust or authority for the purposes of administration as a social welfare fund. It was impossible for me—and, I think, for other members of the select committee—to judge whether the proposals were soundly based, or could in practice be carried out; but we were much impressed with the evidence, and particularly with that of Mr. John Thomson, which went fairly fully into his ideas on the subject and included a proposal not only for workers' compensation and employers' liability insurance but also for third party accident insurance, if that became a matter for Parliament as has been suggested in some quarters. I would like hon. members to look into the evidence given by that gentleman, and indeed by others as well. I have a note of where Mr. Thomson's evidence is to be found—the latter part of his answer to question 1323 and his answers to questions 1358-1364 and 1371 and 1375.

Mr. Patrick: Did he not recommend something in the nature of a fund?

Mr. WATTS: Yes. However, I am not able to advance any definite opinion as to whether the suggestion is practicable or not. I do agree most heartily that there should be a careful and comprehensive inquiry into the matter. We contend also that so long as workers' compensation insurance is not conducted on the purely social-welfare basis of which I have been speaking, the State Office should have no monopoly therein. In this we understand your committee has agreed unanimously. But we point out that so long as Section 10 of the Workers' Compensation Act remains in its present form, it is possible, although not probable, that if the State Office is made an insurance office "capable of being approved" under that section, as the select committee's amendment to the relative clause of the Bill provides, for the Minister in control at any time, simply to approve the State Office only and thus give the State Office a virtual monopoly. I understand that legal opinion is that so long as there is no office which has been approved under Section 10 of the Workers' Compensation Act, it is not an offence to insure with any company that one

likes; but in any event, if it is an offence to insure with such a company, so far as the person insured and the company are concerned he could claim his indemnity under the contract with the company, but if there were one approved company he would be liable to prosecution if he did not insure with that one company. Therefore, as nobody wishes to run the risk of a prosecution, it becomes fairly obvious to me that if one office is approved at which one can insure, without risk of prosecution, that office is liable to attract to itself a greater part of the business, with the result that it would have to some extent a virtual monopoly. I would like to quote the observations of the Crown Solicitor in this connection appearing in Question 13 of the report of evidence given before the select committee. The question and answer are as follow:—

I think it has been suggested that Clause 8, as at present worded, is likely to give the State Government Insurance Office a monopoly of lawful workers' compensation business, unless the Minister decides to approve of some other insurance office, which I believe up to the present has not been done. Have you any opinion on that subject? —This clause would only operate in relation to the State Government Insurance Office, so that, without any further approval, it would be an office within the language of Section 10 of the Workers' Compensation Act. How far that may operate to give a monopoly to the State Government Insurance Office is not a matter of law, but purely a question of policy. That is to say, if the Minister refuses to give approval to any other company or incorporated office conducting workers' compensation insurance, it would not be this section that would create a monopoly, but the act of the Minister.

Mr. Cross: We can read this report for ourselves.

Mr. WATTS: That is all right. I can read any extract I wish in support of any contention I like to put up. We suggested to the Minister that he should consider an amendment to Section 10 of the Workers' Compensation Act which was also suggested by a number of witnesses, to enable those companies which had complied with the provisions of the Commonwealth Insurance Companies Act and were carrying on this type of business, to be approved companies so long as workers' compensation insurance continued to be a business. We understood from the Minister, who discussed this matter frankly with us, that some such amendment was receiving consideration. On that

statement we rested content for the time being. We agreed that the State Government Insurance Office was the right place to continue its operations as an insurer of workers' compensation and similar items provided that it was on a fair competitive basis. That brings us to the question of the relative expense ratios of the State office and the private offices. We have gathered from the evidence before us that 85 per cent. during the last five years and, so far as the tariff or associated companies are concerned, 85 per cent. of the total workers' compensation premium income, has been paid out in claims to workers and in hospital and medical expenses. Fifteen per cent. of the premium income for five years in all departments of that insurance was left to them for administrative purposes. We have ascertained that approximately four per cent. of the remaining 15 per cent., leaving 11 per cent. only, was absorbed in taxation. It has been pointed out in the committee's report that were certain items, such as rates, rent and taxes taken into consideration, it is estimated that the State Office's ratio would increase to 10 per cent. There are other reasons that convince me that the State Office's ratio is lower than it would be were the office in the same position as the insurance companies. Evidence given by an officer of the State Insurance Office disclosed that 89 per cent. of their business came from the mines. It consists of workers' compensation business in conjunction with Third Schedule business from the mines in Western Australia. Most of that would be big business and would come from places which are closely allied and easy to get into touch with and collect from, because they represent only a small number, relatively speaking, of employers who would be paying substantial premiums; whereas, on the other hand, the insurance companies who do not do any business at all, practically speaking, with these mining companies, are compelled to collect small amounts from a very large number of customers over a very considerable area of the State. It is quite easy to see, therefore, that there is a distinct possibility that the cost of obtaining their business would be relatively much greater than the cost to the State Office of obtaining the same amount of business. While we have recognised in the report that certain items could be in-

cluded in the State Office accounts in the same proportions as in the private companies' accounts, we should still not reach anything like the same expense ratio; but I believe, after careful consideration of the evidence, that there is more justification for the higher expense ratios of the insurance companies than appears at first sight. This is borne out by the fact that evidence was given to us to the effect that in Queensland, where workers' compensation is a monopoly of the State Office, and they transact other classes of business as well, their expense ratio has risen as high as 36.2 per cent. I have here an extract from the Australasian Insurance and Banking Record, wherein it is shown that the New Zealand Government Accident Office has an expense ratio of 20.79 per cent. We can come to no such conclusion as to say that the State Office should be legalised in regard to other branches of insurance. We regard the other branches of insurance as entirely distinct from workers' compensation, and employers' liability insurance which we have already said in the peculiar circumstances of our legislation are right inside or on the border of social welfare matters. We can only come to the conclusion that other sections of insurance are definitely matters for trade and business. We are satisfied that fire, marine and other branches of insurance are being conducted on a strictly competitive business basis as between the tariff and non-tariff companies particularly, both as to rates and benefits. We received a considerable amount of evidence of definite competition between those two sections of insurance companies, showing that there is a very great deal of competitive business. One of the witnesses from the associated companies said that the competition of the non-tariff companies was formidable, and I believe that is so. We also believe there is competition as between the tariff companies themselves in so far as seeking after business is concerned. No other class of insurance business is compulsory, and we cannot see that this seeking after business, generally speaking, is other than good for the insuring public. We are given to understand that many people take out policies and therefore save themselves from risk of loss purely because they are canvassed and persuaded so to do, and naturally the expenses of such canvassing and persuasion must mount up in the calculation of the company's

expense ratio. We do not see any good and sufficient reason why that should be strongly objected to, so long as it does not overstep the mark. We feel there is a possibility that in view of their inability to collect sufficient from workers' compensation premiums to pay losses, and ordinary expense ratio, there may be an inclination to keep certain other premium rates a little higher than they should be, but we feel that this is being overcome by the competition being exercised at much lower rates by the non-tariff companies. We see no great objection to insurance companies canvassing for their business in the risks other than those concerned under the Workers' Compensation Act. I see no great objection to that other than could be raised to a salesman going into the country to sell the wares he has. It is obvious that many of the businesses found in the city of Perth to-day and much of the progress made in the city are due to the fact that the people concerned, those with goods to sell, even though I admit at some cost to the purchaser, have been able to go out into the city and the country and place their wares before the people, who otherwise would not have heard anything about them, and in their doing so the people themselves gained many considerable advantages. We are also more than satisfied that there is ground for believing that the function of the Government is to govern and not to trade. We have admitted in regard to certain branches of insurance that they should not properly be the subject of trade, and therefore they can properly be the subject of Government attention. But the other insurances are definitely and rightly the subject of trade, and as it is not the function of Governments to trade, the business should be left to private enterprise. We know of no reason why private enterprise and individual initiative should be discouraged, because it seems to us that in a community like this it is very desirable that legitimate individual enterprise should be encouraged by the Government, for more reasons than one. We must not lose sight of the fact that the insurance companies have been compelled to establish their bona fides at the Treasury to the extent of something like at least a quarter of a million pounds, deposited there under the Insurance Companies Act. I might qualify the statement that all other branches of insurance should be the subject of private enterprise, both now and hereafter, by saying we were impressed by the observations of certain wit-

nesses in regard to some branches of personal accident insurance, especially that known as third-party risk. We have no objection, if a reasonable and practical scheme can be put up, to that particular branch of insurance being joined with social welfare items, if it can be established that they should be included. Subject to that reservation, we do not think there is any necessity for the State Office to take on other branches of insurance. We contend that their doing so is not a rightful function of government, and is an unnecessary interference with individual initiative, which we do not find room to condemn, and it would be quite likely to result in some persons ultimately losing their employment, which we do not see would be of any advantage to the State because, at the present time, the companies, both as agents, sub-agents, and employers of agents, employ quite a large number of people who, we contend, should be left in that employment. It has been stated that the expense ratio of the insurance companies with regard to that particular line of business—fire and marine—is excessively high, that there is absolutely no need for that expense ratio to be so high, and that by comparison with the State Insurance Office it is of course ridiculous. Again I would quote from the "Australian Insurance and Banking Record," of the 22nd March, 1937, where it shows what I said just now that the New Zealand Government Accident Office has an expense ratio of 20.79, and the New Zealand State Fire Insurance Office has an expense ratio of 42.73 per cent., which is approximately twice the figure relative to accident business. So there appears to be justification in that country in respect to the State Office there for the expense ratio for insurance business, other than accident, to be considerably higher than for accident insurance. With reference to the proposed Royal Commission to investigate the question of social insurance, we are in agreement very strongly with the proposal. We recognise, however, that there is great difficulty in conducting a satisfactory and complete inquiry into such a social welfare problem, of the investigation that would have to be made into the risks of loss both presently and in the future, with regard to miners' and other occupational diseases in particular, and the necessity for being in possession of the fullest information, founded on the strongest possible data, not only with reference to

the extent of claims, but also of the sources and means of revenue, before any such scheme is attempted. We feel therefore that a considerable period of time must elapse before such an inquiry could be brought to a successful conclusion. Many witnesses from all classes of the community should be examined, not only for the purpose of extracting their opinions from them, but also for obtaining definite facts of past experience and future probabilities, and we believe inquiries should be made in other countries, so that if possible a concrete and practicable scheme may be formulated. We contend that such a work, which, to be satisfactory, must be as complete as human capabilities can make it, will probably take about two years. I have something to show that that is a reasonable estimate. If in the net result such a scheme cannot be formulated, we are of opinion that Parliament should again give consideration to the question of the continuance of the State Insurance Office, as such, and therefore we suggested to your Committee that the Bill to be presented as a result of the committee's deliberations should be limited to an operation over a period of three years, so that, of necessity, it would come before Parliament again at the end of that time. If this be not done we feel that there is a possibility that no further opportunity will be afforded to Parliament to discuss this matter in the best manner, namely, from the point of view of discussing a definite proposed enactment or some definite proposal in substitution for the State Insurance Office or the desirability, in the light of three years' experience as a legalised office, for its continuance. That is the suggestion we made to the committee. Before concluding I should like to make reference to two other matters that were cleared up in the course of the inquiry. It will be noticed that the Bill as amended by the Select Committee has cleared up the point that the State Office is not to conduct life insurance. This was not very clear in the original Bill, in that it appeared that the State Office could carry on the business of life insurance with the consent of the Governor-in-Council. In fairness to the sponsors of the Bill, however, we believe that it was never intended that life insurance should be carried on. It will also be noticed that the proposal that regulations made by the State Office prior to the present time should be validated by the Act. We sought at first to

make such regulations subject to Section 36 of the Interpretation Act. Subsequently it was ascertained that there were no such regulations, and in consequence no such clause appears in the Bill now. While we did not agree entirely as to what branch of insurance should be carried out, we did agree that Parliament was the right place to decide the question. If Parliament says that the State Office shall exist, then I think we should be content, but we saw no reason why Parliament should decide that the Governor-in-Council should be the authority to extend the operations of the Office, and that at the same time the power of extension would not be subject to review by either House. That, I think, outlines as fully as possible, without taking up too much time, the views we have in regard to the State Insurance Office as a result of the inquiry held by the Select Committee. It is our intention to delete from the Bill the reference to fire and marine and other classes of insurance, except workers' compensation and employers' liability, and, for the reasons I have given, to propose that the measure should be limited to a period of three years.

