

support the hon. member in the latter part of his motion, but I cannot support the earlier part.

On motion by Hon. G. Fraser, debate adjourned.

*House adjourned at 8.55 p.m.*

## Legislative Assembly,

*Wednesday, 13th September, 1933.*

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

### QUESTION — UNIVERSITY OF WESTERN AUSTRALIA.

Mr. LAMBERT asked the Premier: 1, Will he endeavour to obtain, before the Estimates are discussed, the balance sheet of the University of Western Australia for the year 1931-32? 2, A list of the professors and the emoluments of all kinds drawn by each professor per annum? 3, The names of the professors and the leave granted to each professor during the past two years? 4, The number of students and the subjects studied by them?

The MINISTER FOR WORKS (for the Premier) replied: 1 to 4, Yes.

### QUESTIONS (2) — FREMANTLE TRAFFIC BRIDGE.

Mr. SLEEMAN asked the Minister for Works: Do the Government intend to proceed with the building of a new bridge to take the place of the old, obsolete, and unsafe structure called a traffic bridge at North Fremantle?

The MINISTER FOR WORKS replied: The matter is receiving consideration.

Mr. TONKIN asked the Minister for Works: 1, Do the Government realise the necessity for constructing a new traffic bridge of modern design to replace the antiquated structure at North Fremantle? 2, If so, will the Government list this project among the most urgent works for early commencement?

The MINISTER FOR WORKS replied: 1 Yes. 2, The matter is under consideration.

### QUESTION—IRWIN COAL DEPOSITS.

Mr. PATRICK asked the Premier: 1, Has he noted that portion of the Royal Commissioner's report on coal referring to the economic importance of developing the Irwin coal deposits? 2, Does he intend to act on Dr. Herman's suggestions for ascertaining the value of those deposits?

The MINISTER FOR WORKS (for the Premier) replied: 1, Yes. 2, The matter will receive the consideration of the Government.

### QUESTION—RETURNED SOLDIERS, PREFERENCE.

Mr. SEWARD asked the Premier: In view of the fact that in the "West Australian" of the 26th August the Minister for Employment was reported to have stated that preference would not be given to returned soldiers by the Government, while in another column of the same issue the Minister for Agriculture was reported to have said that former Parliaments had given preference to returned soldiers, and there was nothing to stop that promise from being maintained, will he state what is the policy of the Government on the question?

The MINISTER FOR WORKS (for the Premier) replied: There will be no alteration in the policy of the Government from that applied when previously in office on the question of preference to returned soldiers. A great preponderance of the returned soldiers are members of unions, and the Government's policy is preference to unionists, which it is not anticipated will work to the detriment of returned men.

**QUESTION—LAND RENTS, FINES.**

Mr. SEWARD asked the Minister for Lands: 1, Has any alteration been made in the policy of the previous Government not to impose a penalty fine on delayed land rent payments? 2, If so, what is the Government's policy on the question?

The MINISTER FOR WORKS (for the Minister for Lands) replied: 1, Yes. The general waiver of fines for late payment of rents by the previous Government expired on the 30th June, 1933. The action was taken as an inducement to settlers to pay current rents, but the response was found to be most disappointing. 2, The Government still have power under Section 20 of the Land Act Amendment Act, 1906, to remit fines for non-payment of rent, and each case will be determined on its merits.

**LEAVE OF ABSENCE.**

On motion by Mr. Doney, leave of absence for one month granted to Mr. Warner (Mt. Marshall) on the ground of ill-health.

**BILL—FIRE BRIGADES ACT AMENDMENT.**

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

**BILL—REDUCTION OF RENTS ACT CONTINUANCE.**

Read a third time and transmitted to the Council.

**MOTION—SITTING DAYS AND HOURS.**

Debate resumed from the 23rd August on the following motion by Mr. Hawke (Northam)—

That the House shall meet for the despatch of business on Tuesdays, Wednesdays, and Thursdays at 2.30 p.m., instead of 4.30 p.m. as at present.

**THE MINISTER FOR WORKS** (Hon. A. McCallum—South Fremantle) [4.37]: Members of the Cabinet have a good deal of sympathy with the motion and would like to be able to agree to it. In deciding what we should recommend to the House, we have to consider not only what is now being done in the Eastern States, as outlined by the

member for Northam, but our own experience in years past. Day sittings were tried here and were not a great success.