**MR. McLARTY** (Murray-Wellington) [6.8]: I wish to associate myself with the report that was read by the member for Katanning, and the remarks he made in connection with it. Probably the Minister will agree to an adjournment of the debate so that members may have an opportunity of reading the report of the evidence taken by the committee, as there is a great deal of evidence of a comprehensive nature, which will be of interest to members. As pointed out by the member for Katanning, the Select Committee were unanimous in recommending that the State Insurance Office should be legally established to transact insurance business under the provisions of the Workers' Compensation Act, 1912-34, and we also agreed that the State Insurance Office should be legalised in connection with employers' liability insurance. We were unable, however, to agree with regard to the other matters contained in the Bill, and I am in accord with what was said by the member for Katanning in that respect. If members care to study the report and the evidence, they will come to the conclusion that the companies are not making money out of the workers' compensation. Representatives of nearly every company who gave evidence

admitted that that class of insurance was a losing proposition, the claims ratio amounting to something like 84 per cent., on top of which taxation and other expenses had to be paid.

**Mr. Sleeman**: You want to give the State all the unprofitable business.

**Mr. McLARTY**: We do not wish to do anything of the sort. If the hon. member had listened to what the member for Katanning had said he would have heard what we had agreed upon. With regard to the other classes of insurance there is keen competition, and the rates are very fair. For instance, in connection with fire, insurance can be had at the low rate of £1 per thousand. Is there anything unfair about that? We were able definitely to establish that there is competition amongst the companies with regard to all classes of insurance. Furthermore, we came to the conclusion that it was not fair as far as the State was concerned to compete with private companies. The State Office does not pay taxation, neither Federal nor State, nor does it contribute anything to the fire brigades. All those charges are levied against the companies, and not only that, but they are charged hospital and financial emergency taxes which are collected at the source, and on all premiums received. As regards other classes of insurance there is abundant competition and the people are not being penalised. The member for Katanning did refer to the question of motor vehicle insurance. Here we agree that this may be considered as a class of social insurance. It is true that most witnesses who were examined agreed that workers' compensation and miners' diseases should be classed as a kind of social insurance, and a fund should be created. The most interesting evidence we had on that point—and I hope hon. members will not miss the opportunity to read it—was the evidence submitted by Mr. Thomson, the general manager of Westralian Farmers Ltd. Mr. Thomson suggested that a fund should be created, to be collected in very much the same way as are the financial emergency and hospital taxes, namely, at the source. The committee recommended that that question should be investigated, and I hope something will be done. It will take a considerable amount of time and thought. We were not prepared to make any recommendation in our report that such a scheme should be put into operation, but I consider

it is well worthy of consideration. I trust that the report of the Select Committee will receive the full consideration of the House, but that in the meantime the Minister will agree to an adjournment so that members may be able to study the report and evidence. The report was tabled only to-day.

The Minister for Employment: The report was read last Thursday.

Mr. McLARTY: But the evidence was not read, and it was difficult for members to assimilate what they heard read last Thursday. The report, while in itself is very interesting, is not the most interesting part of the document. The evidence will go a long way towards convincing members that it is not necessary to legalise the State Office for all classes of insurance, as the Minister wishes to do.

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

Mr. McLARTY: The member for Murchison suggested that we wanted to give all the unpayable business to the State Insurance Office. The employers' liability and workers' compensation business has not meant a loss to the State Insurance Office. Their claims last year under those headings amounted to 70.3 per cent., and during the past five years the loss ratio has been only 73 per cent. It is not correct to say that we want to give the losing business to the State Office.

Mr. Cross: You have given good reasons why the business should be extended.

Mr. McLARTY: I did not catch the remark of the hon. member.

Mr. SPEAKER: He was out of order in any case.

Mr. McLARTY: The whole report has been so well covered by the member for Katanning (Mr. Watts) there is no need for me to say anything further.

Mr. NORTH: I move—

That the debate be adjourned.

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

Ayes .. .. .	18
Noes .. .. .	21
	—
Majority against .. .	3

#### AYES.

Mr. Boyle	Mr. North
Mrs. Cardell-Oliver	Mr. Patrick
Mr. Ferguson	Mr. Sampson
Mr. Hughes	Mr. Seward
Mr. Keenan	Mr. Thorn
Mr. Latham	Mr. Warner
Mr. Mann	Mr. Watts
Mr. McDonald	Mr. Welsh
Mr. McLarty	Mr. Doney

(Teller.)

#### NOES.

Mr. Collier	Mr. Nulsen
Mr. Coverley	Mr. Rodoreda
Mr. Doust	Mr. Sleeman
Mr. Fox	Mr. F. O. L. Smith
Mr. Hawke	Mr. Styanis
Mr. Hegney	Mr. Tonkin
Miss Holman	Mr. Troy
Mr. Johnson	Mr. Wilcock
Mr. Marshall	Mr. Withers
Mr. Millington	Mr. Cross
Mr. Munroe	

(Teller.)

#### P.A.M.

AYE.	NO.
Mr. Stubbs	Mr. Wise

Motion thus negatived.

Question put and passed.

#### *In Committee.*

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

Clause 1, Short title:

The MINISTER FOR EMPLOYMENT: The short title has been amended by the deletion of the words "and shall be read in conjunction with and as subject to the State Trading Concerns Act, 1916 (No. 12 of 1917)." This is an amendment made by the select committee following upon an amendment to the long title of the Bill. The Bill as originally introduced provided that the State Government Insurance Office could be established as a trading concern under the State Trading Concerns Act, 1916. As a result of evidence tendered before the select committee, and of the deliberations of members of that committee, it was agreed that it would be wiser to establish the State Insurance Office, not as a trading concern under the provisions of the State Trading Concerns Act, but as a straight-out State Government Insurance Office for the carrying out of the types of business that are set out in the following clause. The short title in amended form merely states, "This Act may be cited as the State Government Insurance Office Act, 1937." In this amended form the Act will not be read in conjunction with the State Trading Concerns Act. It was felt that this amendment was desirable and I hope it will be accepted.

Progress reported.

# **BILL—NURSES REGISTRATION ACT AMENDMENT.**

*In Committee.*

Resumed from the 7th October; Mr. Sleeman in the Chair; the Minister for Health in charge of the Bill.

## **Clause 7—New Section:**

The CHAIRMAN: An amendment had been moved by the member for Victoria Park that after the word "person" in line 1 of proposed new section 11a the words "as a hospital nurse or attendant" be inserted.

The MINISTER FOR HEALTH: I could not accept such an amendment.

Amendment put and negatived.

Mr. SAMPSON: I move an amendment—

That in line 3 of proposed new Section 11a the word "twenty" be struck out.

The parent Act provides for a penalty of £20 for fraudulent representation and grievous misconduct, and yet, for the wearing of a cap by an unauthorised person the Bill provides also for a penalty of £20. The penalty should not exceed £5.

The Minister for Health: Make it £10 and I will agree.

Mr. SAMPSON: I do not think the Minister has gone far enough. Surely we should not hound nurses ferociously merely because they wrongfully wear a cap.

Mr. NEEDHAM: I hope the Committee will not accept the amendment. I have heard the member for Swan attack the clause previously, and he seems to have a decided objection to the clause in particular and to the legislation as a whole. He lashed himself into a perfect fury about nurses' caps, and declared they were dangerous because they could be disease-carriers. I shudder to think what would happen if we were to follow his arguments to a logical conclusion. If the wearing of caps is likely to spread infection, what about the dresses of the nurses? As a matter of fact, the cap is a guarantee of good faith and assures the patient that the young lady attending him is fully qualified. I would not have addressed myself to the amendment but for the fact that I desire to clear up the impression gained that the proposed restriction on the wearing of nurses' caps was due to action on the part of the A.T.N.A. That is not so. The fact that such a provision appears in the Bill is due to the efforts of the W.A. Nurses' Association. On several occasions,

their representatives waited on the Minister and pointed out the necessity for legislation along those lines.

Amendment put, and a division called for. The Committee divided.

Hon. C. G. Latham: I draw your attention, Mr. Chairman, to the fact that the member for Canning called for the division and that he is not taking part in it.

The Minister for Health: The member for Swan called for the division.

Mr. Hegney: I draw your attention, Mr. Chairman, to the fact that some members are not dividing but are standing behind the Speaker's dais.

The CHAIRMAN: I cannot see anyone in the Chamber who is not voting.

Division taken with the following result:—

Ayes .. .. .	28
Noes .. .. .	7
Majority for .. ..	21

AYES.	
Mr. Boyle	Mr. North
Mrs. Cardell-Oliver	Mr. Patrick
Mr. Ferguson	Mr. Sampson
Mr. Fox	Mr. Sheard
Mr. Hawke	Mr. F. C. L. Smith
Mr. Hill	Mr. Styants
Miss Holman	Mr. Thorn
Mr. Hughes	Mr. Troy
Mr. Johnson	Mr. Warner
Mr. Keenan	Mr. Watts
Mr. Latham	Mr. Welsh
Mr. Mann	Mr. Willcock
Mr. McLarty	Mr. Withers
Mr. Munstie	Mr. Doney
NOES.	
Mr. Coverley	Mr. Nulsen
Mr. Doust	Mr. Rodoreda
Mr. Hegney	Mr. Marshall
Mr. Needham	

(Teller.)

(Teller.)

Amendment thus passed.

Mr. SAMPSON: I move an amendment—

That "ten" be inserted in lieu of the word struck out.

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

Clause 8—agreed to.

Title:

Mr. LATHAM: I move an amendment—

That in lines 2 and 3 of the Title the words "to amend Section 284 of the Health Act, 1911-1935," be struck out.

That is in conformity with what the Minister agreed to do before.

The Minister for Health: That is so.

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

Bill reported with amendments.



**ANNUAL ESTIMATES, 1937-38.***In Committee of Supply.*

Resumed from the 5th October, Mr. Hegney in the Chair.

*Department of Minister for Lands (Hon. M. F. Troy, Minister).*

*Vote—Lands and Surveys, £55,756:*

**THE MINISTER FOR LANDS** (Hon. M. F. Troy—Mt. Magnet) [7.58]: I am pleased to be able to introduce the Lands Estimates at a time when seasonal conditions, though not as good as anticipated a month ago, are still better than they have been for some years past, and much better than at the corresponding period of last year. Western Australia has not enjoyed good agricultural and pastoral conditions for some years past. In fact, ever since the present Administration assumed office, the officers of the Lands Department have been administering that branch of Government under conditions that have certainly been very difficult. I am glad to say that steady progress is being made in land settlement, despite the adverse period through which we are passing. There is more activity in land selection to-day than for some years past. And, generally, the land conditions in this State are improving both in respect of price and of production. If that condition continues, if we get a good harvest this year, with good prices, and if the drought breaks in the pastoral areas, as it must break sooner or later, the agricultural and pastoral industries ought to have a bright future in the early years to come. The number of conditional purchase and homestead farm applications received and approved during the year was 582, covering a total area of 520,420 acres, as compared with 422 applications covering an acreage of 278,585 approved in 1935-36. That shows that the settlers are still looking for land and taking up land, and that conditions generally are improving in this country. Pastoral leases and licenses approved were 95 for a total area of 3,799,105 acres, as compared with 84 last year for a total area of 4,358,674 acres. There were 967 special leases and leases of town lots approved, as compared with 1,112 last year. The revenues have been considerably buoyed up as the result of improved conditions on the goldfields. Numbers of new towns have been surveyed and the best lots have brought very good

prices. A re-survey has been made of blocks that were surveyed many years ago, and the survey marks of which had disappeared. As a result of the re-survey, new blocks have been taken up by men engaged in the industry. From that source a considerable amount of revenue was received, making up the leeway in respect of revenue paid by agriculture. The total arrears of rent at the 30th June last amounted to £852,073, as compared with £964,235 at the 30th June, 1936, a decrease of £112,162. This includes repurchased estates. This reduction in rents, however, is only an apparent one, as during the year 1936-37 rents were capitalised to the extent of £128,937. If this had not been done, the outstandings, of course, would have increased over those of last year. The settlers whose rents were capitalised are enjoying a longer tenure, and that improvement means an easement which must be to their advantage. Reduction in the amount of outstanding rent is also effected by the re-pricing of lands during the year. I told members earlier in the session that the department is repricing lands every day and that considerable reductions have been made in land values. I do not know whether it will be said in years to come that that reduction was justified, but it is being made now, to ease farmers of a condition of affairs that has embarrassed them during the last five or six years owing to low prices and bad seasons.

Hon. P. D. Ferguson: It is justified to-day.

**THE MINISTER FOR LANDS:** I am not sure that it will be justified in the years to come, for I am afraid we shall be told that we gave away the public estate. The amount due by pastoral lessees increased from £26,072 at the 30th June, 1936, to £49,322 at the 30th June, 1937. This, of course, is after allowing for remissions amounting to £35,028. These remissions were granted to 390 lessees to the 30th June, 1937, and of course if the Bill now before Parliament passes there will be further remissions this year, which will amount to a large sum. Lands held under ordinary conditional purchase leases were revalued during the year and reduced in price by £33,945. In addition, the revaluation of lands in the Esperance district resulted in the price being reduced, consequent on the reconstruction scheme introduced, by £33,026; so, during the year, the revaluation of conditional purchase lands

has resulted in a reduced value to the settler of £67,000. Further reductions in the price of land have been made consequent on the reconstruction scheme, but this has not yet been finalised, and the figures will not be available for some time. However, the work of revaluation is now being proceeded with. With respect to repurchased estates, the revaluation of 18 of these estates has been approved by Executive Council. These estates include—

Yandanooka	Yarra Yarra
Mendel	Brooklands
Kockatea	McKenna
Guraru	Bucklands
Woongoondy	Pallinup
Carnamah	Noombling
Inaring	Hinkley
Quelagetting	Herdsmann
Moulieu	Kuminia

And there are one or two others which have been revalued where no reduction in price was recommended by the valuers.

Hon. P. D. Ferguson: Was it the same board as recommended the other reduction?

The MINISTER FOR LANDS: No, it was a different board. I have taken the precaution to include in every board a farmer or at all events a gentleman who had been a farmer, and who had a knowledge of local conditions. For instance, in regard to Pallinup, I accepted the recommendation of the Hon. Harold Piesse, and I have also accepted a recommendation of the member for Pingelly in regard to another estate. But of course I rely on the integrity and capacity of the officer making the recommendation, and in every case I have found that the man recommended to me was just the man I wanted. The price of these repurchased estates was reduced by £228,724. In all the estates I have mentioned, reductions have been made in the valuations, and the total reduction to the settlers who purchased the estates means £228,724. That is not bad for the settlers. The total amount of outstanding liabilities on account of repurchased estates is now £280,179, of which £122,975 is principal, and £157,204 interest. Of this amount, £249,212 represents arrears due at the 30th June, 1936, which have been held in suspense for three years. In addition to revaluing the holdings, the arrears of rent have been capitalised for three years. So in that respect also the settler has received great advantage. To help the settlers on repurchased estates, particularly those who have been embarrassed in being unable

to secure debt adjustments, certain steps have been taken by the department. A difficulty that was encountered in dealing with certain applications for adjustment of debts by reason of advances from the Rural Relief Fund in case of certain applicants who held repurchased estates was that the total amount of their debts, including rents due to the Lands Department and amounts due to the Agricultural Bank, was considered by the director of farmers' debts adjustment to be in excess of the amount that the land could carry, even after the revaluation. To get over this difficulty, an arrangement was arrived at between the Agricultural Bank and the Lands Department to enable the total debt to be brought down to what is considered a reasonable valuation. The Lands Department has agreed and I have approved to write off all the arrears of interest, thus bringing the unimproved value of the land back to its original price, and the department will then accept a surrender of the existing lease and issue a new lease for 40 years. This will eliminate the present outstandings and at the same time reduce the half-yearly instalment the lessee has to meet. In addition all payments made under the old lease will be credited to the new lease and spread over its full term, still further reducing the half-yearly payments. The Agricultural Bank will then write off whatever principal and interest is necessary in order to bring down the secured debt on the land to a fair valuation. That is the principle now being applied to farmers whose liability is too great to allow of their getting justice. It does not apply to other settlers, because many of them are not in the same position. But it applies to settlers who cannot secure debt adjustment because the trustees regard the liability to the Bank and to the Lands Department as being too great to give them an opportunity to carry on successfully. So that formula has now been agreed to and is in effect. I think I will give members a few examples of what has been done in this respect. Here is one case:—This settler owed the Agricultural Bank £1,936, being principal £1,832 and interest £104, and to the Lands Department he owed the original purchase price of £4,344 capital and interest and £1,349 arrears of interest, or a total of £7,729. His total debt to the bank and to the Lands Department is £9,865. This is to

be reduced to a total of £5,087. This will leave the debt to the Lands Department at £4,344 and to the Agricultural Bank at £743, or a total of £5,087. The Lands Department will write off interest amounting to £3,395 and the Agricultural Bank will write off interest totalling £104, and principal £1,089. The hon. member for Irwin-Moore (Hon. P. D. Ferguson) ought to extend an apology to me. I consider it is due to me.

Hon. P. D. Ferguson: Is that the case I quoted?

The MINISTER FOR LANDS: The other night he said I had fallen down on my job.

Mr. Patrick: Some of those cases have been held up for 18 months.

The MINISTER FOR LANDS: They waited three years for the hon. member's party and nothing was done.

Hon. C. G. Latham: You put that over the other night while I was away.

Mr. Patrick: You held up those cases for 18 months.

Hon. C. G. Latham: You have to get boards to do the work for you.

The MINISTER FOR LANDS: Well, they have done it very well.

Hon. C. G. Latham: We shall find that out very soon.

The MINISTER FOR LANDS: I must have the capacity to select good boards, for the important thing in administration is to get good service.

Hon. C. G. Latham: You get paid for the work and they do it.

The MINISTER FOR LANDS: The member for Irwin-Moore complained of delay and the member for Greenough has spoken to-night of delay, but I am entitled to say that members opposite were in office for three years, and for those men they did nothing.

Mr. Patrick: We did not have the money to operate it.

Hon. C. G. Latham: You are compelling them now to come under the farmers' debt adjustment before you do anything.

The MINISTER FOR LANDS: We are doing this also. The Bank have written off, under the authority I gave them, millions of pounds, and the Bank could not have written off these amounts but for the authority I obtained for it. Members opposite may feel upset about their failure to do anything.

Mr. Patrick: We are not upset. You will hear all about it.

The MINISTER FOR LANDS: But members opposite ought to acknowledge the fact. The Bank could not have written off this money, and the Lands Department could not have written off this money, but for the authority secured for them by the present Government under the amendment of the Lands Act and the Agricultural Bank Act. So the member for Irwin-Moore, I am sure, will say he is very sorry.

Hon. C. G. Latham: There will be no apology from this side of the House if I can prevent it.

Hon. P. D. Ferguson: Is the case you quoted the one I brought before you?

The MINISTER FOR LANDS: Yes, and the hon. member should tell that constituent that he had blamed me wrongly. While the hon. member was saying I had fallen down on my job I was actually doing it all the time. While the hon. member was complaining, I was trying to find a way out. I made this case a personal matter. Of course it does not matter twopenny to me, but I made the case a personal matter. It was not left to any board.

Hon. P. D. Ferguson: It should have been finalised years ago.

The MINISTER FOR LANDS: When a Minister makes a case a personal matter, he is going beyond the requirements of his office. Hon. members should not become excited.

Hon. C. G. Latham: You got excited the other night. I have read the report of your speech.

Mr. Patrick: The dirtiest speech ever made in this House.

The MINISTER FOR LANDS: What has been done has been done because of my legislation. That cannot be denied. All the advantages that settlers have obtained by writing down are due to legislation passed by the present Government. Members cannot deny that. I repeat that the Lands Department had no authority to write down debts on repurchased estates until I obtained the authority.

Mr. Patrick: They were written down years ago. The values were written down 20 years ago.

The MINISTER FOR LANDS: They must have been written down on some authority, because Ministers had no power to write down.

Hon. C. G. Latham: You know that the Executive Council writes them off month by month.

The MINISTER FOR LANDS: No.

Hon. C. G. Latham: Yes.

Mr. Patrick: You look into it.

The CHAIRMAN: Order!

Mr. Patrick: I got some repurchased land written down 20 years ago.

The MINISTER FOR LANDS: The hon. member for Greenough at one time was very broadminded, but now he is the reverse.

Hon. C. G. Latham: Your mind is so thin that it cannot be seen.

The MINISTER FOR LANDS: We are told that the Executive Council writes off. The Executive Council never writes down a man's debt. All that is written off by Executive Council is rent that cannot be recovered.

Mr. Patrick: Who wrote down the land at Bowes and Narratarra?

The MINISTER FOR LANDS: The Bowes debt is not written down yet.

Mr. Patrick: I am talking of valuations.

The MINISTER FOR LANDS: It must have been by special Act. The Government had no authority to write down the value of repurchased estates except by an amendment of the Land Act.

Mr. Patrick: I had land written down from 30s. to 22s. 6d. an acre 20 years ago. You know nothing about it.

Mr. Cross: Yes, the Labour Party did it.

Mr. Patrick: The Labour Party did not do it.

The MINISTER FOR LANDS: Members opposite occupied this side of the House for three years, and they wrote down nothing.

Mr. Patrick: The three worst years experienced.

Hon. C. G. Latham: I can tell you why.

The MINISTER FOR LANDS: I am sure the Leader of the Opposition has an excuse.

Hon. C. G. Latham: I will make a straightforward statement.

The MINISTER FOR LANDS: They were the years—

Mr. Patrick: When you objected to any new legislation.

The MINISTER FOR LANDS: Give me a chance.

Mr. Marshall: You are holding your own. Keep going.

The MINISTER FOR LANDS: The Leader of the Opposition will say those were

the years of the great depression when conditions were dreadful and commodity prices were low.

Mr. Doney: And he would not be too far wrong, either.

The MINISTER FOR LANDS: But at that time when the farmers needed help members did not write off a solitary shilling of farmers' debts.

Hon. C. G. Latham: Do not be silly.

The MINISTER FOR LANDS: I am bringing gifts to members opposite, and instead of appreciating them, they become annoyed.

Hon. C. G. Latham: We appreciate gifts, but we would like them given decently. I have read in "Hansard" some of your remarks made the other night.

Mr. Patrick: The worst speech made in this House.

The MINISTER FOR LANDS: Not one member opposite has spoken well of me anywhere in his electorate.

Hon. C. G. Latham: Your behaviour does not entitle you to be spoken of well.

The MINISTER FOR LANDS: They tell the farmers that I am their enemy. I have given the farmers millions, and members opposite never gave them a shilling.

Hon. C. G. Latham: Of other people's money. You are very generous in that way.

The MINISTER FOR LANDS: I admit that it was other people's money. Now they are saying that I do not give enough and that I ought to give more. Members cannot have it both ways. Will the member for Irwin-Moore tell his constituents what has been done for them? I am sure he will thank me for the personal interest I have taken in the matter. Here is another case. The total liabilities of this settler to the Bank and to the Lands Department was £5,609. This debt is to be reduced to £2,778. That will leave a debt to the Lands Department of £2,197 and to the bank £581, a total of £2,778. The Lands Department will write off interest amounting to £1,577 and the Bank will write off interest totalling £720 and principal £533.

Mr. Seward: What would be the area of that block?

The MINISTER FOR LANDS: In another instance the settler's debts to both departments totalled £7,017. They have been reduced to a total of £4,862. This will leave a debt to the Lands Department of £2,832 and to the Bank £2,030. The Lands De-

partment will write off interest amounting to £967, and the Bank will write off interest totalling £657 and principal £530. In addition to those things I can claim to have made an effort to help the farmers who have been embarrassed because their debts were so great, even after revaluation, that the Rural Relief Trustees would not give them debt adjustment on the ground that even if they were given it, they could not carry on. Now they can carry on as a result of my action.

Hon. C. G. Latham: I think you should read Bobbie Burns's "O wad some power the giftie gie us," etc.