Mr. Stubbs: Metropolitan members objected to day sittings.

The MINISTER FOR WORKS: During this debate the objection has come from country members. I would have thought that country members would subscribe to the motion. They would have been able to do their business in the departments before lunch and then would have been able to attend Parliament early in the afternoon, and it would not have been necessary for them to remain in the city, away from their homes, as long as is necessary under existing arrangements.

Mr. Patrick: Some of us could not get away from the city.

The MINISTER FOR WORKS: Those members who live a long distance from the city would be disadvantaged, but I thought that earlier sittings would have suited quite a lot of members.

Mr. Latham: My reason for objecting was that I considered Ministers would find the earlier meeting inconvenient.

The MINISTER FOR WORKS: Let me outline the position of Ministers. The member for Northam said that Ministers in other States could order their work to permit of earlier sittings, and he thought the standard or calibre of Ministers here should be equal to that of Ministers in the East. He submitted that if Ministers there could discharge their duties and attend sittings of Parliament at an earlier hour, there was no reason why Ministers here should not do likewise. The hon. member, however, omitted to say that the conditions were not at all similar. I know from my own knowledge that in Victoria, New South Wales, Queensland and Canberra, and to a large extent in South Australia, Ministers have private offices in Parliament House buildings and do not remain in the House during the whole of the sitting. They have their staffs at Parliament House and work in private rooms adjacent to the Chamber while the House is sitting. Accommodation there permits of that being done, but here such accommodation is not available. There is no place in this building to which Ministers can retire to do their work. There is not even decent accommodation for the Premier. He has a little dog-box sort of room at the back of the Chamber, not big enough to receive a

deputation in it, and there is no place at all where other Ministers could work. Consequently, sittings starting at 2.30 p.m. would necessitate Ministers losing half a day's work in their departments on three days a week, and they could not give the requisite attention to administrative work, and Cabinet feel that in the circumstances prevailing here, we should not be asked to agree to the motion. The full measure of Ministers' attention to administrative duties is required; it is a whole day's job for any Minister who applies himself fully to the work. The circumstances of the State at the moment would not permit of Ministers being out of their offices half the time. Administration is probably a more important phase of public control than is legislation. A tight hand on all matters of administration is absolutely essential. We cannot subscribe to the motion at present, but we would like to see day sittings adopted, because the hours that Ministers in particular are called upon to work during the session are quite unreasonable and do not permit of anyone giving of his best to the work. The House frequently sits after 11 p.m. and Ministers, being in charge of the business, are screwed up to high tension and have to participate in heated debates. Following a late and arduous sitting, Ministers have to be in their offices at 9 a.m. and remain until 4.30 p.m., and then attend Parliament again, probably for another late sitting. Human nature cannot stand such unreasonable hours, which do not permit of Ministers giving of their best. We would like to be in a position to limit the hours of sitting, starting at 9 a.m. and finishing at 6 p.m., if that were possible. However, as I have pointed out, there is no accommodation at Parliament House to enable Ministers to do their work while the House is sitting, and until such accommodation is provided, it will be impossible for Ministers to agree, because it would mean letting the administrative side of the work go. I do not think the people realise that members have to devote such long hours to their work, and I do not believe that a majority of the people would desire that such long hours should be worked. It is not in the interests of the people or of members that such long hours should be worked. Still, we cannot suggest an alternative. But we are hopeful that if matters improve and the outlook next year is better, we may be able to make arrangements which will render a motion such as

this acceptable. I assure the member for Northam that the Government hope to be able to give sympathetic consideration to his proposal by the time the next session opens.

Mr. Sampson: That will mean an extension of these buildings.

The MINISTER FOR WORKS: I am not committing the Government to that, but I do think it would be in the interests of all concerned if that were possible. Instead of having a full bench of Ministers sitting here during debates, only one being in charge of the particular business under discussion, it would be better if the Minister immediately concerned remained in his place here while other members of the Cabinet worked outside the Chamber with their departmental officers. At present, however, that cannot be done. Ministers cannot leave the building for their offices. In Queensland and Victoria every Minister has his private room in Parliament House. In Canberra every group has separate accommodation. But here there is not even accommodation for the Leader of this House and the Leader of another place. All work done here is done under a handicap. The facilities available in every other State Parliament are not available here. It is not a comparison between the abilities of men at all. I do not think it will be argued that men who have been Ministers in Western Australia are in any way inferior to the men who have been Ministers in the Eastern States, but we cannot give Ministers elsewhere half a day's start. We cannot undertake to do by lunch-time what takes other Ministers a full day. In Western Australia so many public activities are directly under the control of Ministers, far more so than in other States. In no other Australian State has a Minister more to do than he has in Western Australia. The view of Cabinet, therefore, is that at the moment we are unable to support the motion; but we hope that next session we shall be able to take a sympathetic view of the proposal.