The MINISTER FOR LANDS: The revenue received during the year amounted to £213,634, which was less than that received in 1935-36 by £13,862. This is explainable by the season and by the remission of lease rents to pastoralists. Important work is now being done by the department in surveying the boundary between the Northern Territory and Western Australia. This work has been in hand during the last few years, and we expect that the survey will be completed this year. The boundary between the Northern Territory and this State will then be defined. The Commonwealth Government have been associated with that work. A survey party was despatched to carry out the necessary surveys in connection with the development of Yampi Sound. That party will survey not only the townsite, but also the harbour, a stock route, and holding ground for cattle. If Yampi Sound develops as we hope it will and a port is established there, it may mean that the cattle trade will be deviated from another port which is not too serviceable to Yampi. The question of a stock route and holding ground is being inquired into by the survey party. I do not think the work can be completed this year. If it is not completed this year, a party will be sent there again next year. I spoke of the assistance to the revenues of the State from the survey and sale of business sites in mining areas. From that source there has been received during the last financial year £14,000, as against £10,000 in the preceding year. When discussing a motion dealing with light lands recently, I spoke of the work done in the Bullfinch and Southern Cross areas. These areas have been handed back to the Lands Department by the Agricultural Bank, and steps are being taken to lease blocks as soon as available to settlers remaining in the district at a very low rate of interest, based on

three per cent. of the value assessed by the Agricultural Bank as being the value of the blocks. As regards those areas held under conditional purchase lease the settlers will be given an opportunity to surrender their existing leases and take new leases at a reduced value of 4s. per acre plus the assessed value of the improvements. With respect to the miners' settlement at Southern Cross, similar action has been taken by the Agricultural Bank to hand the area over to the Lands Department. Investigations are being made now with a view to pricing the land. When this is done, the same action will be taken in that area as has been taken at Bullfinch and Southern Cross. I wish to point out also that the interest rate on repurchased estates since 1934 has been reduced in the case of returned soldiers to 4½ per cent. from 6 per cent., and in the case of other settlers to 5 per cent. from 6 per cent. Now as regards farmers' debts adjustment. Since 1936 the operations under the Farmers' Debts Adjustments Act have been practically confined to applications under Section 11, in connection with the Rural Relief Fund. At the end of last season 265 farmers were operating under Section 5 of the Act, receivership control. Of this number, 181 have had their accounts adjusted under Section 11, and the stay orders have been cancelled. The trustees of the fund have approved of assistance in 1,997 cases, amounting to £606,144, to settle debts amounting to £1,828,260, the average payment being approximately 6s. 8d. in the pound. In connection with these applications, in 612 cases the Agricultural Bank has agreed to write off £725,679, an average of £1,186 per farmer. That writing-off by the bank is entirely separate from the writing-off in other cases by the Lands Department, to which I have referred. In 1,613 cases the distribution to creditors has been completed, the total advance from the fund being £491,633. Under Section 11 of the Act, which includes all applications for assistance from the Rural Relief Fund, a total of 2,972 applications had been received to the end of August. The trustees have declined 59 applications for the following reasons:—

Properties overcapitalised ..	28
Surplus assets .. ..	5
Properties unsuitable .. ..	7
Proposals rejected by creditors ..	4
Doubtful personal equation ..	3
Miscellaneous .. ..	12
	<u>59</u>

In 11 cases where advances have been made, farmers have abandoned their properties. I have here a later report from the Rural Relief Trustees. It is dated the 30th September, and came to hand to-day. The total amount of money received from the Commonwealth Government to date for debt adjustment is £547,000. The amount repaid by farmers to the fund is £1,127. Some objection was taken in this Chamber to farmers being required to pay back these moneys if ever they were in a position to do so. The law provides that if they can pay, they are expected to pay. There is no compulsion on them to pay. I am indeed glad to state that already in the short time that has elapsed since the Rural Relief Trustees were appointed, farmers have paid back £1,127.

Hon. C. G. Latham: Perhaps that is because sales of land were effected. Under the Act they have five years.

The MINISTER FOR LANDS: I am told that these are voluntary repayments. They are most creditable to the farmers who made them. Repayments are not taken into State revenue. As members are aware, they are put into a revolving fund, and are utilised for further debt adjustment. So, with the amount paid back, the total available for distribution by the trustees is £548,127, and the total disbursements are £511,387. The balance on hand at the 30th September was £36,740. Applications lodged number 2,990. Applications withdrawn number 18. Applications cancelled for various reasons number 132. Applications dealt with number 2,161. There remain under consideration 679 applications. Of settlers whose applications were dealt with by the Rural Relief Trustees, a number had liabilities to the Agricultural Bank totalling £2,710,205. The bank has written off there £655,577. The adjusted debts of these settlers—a limited number, not all the settlers; the bank had 600 or 700, and the remainder owed debts to outside creditors—amounted to £2,054,000. To other mortgagees the debts owing were £2,643,000. These other mortgagees received something from the fund. The Agricultural Bank did not receive a penny. The other mortgagees were paid £84,448 in reduction of their claims, and they wrote off £272,727. The adjusted debts in their case were £2,286,000, but the creditors received £86,000 for that adjustment. The liabilities of farmers to unsecured creditors were £908,000. They were paid £225,000. They wrote off £662,000,

leaving an adjusted debt of £25,000. There has been no complaint about the unsecured creditor. Hon. members are aware that in many cases the unsecured debts would probably have been written off years ago. A great deal of this debt is old debt. So the unsecured creditor has not come out too badly after all. He has got something where, but for this fund, he would have got nothing. I would like to say a word in commendation of the trustees. They have given this work their best attention, and have done a very good job indeed. Moreover, they have done their job very judiciously. In no other Australian State has debt adjustment been accomplished so successfully as in Western Australia. In Victoria, which is the spiritual or material home of some members here with regard to legislation, 457 applications have been dealt with. We have been told in this Chamber—though I do not want to anticipate legislation—that we ought to adopt the Victorian procedure. We have dealt with 1,766 cases, four times as many as Victoria. Why should we adapt our procedure to that of some other State which has been so unsuccessful? The applications received in Victoria numbered 3,623. Victoria dealt with 457. It has rejected 400. Queensland received 731 applications, and dealt with only 98. South Australia received 2,707 applications, and dealt with 352. Altogether the figures, which were given at a conference of primary producers, show that the Western Australian rural trustees under our legislation have accomplished in debt adjustment more than all the other States put together. That fact speaks volumes for our legislation. I think hon. members will agree that our trustees have done an excellent job, and are entitled to thanks from the farmers who have received debt adjustment, and from this House also. I now come to a number of the boards to whom I have delegated my authority.

Hon. C. G. Latham: The Leader of the Opposition in the Federal House has condemned that.

The MINISTER FOR LANDS: I will deal with what he did condemn. He said the Commonwealth Government had appointed numbers of Royal Commissions, which cost the Commonwealth £120,000.

Hon. C. G. Latham: So have you had to do that.

The MINISTER FOR LANDS: The Leader of the Opposition in the Federal

House also said that not a solitary recommendation of those Royal Commissions had been accepted by the Federal Government. He said that the Federal Government did not agree with even one recommendation of its Royal Commissions.

Hon. C. G. Latham: The shelves are full of reports by Commissions appointed by your Government that have never been opened.

The MINISTER FOR LANDS: We have dealt with them in this House. We had a Royal Commission on the Agricultural Bank and we passed legislation in keeping with the recommendations of that Commission. We had a Royal Commission on the bulk handling of wheat and we dealt with that.

Hon. C. G. Latham: You have had lots of Commissions since then.

The MINISTER FOR LANDS: Whenever a Royal Commission has recommended anything to the Government we have adopted their recommendations. That is in distinct contrast to what has been done by the Federal Parliament. They appointed a Royal Commission to inquire into the wheat industry which cost £40,000 and they have given no effect whatever to the recommendations. We are asked to give effect to them. Pressure is being brought to bear on us to give effect to recommendations of a Commission which we did not appoint, and whose recommendations are ignored by the Government who appointed it. I will deal now with the Agricultural Bank. It has been said that I have deputed my responsibilities to boards. I may be a lazy man, although I have never been accused of being one. But at any rate, I find my job a whole-man's job. Nothing escapes me in the Lands Department and every man who has relieved me knows that. If I do delegate departments to boards, the boards always come and talk matters over with me. They consult me about many matters. When I was Minister for Lands from 1927 to 1930, and conditions were prosperous in this country, I did not have one-tenth of the work I have to-day when conditions are depressed. Every man knows that when business is prosperous, it is easy to look after matters, but it is hard when times are bad.

Hon. C. G. Latham: If you had looked after things a bit better and stopped the drift while you were in office, you would not have to speak as you are speaking this evening.

The MINISTER FOR LANDS: The hon. member is always very unfortunate. He always puts his foot in it. As a matter of fact, the drift occurred in his own time.

Hon. C. G. Latham: That is why you asked us to write off so much.

The MINISTER FOR LANDS: A thousand farmers left the land in the hon. member's time.

Hon. C. G. Latham: They did not; I have the figures.

The MINISTER FOR LANDS: The hon. member may have the figures, but I will challenge him to ask one of the members on his side of the House to ask a question of me to-morrow.

Hon. C. G. Latham: And you will put up a suitable answer yourself or else refuse to answer.

The MINISTER FOR LANDS: I will send the questions to the Bank; I will send the questions to the Lands Department. This is the first time I have heard in this House that any Minister takes the responsibility of putting up bogus answers to questions.

Hon. C. G. Latham: You have never heard it before?

The MINISTER FOR LANDS: It has never been done. I have been here 33 years and I have never known it to be done. I do not propose to do it and I do not think any other Minister would be base enough to do it.

Hon. C. G. Latham: We will give you some of your replies.

The MINISTER FOR LANDS: In my 33 years' experience I have never known a Minister put up a bogus reply to a question.

Hon. C. G. Latham: I never used the word "bogus"; you are using it.

The MINISTER FOR LANDS: What did you insinuate?

Hon. C. G. Latham: I used the word "suitable"; you used the word "bogus." That is typical of you.

The MINISTER FOR LANDS: I will give the hon. member an assurance that if he asks a question it will go to the Bank and he will get the correct reply. I do not deny that during my administration settlers have left the land. They have left group settlements and other places for reasons which I may not discuss here. And they will continue to leave the land when prices and conditions are bad. But they are coming back to the land, and they will come back to the

land when prices rise, no matter who is in power.

Hon. C. G. Latham: And when the proper policy is adopted.

The Minister for Mines: No policy of your Government ever did anything for the farmers.

The MINISTER FOR LANDS: One would imagine that members opposite would be pleased to have these things done for their constituencies, but to my great amazement they are angry about it. They would prefer to be able to say that this Government have done nothing and they are angry when we tell them what the Government have done.

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

The MINISTER FOR LANDS: The hon. member will keep up a lot of bluffing.

Hon. C. G. Latham: If I were the past master you are I would put a crown on my head; you are always wearing a halo.

Hon. P. D. Ferguson: He is the best fisher I know.

Hon. C. G. Latham: He is the best stonewaller of his Estimates that has been here.

The MINISTER FOR LANDS: Having accepted those compliments, I will proceed.

Hon. P. D. Ferguson: You should be grateful to the Commonwealth for having received money from them.

The CHAIRMAN: Order! The Minister for Lands has the floor.

Mr. Seward: Make him speak to the Estimates, then.

The MINISTER FOR LANDS: The hon. member said we should be grateful to the Commonwealth Government for having received money.

Hon. P. D. Ferguson: Half a million!

The MINISTER FOR LANDS: They found £500,000 and we have found £1,000,000.

Hon. P. D. Ferguson: You did not; you could not collect a bean of it.

The MINISTER FOR LANDS: In the country to-day the Federal Country Party candidates and the National Party candidates are talking about what they have done in respect of debt adjustment, but the Agricultural Bank has written off in 600 cases £200,000 more than the Commonwealth has given altogether for debt adjustment, under the Debt Adjustment Act. The Bank itself has written off more money than the Commonwealth Government provided.

Hon. P. D. Ferguson: It wrote itself off.

The MINISTER FOR LANDS: In the Lands Department last year we wrote off £200,000 in addition. Those are the figures for last year. During the 12 months ended June last the Agricultural Bank wrote off £2,946,887 and we are told that we should be grateful to the Commonwealth for £500,000. But they did not give the Government a shilling. They gave it to other creditors. They borrowed money from the banks and the people are paying 4½ per cent. interest on it to-day and the money has gone back to the banks, while we have written off these amounts and have not had a solitary shilling from the Commonwealth. We have also written off under the Industries Assistance Board £434,000. In connection with the applications made under the Rural Relief Act, although the rural relief trustees have dealt with nearly 2,000 cases, the Agricultural Bank has written off in 612 cases £725,000 or £225,000 more than the Commonwealth Government provided.

Mr. Patrick: That type of writing-off has been done in every agricultural country in the world.

Mr. Marshall: That does not alter the position. No country has written off as much as Western Australia.

Mr. Seward: Tell us why you wrote it off.

The CHAIRMAN: Order!

The MINISTER FOR LANDS: I have never seen members opposite so disgruntled. I have never seen the member for Greenough so disgruntled.

Mr. Doney: He has pretty good reason to be.

Mr. Patrick: Let the Minister for Lands read his speech and he will see the reason.

The MINISTER FOR LANDS: I am sure that if the Midland settlers in the hon. member's constituency were told what we had done for our clients they would say it was something of which they had no knowledge.

Hon. C. G. Latham: They would keep you out of the Government so long as there was a Government.

The MINISTER FOR LANDS: They probably would because they would say, "You have done all these things for other farmers at our expense." That is what the community is entitled to say—"You have done all these things at our expense." If I went to Carnamah, Coorow or Three Springs and told the Midland settlers who had to pay high prices for land to the Mid-



land Railway Company and pay high rates of interest, and told them what we had done, and that the member for Greenough was jaundiced because we had not done enough, they would say, "What sort of a representative is this that we have?"

Hon. C. G. Latham: You will not miss any chance.

Mr. Patrick: We will tell them a story before we have done.

The Minister for Mines: You would never make your constituency believe that we had done anything.

The MINISTER FOR LANDS: I will go to Greenough and tell them.

Mr. Patrick: The Minister can go when he likes.

The MINISTER FOR LANDS: I will go to this body of men who by their own initiative have paid their way, and will tell them that their representative states I have not done enough for the farmers.

Mr. Patrick: If they read your speech of the other night they would say, "This type of man is not fit to be in Parliament at all."

The MINISTER FOR LANDS: I will go along to Greenough and make the same speech. I will go anywhere where there is an unbiassed body of public opinion. I will go anywhere to unbiassed men who pay their way and address them, and I will tell them that the legislation I spoke about the other night is the most unfair thing introduced into this House.

Mr. Thorn: You are as game as Ned Kelly.

Mr. Seward: But not half as decent.

The MINISTER FOR LANDS: The amount written off for group settlements, as hon. members know, totals £4,942,000. The Primary Producers' Association appointed a committee to visit the group settlements for the purpose of investigating the position there. One gentleman was Mr. Nokes, and I do not know what his qualifications were. They also sent Mr. Diver, whose qualifications I dispute. He does not know the slightest thing about the group settlements. They also sent Mr. Roche, a young man from Kojonup, and he, too, had no knowledge of South-West conditions. I do not know that he was qualified to give an opinion. Anyway, those three gentlemen put up a report and that report was solidly adopted by the Primary Producers' Conference. The members of the committee acknowledged in their report that they got their information from

settlers on the roadside. They did not get the opinion of the other side, and they never sought information from Bank officials; they never bothered about the other side of the question. Of course there are always two sides, but in this instance the committee gathered gossip on the roadside and then prepared a report which was adopted by the Primary Producers' Association. When, as Minister for Lands, I administered the group settlements, I took a great personal interest in them. I knew the settlers very well and I received hundreds of complaints about victimisation. So that I should get the proper aspect, I went down and investigated the complaints myself. I can say that whilst some of the complainants were members of my own organisation, some were also presidents and secretaries of Labour bodies. I made a personal investigation and I never found one case of victimisation. What would this House think of men who went down the street and on gossip they gathered prepared their recommendations? Members of this House would not take the slightest notice of such gossip. Another thing that committee said was that money was not expended on these settlers. What are the facts? There has been written off group settlements nearly five million pounds and the group settlers are now asked to accept a liability of only £1,268,000. They have drawn in sustenance no less than £2,068,000 and they have had buildings, fencing, stock, sheds, machinery and many other things thrown in for nothing. Yet the primary producers' committee told the Primary Producers' Association that a lot of group settlement money had not been expended on the settlers. The real position is that they received in actual money for themselves and families £2,068,000.

Hon. P. D. Ferguson: Do not forget that other people have received sustenance that they do not pay back.

The MINISTER FOR LANDS: There was not a thing in the report of that Committee that could not have been answered.

Hon. P. Collier: It is wonderful that the country can afford to do all that.

Mr. Marshall: I do not know that we can afford to do it; the crash is inevitable.

The MINISTER FOR LANDS: I am not complaining about that. I am just stating facts. The annual payment of interest due by settlers to the Agricultural Bank totals now £1,279,000 and unfortunately that is

largely due to the fact that settlers have not had good seasons in the last few years even though prices have improved in the last year or two. We have had very serious trouble in this country in respect of drought, and I am sure that if settlers had been able to pay, they would have met their interest bill. During the year we have increased the sustenance pay for settlers with families. Hon. members opposite know that, but not one of them made any reference to it on the Address-in-reply. When we do good things, members opposite are silent about them. Not a word did they say about what we have done for the group settlers, and I do not suppose they will. Another matter which they did not discuss was the action taken by the Government to deal with the locust pest. This pest in Western Australia is nothing new, it has existed here for years past; but the present Government, who of course never do anything for the farmer, this year spent on that pest £13,402.

Hon. P. D. Ferguson: And it will save you twice as much in interest.

The MINISTER FOR LANDS: We did that because it was the right thing to do. The Government, through the Agricultural Bank, let contracts for breaking up 73,000 acres of country. In addition, 68,363 acres have been leased to farmers for cropping in 1937-38, and 49,000 acres have been let to farmers for cropping this year.

Mr. Warner: The money expended will come back; it was wisely spent.

The MINISTER FOR LANDS: The farmers are not asked to pay a penny back.

Mr. Patrick: I heard differently the other day.

The MINISTER FOR LANDS: Farmers are not being asked to pay one penny of this money back, and are not asked to return one penny for the fallowing. For the actual work done, the Government will foot the whole bill and so, in the grasshopper-infested area, the Government have been responsible for putting in a crop and cultivating this year 190,000 acres of land. Yet members opposite have never expressed any gratification for that. I wish to tell them, however, that the road board in the electorate of the members for Avon and Mt. Marshall have written to me expressing appreciation of what the Government have done. They stated in the letter that the action that had been taken had had very good results, and had given farmers new hope for the future.

The policy of the Primary Producers' Association is to pass resolutions; that is all. The policy of the Government is to do things. I do not think it would be possible to wipe out the grasshopper plague in Western Australia. The conditions are becoming more simple for their propagation. This has been shown in the Eastern States. New South Wales and South Australia have legislation to deal with the pest. I am informed that there never has been a year in New South Wales when there has not been a plague of grasshoppers. This year the pests are operating over a large front in that State, despite the legislation. Acts of Parliament are useless.

Hon. P. Collier: They hop over the Acts.

The MINISTER FOR LANDS: But practical work has its effect. This Government did not bother about saying, "Wait until we have passed legislation." We went in and did the job.

Mr. Seward: The settlers saw that you did.

The MINISTER FOR LANDS: This has been appreciated by the settlers, even if from other quarters the Government have not received any congratulations. I must make a reference to something the Leader of the Opposition said on the general discussion of the Estimates, when he attacked the Lands Department. He referred to Bullfinch, the Southern Cross mining settlement and the South Ghooli area as being my responsibility as Minister for Lands, pointing out that in those areas there had been so much trouble. I have looked up the facts.

Mr. Marshall: Are these suitable facts?

Hon. C. G. Latham: Suitable for the Minister.

The MINISTER FOR LANDS: They will stand investigation. When I became Minister for Lands in April, 1927, I succeeded Mr. Angwin. The Leader of the Opposition accused me of initiating the Bullfinch settlement. It was initiated in September, 1922, five years before I took office. Who were in office in 1922? The hon. gentleman opposite!

Hon. C. G. Latham: Why are you not truthful for once? You know your statement is untrue. Did you start the miners' settlement at Southern Cross and the one up North?

Hon. P. Collier: Stick to Bullfinch for the time being.

The MINISTER FOR LANDS: Let us take these things in detail.

Mr. Marshall: You supported the Government.

Hon. C. G. Latham: I was unsophisticated then.

The MINISTER FOR LANDS: There was not a Labour Government in office in 1922.

Mr. Seward: You said the Leader of the Opposition was in office in 1922. That is wrong.

The MINISTER FOR LANDS: I said that members opposite were in office.

Mr. Seward: You said the hon. member was in office. You were wrong, and you are not game to withdraw the statement. We have had just about enough of you.

The MINISTER FOR LANDS: I said my friends opposite were in office.

Mr. Seward: No; you did not.

The MINISTER FOR LANDS: Let us be particular about it. The Mitchell Government were in office, supported by the Leader of the Opposition.

Mr. Marshall: That is the actual position.

Hon. C. G. Latham: There was only an Opposition of 16 in 1922.

Mr. Marshall: An Opposition of 18.

The MINISTER FOR LANDS: I do not want to go further, although I might do so. I might say that some members opposite broke with their party at the time in support of the Mitchell Government's policy.

Hon. P. D. Ferguson: Only two of us here now were in the House at the time.

The MINISTER FOR LANDS: They are mostly newcomers on the other side of the House.

Hon. P. D. Ferguson: All since 1922.

The MINISTER FOR LANDS: Those are the facts. I am not accusing the recruits on the other side of the House of supporting anything said by the Leader of the Opposition in this respect. They must carry their responsibility later on.

Mr. Thorn: We do not belong to burnt-out politicians yet.

The MINISTER FOR LANDS: If I were rude enough I would say that the hon. member represented that word himself.

Mr. Thorn: You are burnt out yourself; that is the trouble.

Mr. Marshall: You are too green to burn.

The MINISTER FOR LANDS: The Leader of the Opposition accused me of being responsible for the South Ghooli settlement. I came into office in 1927, and

South Ghooli was settled in February, 1926.

Hon. C. G. Latham: You were in the Ministry then.

The MINISTER FOR LANDS: The hon. member accused me of being responsible for the settlement at Southern Cross. That was settled in 1922, at the same time as Bullfinch.

Hon. C. G. Latham: South Southern Cross, the Troy settlement?

The MINISTER FOR LANDS: I am coming to that.

Hon. P. D. Ferguson: Which Government were in office in 1924?

Hon. P. Collier: A good Government.

Hon. P. D. Ferguson: You were Minister for Mines then.

The MINISTER FOR LANDS: The South Ghooli was settled in 1926. I could not have been responsible for that. Southern Cross was settled in 1922, when there was not a Labour Government in office. Since truth must prevail may I say that Moorine Rock was not settled until November, 1928. I was in office then, and the settlers are still there. I am also responsible for the miners' settlement at Southern Cross. I must have been in office when Moorine Rock was settled, for the settlers are still there.

Hon. C. G. Latham: Moorine Rock was settled before 1928.

The MINISTER FOR LANDS: I find that the major portion of that settlement took place when I was in office.

Hon. C. G. Latham: The officers put up just what you want.

The MINISTER FOR LANDS: I acknowledge my responsibility for the miners' settlement at Southern Cross. I stopped any further settlement in the Bullfinch area and north and east of Southern Cross. I instructed the Surveyor General not to survey any more land there. Members know that the first settlers in the Southern Cross area signed a declaration that if they got the land they would not require any assistance. When they got the land they made assistance a political matter.

Hon. C. G. Latham: They put it well over you.

The MINISTER FOR LANDS: I thank the hon. member, but they did not do so. It was long before my time, for they went there in 1922, five years before I took office. I said that when this matter had been settled no more land was to be surveyed at

Southern Cross. People, therefore, would have no chance to settle there because no more land would be surveyed for them, and no more was surveyed.

Hon. C. G. Latham: Tell us about Kulja eastward?

The Minister for Mines: You did not mention that.

The MINISTER FOR LANDS: I hope the Leader of the Opposition will acknowledge that he is wrong. When the miners' settlement was started at Southern Cross the men were not taken there against their will. The settlement was made at their instigation. The miners on the fields who were falling into ill-health because of mining conditions agitated for a chance to go on the land, so that their health might improve. At first it was contemplated that they would be settled at MacPherson's Rock. When I saw MacPherson's Rock, I did not regard it with favour as a place for settlement; and so I regarded Southern Cross as the only place possible then, because of situation and the Goldfields Water Scheme, for settling miners from the goldfields.

Hon. C. G. Latham: Why did you put in the water scheme at MacPherson's Rock?

The MINISTER FOR LANDS: I did not put it in.

Hon. C. G. Latham: Well, who did?

The MINISTER FOR LANDS: I do not know. I suppose it has been about as payable as the water scheme at many other places.

Hon. C. G. Latham: Nobody is ever there, unless lost.

The MINISTER FOR LANDS: It is not my job.

Hon. C. G. Latham: Twenty thousand pounds to pay interest and sinking fund on, and not a soul there!

The MINISTER FOR LANDS: Where could any body of settlers have been put at that time, unless at Southern Cross? There was no other land available. The Leader of the Opposition himself was putting men beyond Southern Cross.

Hon. C. G. Latham: You established an experimental farm there.

The MINISTER FOR LANDS: I did. I am indeed glad the hon. member has reminded me of that. I put an end to all settlement east of Southern Cross, and I established an experimental farm to prove the country before settlement. That was a practical scheme. It should have been done years ago.

Hon. C. G. Latham: Why did not you do it?

The MINISTER FOR LANDS: I was not here to do it. When I was here, I established experimental farms on the boundaries east of the wheat belt. I put one experimental farm 30 miles east of Perenjori, one at Ghooli, and one at Salmon Gums. For the settlement of miners, there was no other place available. We were then looking for country further east, and the only place possible to put settlers at that time was south of Southern Cross. If the same circumstances came to-day—they will recur later—we would still put them there.

Hon. P. D. Ferguson: Why are you taking them off now?

The MINISTER FOR LANDS: I am not taking them off. The Agricultural Bank has determined to retreat from that area, and the Bank is acting on its own responsibility. Some of these settlers at Southern Cross are making good, and taking up more land. With respect to Bullfinch, I have shown definitely that in no respect was I responsible for that settlement; but even after the Bank retreated from Bullfinch and invited the settlers to transfer to better rainfall areas, only seven settlers have taken advantage of the Bank's offer.

Hon. C. G. Latham: I suppose only seven were left there!

The MINISTER FOR LANDS: Not by any means. Although the Bank has invited the settlers at the miners' settlement to remove to areas nearer the coast and with better rainfall, not one settler has left the miners' settlement.

Mr. Seward: Very few settlers are left there now.

The MINISTER FOR LANDS: Thus, whilst the Bank is retreating to what it regards as safer country, the men whom I put on the miners' settlement want to stay there, and are staying there.

Hon. C. G. Latham: Have you anything to say about East Kulja?

The MINISTER FOR LANDS: I do not need to, because the settlers there are doing very well. There is a Murchison miners' settlement east of Kulja, on which very little money has been expended. I formed that settlement, and I regret to say that when it was formed I went out of office and those men did not get much sympathetic consideration in the ensuing three years.

Hon. C. G. Latham: You said we gave them too much.

The MINISTER FOR LANDS: I did not say that. No money was then available to the Bank, but the Bank admits that the men received very little consideration. A few of the settlers are doing well, though we have had the worst seasons in the history of Western Australia. In spite of those seasons, good crops will be harvested this year at Mollerin. A few days ago I had letters from there stating that even in this season good crops were expected. At Mukinbudin and Lake Brown I do not think they did nearly so well. I am not responsible for those settlements, but I might have been had I been in office at the time. I am sure that when the drought breaks in this country—it is now in its seventh year, an experience that no one has had for the last 50 years—we shall get good seasons in all those eastern areas, and probably successive good seasons. Then perhaps the settlers out in those areas will get the best crops. I know they got the best crops some years ago, under circumstances which were not to their advantage.

Hon. C. G. Latham: Keep going for an hour or two! We do not mind. I will make a few notes.

The MINISTER FOR LANDS: The Murchison country lies adjacent to the wheat belt, the northern wheat belt particularly. Therefore it is only reasonable to assume that when the Murchison experiences dry seasons, the wheat belt will have those seasons likewise. When the drought breaks—and it must break very soon—all those areas will have a very good time.

Hon. P. D. Ferguson: They will deserve it.

The MINISTER FOR LANDS: They will get crops which will be the envy of settlers in more favoured portions of Western Australia. Now I want to say a word about bulk handling. Hon. members know that some little time ago this Parliament passed legislation providing for bulk handling. During the past year approval has been given to the establishment of bulk handling facilities at sidings in the Bunbury zone. The Government have undertaken the construction of terminal facilities at Bunbury, and that work is now in progress.

Hon. C. G. Latham: Did you call for tenders?

The MINISTER FOR LANDS: No.

Hon. C. G. Latham: That is an unusual method.

The MINISTER FOR LANDS: That is another question, and need not be answered here. The important thing is that the work has been done reasonably. The important thing is that the terminals will be there when the farmers are in a position to use them.

Hon. C. G. Latham: Who said the work had been done reasonably?

The MINISTER FOR LANDS: I said so and the Works Department said so.

Hon. C. G. Latham: The Government should have called for tenders and not have carried out the work by day labour.

The MINISTER FOR LANDS: The Director of Works said so, and he has more engineering and constructional knowledge than the Leader of the Opposition.

Hon. C. G. Latham: It is very unusual for any Government to undertake work like that without calling for tenders.

The MINISTER FOR LANDS: That can be argued at some other time, not now.

Hon. C. G. Latham: Why not now? You brought it up.

The MINISTER FOR LANDS: If the cost is questioned, then that can be thrashed out here later on. The Bunbury terminal was constructed on the recommendation of the Director of Works, and it was carried out at a cost that he considers most reasonable in the circumstances.

Hon. C. G. Latham: But you did not call for tenders.

The MINISTER FOR LANDS: There was no time to call for tenders. The farmers will require to use the installation in November next and so it was most important that the work should be done. The Government should be congratulated upon carrying out the work.

Hon. C. G. Latham: We will find out about that a little later on.

The MINISTER FOR LANDS: We are not afraid of anything the Opposition can find out about it.

Hon. C. G. Latham: At any rate it was done in a most unusual manner.

The Minister for Mines: It would have caused delay if we had called for tenders, and we would have heard all about it later on.

Hon. C. G. Latham: You delayed the work and held it up for years.

The Minister for Mines: We have cut the ground from under your feet.

**The MINISTER FOR LANDS:** What we did at Bunbury was done only after the fullest investigation by the Government, after due inquiries by the engineers and after we had exhausted every means possible to get the work done properly. We are prepared to answer for anything in that respect. What a howl there would have been if the terminal had not been ready for the farmers in November next!

**Mr. Seward:** You are quite right.

**The MINISTER FOR LANDS:** The bulk handling people would have said to the Government, "You gave us permission to erect the country installations and encouraged us to go on with the work. Now you are not ready for us." We would have been condemned throughout the country.

**Mr. Seward:** You gave a lot of encouragement to bulk handling, you did!

**The MINISTER FOR LANDS:** I know the hon. member will applaud us. I know how generous he feels about it.

**Mr. Seward:** Yes, I do.

**The MINISTER FOR LANDS:** I understand that the Bunbury terminal will be available for the coming harvest, and we propose, if the necessary authority is given, to install similar facilities for the Fremantle zone, which will be necessary in the near future, if it is not now. Hon. members know that at the last Loan Council meeting approval was given for Western Australia to borrow £350,000 for extra terminal facilities. That question cannot be discussed just now, but I hope legislation will be introduced this session to deal with the matter. I have given the Committee a very correct review of the Lands Department's activities and I will now place myself unreservedly in the hands of hon. members.

**The CHAIRMAN:** Before hon. members proceed to discuss the Lands Estimates, I wish to point out that matters affecting the Agricultural Bank, Industries Assistance Board, and the Soldier Settlement Scheme must be discussed on this item because no Vote is provided for the activities mentioned.

**HON. C. G. LATHAM (York) [9.40]:** I think the Minister for Lands is disappointed at the smooth passage the Estimates have had so far. There is no doubt that this session the Estimates have been treated generously by members of the Opposition. Evidently the Minister for Lands feels that there should be a little diversion, and he has

set about endeavouring to create it. The Minister has very definitely charged members sitting on the Opposition side of the House with all sorts of actions. I have already pointed out to him that many members on this side of the House were not in Parliament during the years from 1921 to 1924. I have also pointed out for the Minister's special benefit that from 1924 to 1930 Labour Governments were in power, and from 1930 to 1933 a National-Country Party Governments, while since 1933 Labour Governments have been in office. Most of the money spent on land settlement and repurchased estates has been spent by Labour Governments.

**Hon. P. D. Ferguson:** Misspent.

**Hon. C. G. LATHAM:** I will not say that, but at any rate the money was spent by Labour Governments. I do not say it was wisely spent, but as to that the Minister has found it necessary to decide for himself. During that particular period not less than £7,000,000 was spent, which is almost equal to the amount that will have to be written off very soon. I am sorry that I have not had a proper opportunity to peruse the report of the Auditor General, which was laid on the Table of the House to-day, but in the brief time at my disposal, I have noted that revaluations have already been made with regard to the Yandanooka, Mendel, Kockatea, Guranu and Wongoondy estates, and I believe the Minister was responsible for the purchase of those estates.

**The Minister for Mines:** Yandanooka?

**Hon. C. G. LATHAM:** At any rate, a Labour Government purchased that estate. The amount written off has been £427,978 and interest has been written off totalling £34,282. I am not complaining about that money having been written off. It was written off to save an industry. But the Minister repeatedly goes round and boasts about what he has done, whereas, in fact, he has done nothing at all other than to write off money that it was impossible to collect. I have always been generous towards the Minister, but he has set himself out to bait the Opposition in a manner that is distinctly ungenerous. After reading the speech he delivered recently on a particular Bill, I was satisfied that no matter how we tried, we could not be as vicious as he was on that occasion.

**Mr. Warner:** He had a kink that night.

Hon. C. G. LATHAM: In connection with all land settlement schemes here and elsewhere, it has been necessary to write off considerable amounts, and no kudos attaches to that in respect of any particular Government. The Minister challenged me to show that there had been any writing off prior to the action he took. Years ago the valuation of repurchased estates was written down. There was the Bowes estate, for instance.

Hon. P. D. Ferguson: And Oakabella, and others too.

Hon. C. G. LATHAM: Coming closer home, the value of the Kuminin estate was written down. That property was purchased for the settlement of returned soldiers. The other day, when the board were asked to make an inspection, they were generous and wrote down the valuation of one property by 2s. 6d. per acre. If the Minister went out and had a look at that estate, he would realise, as I did, that it was impossible for anyone to make a living on holdings there with a high capitalisation attaching to the blocks. When I was Minister for Lands, I realised it was impossible with regard to repurchased estates for the Government to pay cash, capitalise the interest and sell the holdings to people without capital. I have made the statement before—even when I was sitting on the Government side of the House—and I repeat the statement to-night, that so long as I am in this House, I will not agree to purchase estates and sell holdings to people without capital. When I made that statement, the then Premier said it was far-reaching, but nevertheless I think that attitude is absolutely correct. I know the conditions on those estates, as well as anyone else, particularly those affecting the returned soldiers. They were bought at a time of inflated prices. I am not going to say the price was unreasonable in comparison with the same class of land producing the same crops in the Eastern States but I know of a property that was purchased at £2 6s. 8d. an acre. With the capitalisation of interest it amounted to £5 an acre, and then on top of that the settler had to borrow from the Agricultural Bank to clear the land in order to provide the additional improvements so that he could use the farm; and then he came under the Industries Assistance Board for machinery and sustenance. Is there any alter-

native but to write down those valuations? I ask the Minister whether there is any alternative? I know that very few farmers put on repurchased properties estates have been able to succeed unless they had capital of their own.

Mr. Cross: How many are there on the Peel estate?

Hon. C. G. LATHAM: I wish the hon. member would keep quiet. He can make a speech after I have finished. That policy has been ruinous, not only to this State, but to every other State. The history of Canada reveals that the same thing has happened there. The policy cannot be made effective. This is the only place to which one may come to ask for authority to write off, although the Executive Council can of course take the responsibility, and have done so. The Minister has repeatedly asked why I did not write off from 1930 to 1933. We finished in 1929 with six of the best years the State has ever had, with prices better than we had had before and better than we are ever likely to get again. In 1930 we had a record harvest of 53,000,000 bushels of wheat.

The Minister for Lands: It was in 1929-30.

Hon. C. G. LATHAM: In 1930-31 the harvest was 53,000,000 bushels of wheat, with the lowest price we ever had, and the Minister knows that the Government were fully occupied—not merely eight hours a day either—trying to save the industries we had in this State and maintain the people. From 1930 to 1934 it was impossible to say when was a suitable time to write off those estates. If we had written them off in 1931 to 1933 the Minister would have had to write them down again. Would he say that he would not have had to do so?

The Minister for Lands: No, I would not.

Hon. C. G. LATHAM: The Minister says he would not. I say he would have had to write them down. Most of the money that has been written off to-day was accumulated during the best periods this State has ever seen, namely, from 1924 or 1930. The prices averaged 4s. 11½d. at sidings with a record harvest.

[Mr. Sleeman took the Chair.]

The Minister for Lands: Some paid their liabilities and others paid not a shilling.

Hon. C. G. LATHAM: Whose fault was that?

The Minister for Lands: You said they could not pay anything.

Hon. C. G. LATHAM: I said the debts had accumulated in those periods.

The Minister for Lands: Because they would not pay anything.

Hon. C. G. LATHAM: What was the Minister doing? He was in office for three years. I am not laying the charge; he is laying the charge against himself. He found that he could not do the job and he appointed boards to do it for him. I would have said nothing about this if it had not been for the way in which he introduced his Estimates.

The Minister for Lands: What have you said now?

Hon. C. G. LATHAM: I say the Minister is responsible for it. During the very best period this State has had the Minister was in charge of the department for three years, and then he says to us, "Why did you not write it off in 1930?" The Minister says a lot of irresponsible things. That was an unsuitable time to write down, and I did not hesitate to say so. The right time was when the prices received were such that a man could meet current expenditure. The time to write down is not when you know that farmers are going to accumulate still further arrears from year to year. I have very little for which to thank the Minister. Since the people have put the Minister where he is it is his job to see that the primary industries are maintained. It has always been the function and the duty of the Government and they have always responded to it to see that our primary industries are supported whenever possible. There has been no difference of opinion in the 16 or 17 years I have been here as to the land policy of this State. It has been a very generous policy, but that does not justify the Minister neglecting his duty in collecting money which he could collect and should have collected. At no time does it justify that.

Mr. Cross: You are now accusing him of being too generous.

Hon. C. G. LATHAM: At somebody else's expense, and then blaming us. But I am sick of being blamed by the Minister. He says we go around the country talking about these things. On no occasion have I mentioned the name of the Minister for Lands. We have quite a good enough case to put up when we want to go on the platform without vilifying the Minister.

The Minister for Lands: You have no case.

Hon. C. G. LATHAM: If the Minister wants that kind of propaganda we can generate it.

The Minister for Lands: Let the hon. member take me with him.

Hon. C. G. LATHAM: The Minister has been through my district at times and he has said things no other Minister would say. Let the Minister read his speech of the other night and see if he is not ashamed of it.

The Minister for Lands: I am not.

Hon. C. G. LATHAM: Well, I say he should be. The Minister knows he was responsible for the 3,500 farm scheme, and he knows that the policy to-day is to couple up those holdings. He admits that he made mistakes.

The Minister for Lands: I do not.

Hon. C. G. LATHAM: Why is he coupling up those properties? Why does he not carry out the railway policy he inaugurated with the scheme?

The Minister for Lands: Because the Commonwealth Government let us down.

Hon. C. G. LATHAM: There is always an excuse. It is a wonder the Minister did not blame us for not building the railway.

The Minister for Lands: We do blame you.

Hon. C. G. LATHAM: The railways built there were built by us. The settlers at Moorine Rock had to wait till this side came into power before the railway was built.

The Minister for Mines: We have built 10 miles of railway to every mile that you have built.

Hon. C. G. LATHAM: Because in 10 out of 13 years there has been a Labour Government in power. The Government that originated that policy has always gone on with that development, and it has always been followed by Labour Governments who built railways. I have admitted that there has been little difference in the policy.

The Minister for Mines interjected.

Hon. C. G. LATHAM: How many railways have been built in the last four years?

The Minister for Mines: None, and it is time we stopped.

Hon. C. G. LATHAM: I remember an authorisation for a railway a little while ago.

The Minister for Mines: And it was perfectly justified.



Hon. C. G. LATHAM: With his own words the Minister contradicts himself. He is always prepared—I was going to say he was always prepared to prevaricate.

The Minister for Mines: I thought you were referring to agricultural railways.

Hon. C. G. LATHAM: I was referring to railways.

Mr. Styants: He switches from agriculture to mining.

Hon. C. G. LATHAM: At all events, it had no opposition from this side of the House. We also know that there has been authorisation of other railways which have never been built. Some of them were authorised by the Labour Government. We provide for the expenditure of money under the heading of "Lands" and it accounts for the collection of revenue as well. I do not wish to hang up the Estimates for we have very little control over them, but I do object to the way in which the Minister introduced his Estimates, antagonising this side by making statements that were not true.

The Minister for Lands: You cannot say they are not true; they are true.

Hon. C. G. LATHAM: He said we went round the country making accusations. I say we did not. So that statement cannot be true.

The Minister for Lands: But I had letters to that effect.

Hon. C. G. LATHAM: I do not care how many letters the Minister may have had. We have always commended the Rural Relief Board on their work and we have made no complaints whatever about it. But one thing the Minister forgot to mention was that the whole foundation of that scheme was laid in the Federal House by the Federal Country Party, who provided the necessary cash, and committed the Commonwealth to an amount more than equal to the amount already advanced.

The Minister for Lands: They promised £20,000,000.

Hon. C. G. LATHAM: That is some more of Herbert Powell's. I am glad the Minister is the mouthpiece for that gentleman.

Hon. P. Collier: He is a wheatgrower.

Hon. C. G. LATHAM: Yes, and I hope the Minister will get a great deal of satisfaction from him. There was the authorisation of the Federal Act for £12,000,000 and this State got over £500,000. The Minister has had all that he could get up to date. I think he was present at the last meeting when he told the Commonwealth Govern-

ment that all he could get out of the flotation was £600,000.

The Minister for Lands: I said I wanted no such thing. You were not there.

Hon. C. G. LATHAM: They wanted more money for public works than for rural relief. The Minister knows that they were limited by the amount that they could borrow on our market, and the difference between what was given to the Minister for public works and the amount collected, was the amount for rural relief.

The Minister for Lands: I was there but you were not.

Hon. C. G. LATHAM: I am afraid the Minister does not always hear all that goes on. The foundation was laid and the Minister is carrying it still farther, which is improper, by arranging that the settlers on repurchased estates cannot get relief unless they go under the Farmers' Debts Adjustment Act. So one man gets relief but his neighbour, perhaps a better man, gets nothing. Surely the Minister will admit that there should be equity in this sort of thing. If there are two farmers side by side on the same class of land, the valuations should be reduced alike. Why should one man get the benefit of debt adjustment while the other does not? That principle is wrong and we ought to protest against it.

The Minister for Lands: You do not understand the position.

Hon. C. G. LATHAM: The Minister said that application had to be made under the Rural Relief Act before relief could be given to a man either by the Bank or by the department.

The Minister for Lands: There were special cases.

Hon. C. G. LATHAM: I was speaking of various repurchased estates. If a person has to make application to the Farmers' Debt Adjustment Board before he can get relief, I say it is wrong in principle, and I hope the Minister will reconsider that decision. We are spending to-day about £15,000 more on the administration of the Agricultural Bank than we did previously. I should like the Minister to account for this additional cost. The Bank is not doing nearly so much work as it did previously, yet there is an additional £15,000 spent on administration. That is in excess of what we spent in 1933-34 and 1934-35. The Minister should justify that expenditure. I notice that the Minister passed it over very

lightly. We are getting very little information about the Agricultural Bank. A matter of £15,000 is a large sum of money, yet there are fewer clients in the Agricultural Bank to-day than there have been for a very long time. The sales are not being done by the Agricultural Bank any longer, but have been handed over to Goldsbrough Mort & Co., a firm who now have the exclusive right in the sale of abandoned farm properties. In the old days the departmental officials had to do that work. So, as I say, the work of the Bank is much less now than it was previously. When I look at the abandoned farms, I conclude that things are going from bad to worse. There are to-day 2,400 abandoned farms on the hands of the Bank. And the Minister said that there were thousands of them when we were in power. The Minister knows that that statement is not correct.

The Minister for Lands: Nonsense!

Hon. C. G. LATHAM: The Minister has only to look at the wheat yield. When was it we had the record harvest?

The Minister for Lands: When we left office.

Hon. C. G. LATHAM: The hon. member's party went out of office in 1930 and the record harvest was in 1931. Also in 1931-32 there was a very big harvest and now that the Minister has control again we are down to a harvest of about 20,000,000 bushels, less than one-half. Yet the Minister to-night boasted of all the wonderful things he has done.

Hon. P. Collier: Well, he brought the rain.

Hon. C. G. LATHAM: The Minister always has an excuse whether he brings the rain or not. I want to know what value we are getting for this additional £15,000. The most scandalous thing is the running about in expensive motor cars that have been purchased by the Agricultural Bank.

The Premier: That is all right.

Hon. C. G. LATHAM: Is it all right? I have commented very little about officers having motor cars, but there are some things we ought to comment on. How many motor cars have been purchased for the Bank since the Commissioners came into office, and how many cars has the Treasury representative had? He never had one before. Some people, because they take charge of the Bank as Commissioners, seem to think they can spend money in any way. It is

about time some check was imposed. It is of no use the Minister for Lands smiling. There is unnecessary expenditure on motor cars and it has been going on for a long time, and a check should be made.

Mr. Cross: You do not want them to go about the country in a spring cart when they can get round quicker by motor car.

Mr. Patrick: They have three cars.

The Premier: They have not three cars.

Hon. C. G. LATHAM: Then a change must have been made recently.

The Premier: No.

Hon. C. G. LATHAM: I am glad that there is some check. Evidently the Minister does not see what is going on, though outside people do. Perhaps he does not want to see.

The Minister for Lands: You are not in a position to throw stones.

Hon. C. G. LATHAM: What do you mean?

The CHAIRMAN: Order! The hon. member will address the Chair.

Hon. C. G. LATHAM: I want to know what the Minister means.

The Minister for Lands: I mean what I say.

The CHAIRMAN: Order!

Hon. C. G. LATHAM: Then say it and do not indulge in innuendoes. I want to know what the Minister means. Does he mean that I have his motor car?

The Minister for Lands: I will say what I mean later on.

Hon. C. G. LATHAM: Then I will answer it.

The CHAIRMAN: The hon. member will address the Chair.

Hon. C. G. LATHAM: If the Minister has something to tell, let him tell it. He can tell all he knows. I have become tired of this behaviour on the part of the Minister.

The Minister for Lands: I said you were not in a position to throw stones.

Hon. C. G. LATHAM: What do you mean by that?

The CHAIRMAN: Order!

Hon. C. G. LATHAM: I will tell the Minister something else.

The CHAIRMAN: The Leader of the Opposition will address the Chair and keep order.

Hon. C. G. LATHAM: I will tell him about families being brought from Mullewa in a bank car and a few other things.

The Minister for Lands: I know nothing about the Bank at all.

Hon. C. G. LATHAM: Then what was the Minister hinting at.

The Minister for Lands: I do not control the Bank.

Hon. C. G. LATHAM: I have not had anything to do with Bank cars. Any Government car that I have used has been used with the authority of the Premier. Simply because a member voices his opinion on these matters, he should not have these threats put over him. I will not allow it.

The Minister for Lands: The Bank has not a car.

Hon. C. G. LATHAM: Far too much money was spent in that way a little while ago. The Minister has told us he has given authority for the area served by Bunbury to have bulk facilities provided. He knows that the work of providing them has been in hand for a long while. I think the approval must have been issued at least three months ago or probably longer. I can get the exact date. Then the Minister told us that he had not had time to call for tenders for providing the port facilities. This is the first occasion I have known of the Government undertaking big works without calling for tenders. It is improper for the Government to have the work done without inviting tenders. The Premier knows that. The system lays itself open to abuse.

The Premier: When you are in a hurry you cannot always call for tenders.

Hon. C. G. LATHAM: The Premier knows there has been no hurry. For at least three months the work at the sidings has been in hand. The Minister knew when he issued authority to the company to proceed with the work at the sidings that bulk handling facilities would have to be provided at the port.

The Premier: And the bulk handling work has been in progress for some months.

Hon. C. G. LATHAM: I have been informed that it was started at Bunbury only recently.

Mr. Withers: It has been in hand three months.

The Premier: Yes, two or three months.

Hon. C. G. LATHAM: It seems most extraordinary that we should get the information only now.

The Premier: You knew all along.

The Minister for Lands: The work was started before Parliament met.

Mr. Withers: The resumption of property took place in April.

Hon. C. G. LATHAM: I do not blame the Government for not advertising their intention to resume the necessary property.

The Premier: The work has been in progress for three months.

Hon. C. G. LATHAM: Tenders should have been invited. I do not wish to see charges of improper practice levelled against any Government.

The Premier: There has been nothing improper about it.

The Minister for Lands: We do not do anything improper.

Hon. C. G. LATHAM: It is an unusual procedure. Will the Government say it is not unusual? I do not remember any large public work being undertaken without tenders having been invited.

The Minister for Lands: A very necessary thing.

Hon. C. G. LATHAM: I will be glad to have some information about it. I suppose the work will be the subject of legislation later on. Then we will probably receive more information. It would have been far better had the Minister for Lands left what he had to say until the Bill was introduced.

The Premier: Apparently you did not know that the work was in hand.

Hon. C. G. LATHAM: I was told a day or two ago that certain works were in hand at Bunbury.

The Premier: They have been in hand for two or three months.

Hon. C. G. LATHAM: I was unaware how long.

The Premier: The Minister told you what was going on and you say he should not have done so until the Bill was introduced.

Hon. C. G. LATHAM: Seeing that he has held his peace so long, it would have been better had he waited until the Bill was introduced. I will accept the Premier's statement. He is much more reasonable than is his colleague.

The Minister for Lands: It has been mentioned in the Press for months.

Hon. C. G. LATHAM: I am aware that the Press has published complaints about delays. In the ordinary Estimates there is very little that calls for comment. But for the injudicious way in which the Minister introduced his Estimates, probably

little would have been said on them. The money has to be found, but the farmer has nothing to thank the present Minister for and neither have we.

The Premier: Oh, oh!

Hon. C. G. LATHAM: The Minister is merely writing off debts that he can never collect, and his only alternative would be to put the farmers off the land and allow someone else to re-select the land at a lower price.

The Premier: What about rural relief? It is in the same category.

Hon. C. G. LATHAM: Had the Premier been in his place to hear the Minister for Lands—

The Premier: I was here.

Hon. C. G. LATHAM: Then I am surprised at his making that statement if he heard what the Minister said. The Minister told us about the generosity of the Government and all they had done for the farmers.

The Premier: We have been generous.

Hon. C. G. LATHAM: What is the good of talking of generosity? If the Premier loaned money to people and could not collect it, it would be of no use his talking of being generous. The fact is that he would have loaned it and could not get it repaid.

The Premier: But for our action farmers could not have got credit.

Hon. C. G. LATHAM: They are evidently able to get a fair amount of credit to-day and they would get more after their debts had been adjusted. The adjustment of debts is only fair and reasonable for the men who have carried on. It is preferable to retain the present farmers on the land than to take the land and sell it to someone who knows less about it. The Minister's speech was purely a political speech specially put up in view of the impending Federal elections. It is the first Federal election speech we have had in this House. Members on this side have refrained from mixing up the State with Federal politics. I am surprised that the Minister for Lands should have done it, seeing that he has been in the House for so many years.

The Minister for Lands: What about the party statements in the Press?

Hon. C. G. LATHAM: They were written outside the House; Mr. Trainer wrote one of the articles. The Minister for Railways did not bring Federal politics into

the House, but the speech of the Minister for Lands has been one he might well have delivered from the public platform.

The Minister for Lands: I dealt with the circumstances; a proper speech.

Hon. C. G. LATHAM: We understand what is being done. Whatever thanks are due to the Government from this side of the House will be given, but they will not get it for a speech like that of the Minister for Lands.

**THE MINISTER FOR LANDS** (Hon. M. F. Troy—Mt. Magnet—in reply) [10.15]: The Leader of the Opposition talked about repurchased estates. He said I had purchased the Mendel and Kockatea Estates. He is not correct. I did not do so. Nevertheless I think they were wonderfully good purchases.

Mr. Patrick: They were bought cheaply.

The MINISTER FOR LANDS: I was responsible for the purchase of the Wongoondy Estate. I wish I had had the privilege of buying the Mendel Estate. It was cheaply bought, and was one of the best.

The Premier: Very good land, too.

The MINISTER FOR LANDS: The hon. member also talked about the writing down that had been done. He indicated that the settlers would not repay for the writing down that had been done.

Hon. C. G. Latham: I did not say that. Why not speak the truth? There is a difference between "would not" and "could not."

The MINISTER FOR LANDS: When the hon. member says my remarks are untrue, he is out of order, according to the Standing Orders. But that has been a commonplace with him. It certainly is not in order.

Mr. Patrick: Your speech the other night was not in order. It was full of innuendoes.

The MINISTER FOR LANDS: The hon. member can deal with that.

Hon. C. G. Latham: We all will.

The MINISTER FOR LANDS: And I will be able to deal with the hon. member.

The CHAIRMAN: The hon. member is not in order in threatening another member.

The MINISTER FOR LANDS: It was merely a promise of what was to come. The hon. member said we wrote off debts that would never be repaid. Why do we not write off the debts for everyone else?

Hon. C. G. Latham: You write off the debts of the State trading concerns.

The MINISTER FOR LANDS: Why do not we cultivate the policy that everyone should have his debts written off? Let everyone get into debt to the Government, and let us write off those debts. That is the propaganda in these days. Every settler has an idea as to what will be written off the debts he owes. That is the philosophy we are cultivating. When we generously write off debts as an act of grace and benevolence, that is all the gratitude we get.

Mr. Styants: We do not expect gratitude from farmers.

Hon. C. G. Latham: Just as much as you would expect it from Trades Hall secretaries.

The MINISTER FOR LANDS: I have received many letters of gratitude from farmers, and I received many from them upon the introduction of the Agricultural Bank Act, but I never get any from their representatives in the House. We have written down these estates as an act of grace. The hon. member now says we have not gone far enough. Someone at Kumminin wants his property written down. Already there has been a writing down on that estate. The board revalued it, and gave all the writing down to which the settlers were entitled.

The Premier: Would they not like to sell out at the present price?

Hon. C. G. Latham: You will get it all back on your hands. You have already got two blocks.

The MINISTER FOR LANDS: It is unfair to give a man a writing down here and for his next-door neighbour not to get any. But that is the position which must exist everywhere. Under the Farmers' Debts Adjustment Act, one man may have his debts written down, and another man may not get anything written off. In this country there are some people who have to carry a burden, the weight of which is denied to the backs of others. In business, if one man does not pay, someone else has to pay. Some men get a writing down to which probably they are not as much entitled as their next-door neighbour. The Leader of the Opposition said that too much was paid for Mendel Estate. It is remarkable that some of the settlers have paid off the whole of their liability, whilst others have not paid a shilling for 15 years. What is the answer to that?

Hon. C. G. Latham: I could give you the answer.

The MINISTER FOR LANDS: Some have made their holdings freehold, and others have paid nothing for years.

Hon. C. G. Latham: I know of one man who paid everything back because he had the capital with which to do it.

The MINISTER FOR LANDS: Two men cleaned up the whole of their liabilities, but five others have not paid a shilling for 12 years. When a deputation waited upon me, I said, "I have looked at the classification of the land. The classification shows that it is as good as your neighbour's land. He has paid and you have not." A lot of this land is not too dear, compared with standards in the Eastern States. If the settler does not pay his interest and allows that to get into arrear, the accumulation of interest causes the land to become dear. Land which previously sold at £4 an acre now stands at £7 an acre. That comes about because the settlers live on it for years and pay nothing.

Hon. C. G. Latham: When did they start to get into arrears?

The MINISTER FOR LANDS: I do not know, but no doubt the hon. member will say it must have happened during my time.

Hon. C. G. Latham: Of course it did.

The MINISTER FOR LANDS: What about during the hon. member's time?

Hon. C. G. Latham: When wheat was 1s. 10d. and wool 8d.!

The MINISTER FOR LANDS: I do not keep the accounts of the Lands Department, nor send out rent notices.

Hon. C. G. Latham: You should see that the revenue comes in.

The MINISTER FOR LANDS: If I were to accept that responsibility, I might as well sack all the officers of the department.

Hon. C. G. Latham: You should see that the revenue does not exceed the expenditure.

The MINISTER FOR LANDS: It is the duty of the officers to tell me that. When Mr. McLarty was manager of the Bank in good years, I told him to collect his interest, to clean up every matter, and that I would stand behind him. I have always said that if in good years the settlers had been compelled to pay their debts, they would not have been in such trouble to-day.

Hon. C. G. Latham: He did not handle the rent of repurchased estates.

The MINISTER FOR LANDS: But he handled the interest. The Bank had to write thousands of pounds off repurchased estates.

Hon. C. G. Latham: What about the rent?

The MINISTER FOR LANDS: Some of them did not pay either rent or interest.

Hon. C. G. Latham: There was no control.

The MINISTER FOR LANDS: Whenever I found a settler not paying his rent though able to do so, I gave instructions that he must do so. I only discovered these things from time to time, because I do not keep the accounts. When files come to me asking for writing down, I examine the files. When I see a settler has not paid rent for 12 years, I tell him he is not entitled to a reduction, because if he cannot live rent-free now, he cannot live on the land at all. When the facts have been brought to my notice, I have taken action in regard to them. Hon. members opposite have said I am very hard on the farmers, and they have propagated that view in the country. I do not care twopence about that, because I am satisfied that the future will justify me. I am not bothering about the immediate present. However, I have been very tolerant and very considerate to the settlers. Although settlers have not paid rent for as long as 12 years, I have not put them off.

Mr. Marshall: I wish you were in charge of the Workers' Homes Board.

Hon. C. G. Latham: The Workers' Homes Board have written off too.

Mr. Cross: The Workers' Homes Board have made a large profit.

Hon. C. G. Latham: You should read the Auditor-General's report.

The MINISTER FOR LANDS: The Leader of the Opposition made a reference to the 3,500-farms scheme. It is true that that scheme was undertaken when I was Minister for Lands, at the request of the Migration and Development Commission. In this Chamber I always counselled caution in regard to the scheme. My advice in regard to all those schemes was always, "Hasten slowly." I said, "Let there be the fullest investigation." Due to my insisting upon the fullest investigation, the scheme was delayed, and was not gone on with, so that my hesitation and my caution were good things for Western Australia. The money was there. We could have got millions of pounds to go on with that development scheme. We did not do it. While we were making the fullest investigation, the de-

pression came and that was the end of the scheme. Some settlers have gone out there, and they have no reason to complain about assistance from the State Government. The only thing they do complain about is not having a railway, but the Commonwealth Government failed us there. Those settlers went out there with the consent of the Migration and Development Commission. The scheme was discussed in the Premier's Office. We told the Commission about the scheme and they said, "Go on with it." As I say, when the depression came the scheme was dropped. However, the settlers are on good land with a good rainfall, and they have done as well as any settlers in the best established areas of Western Australia. I am entitled to stand up to the facts. Hon. members opposite introduce legislation which they know must be opposed here in the interests of the community. Then they go into the country districts and say that everything they propose is opposed by me. But that sort of thing cannot go on indefinitely. The day is bound to come when those hon. members will come across here—I hope it will not be too early—and when they do they will have to work out their own penitence, because they will be asked to do the things which they have asked me to do and which they know are impossible. They promise to do those things while they are in Opposition. I am entitled to speak for the Lands Department, and to emphasise the facts; and the facts are these, that the present Government have done a great deal for the farmer, have been most generous to him, and that no Administration since the advent of responsible government has done as much for the farmer as has the Administration at present controlling the affairs of Western Australia.

Vote put and passed.

*Votes — Farmers' Debts Adjustment, £8,279; Agricultural Bank, Industries Assistance Board, and Soldiers' Land Settlement, £107,161—agreed to.*

Progress reported.

*House adjourned at 10.52 p.m.*