MR. MARSHALL (Murchison) [4.50]: I agree with what the Minister for Works has stated, and also appreciate the views expressed by him on behalf of Cabinet. The member for Northam was, I think, somewhat impulsive in bringing the motion forward. It struck me also that he was not quite fair in the arguments he advanced in support of it. Since he moved the motion I have consulted the "Commonwealth Year Book" to

ascertain what departmental activities are controlled by other Australian Parliaments, including the Commonwealth. If hon. members will refer to the publication in question they will better appreciate the volume of work done by this Parliament beyond that done by other State Parliaments and the Commonwealth Parliament. The mover stated at the outset that he thought it would be advisable to commence our sittings earlier with a view to closing them earlier. He began by arguing that if we began two hours earlier, we would no doubt complete our work two hours earlier; but before resuming his seat he acknowledged that he did not think his proposal would obviate late sittings. So that he is left in the position of asking Ministers to come into the Chamber at 2.30 in the afternoon without any probability of their being able to leave it earlier than at present. The duties of the South Australian Parliament, in which the mover has had some experience, are almost infinitesimal as compared with those of this legislature. I fail to understand why the hon. member compared South Australia with Western Australia in this respect. He knows that in South Australia the departmental work is considerably less than that which is an obligation upon the members, and particularly the Ministers, of the Western Australian Parliament. In point of area, South Australia can be contained about three times in Western Australia. Its population is about equal to that of Western Australia. It has only one half our railway mileage. It has no State brickworks, and though it has a State Forests Department its State forests cover about 388,000 acres as against the 2,500,000 acres of State forest in Western Australia. Again, South Australia has no Aborigines Department, no State shipping service, no State brickyards, no State sawmills—

**Mr. Sampson:** We will not blame South Australia for that.

**Mr. MARSHALL:** At the moment I will not express an opinion on that point. It is not a matter that I should discuss now with the hon. member. However, I suggest that South Australia is much the poorer for the lack of State interference in those respects. Numerous other obligations of the Western Australian Parliament find no counterpart among the functions of those who have the pleasure of being Parliamentarians or Ministers in South Australia. I acknowledge

that what I would really like is that we should start our work like other industries, at 9 o'clock in the morning, or perhaps at 9.30; but I also realise that that would be impracticable for me as a private member. I am within the precincts of this Chamber every morning before 9 o'clock, and sometimes fully an hour before 9 o'clock. That was the case this morning, and I have just finished my correspondence, though I should mention that I have been away on an errand to the Perth public hospital. I repeat, I have just finished my mail for the day. When I return here to-morrow morning, I shall find just as much correspondence to attend to. It is a continuous process. If the proceedings of this Chamber began at 9 o'clock in the morning, then by the time the week's legislative work was done my departmental work would have accumulated to such colossal proportions that I should never catch up with it. Moreover, if this Chamber sat at, say, 9.30 in the morning, it would be impossible for me to find Ministers in their offices at opportune moments, and I would have to sit up till late at night in order to keep pace with my correspondence. From that aspect I do not think any other hour of meeting would afford the same convenience. Members can remain within the precincts of the Chamber and deal with a considerable proportion of their correspondence by telephone. Still, an hon. member would never be able to cope with his correspondence if this House met in the forenoon. I agree with the Minister for Works that even if Ministers had accommodation in the precincts, it would not be a wise thing for them to absent themselves from discussions, seeing that they occupy the dual positions of Minister and member for an electorate. If they abstained from taking part in discussions here, they would soon find themselves in disfavour with their constituents. I fear they would profit little even from the proposed reform enunciated by the Minister for Works a few minutes ago. We all like a little recreation, and we can visit no theatre or similar place of amusement while the House is sitting. If efficiency is our objective, we must choose such sitting hours as are most suited to achieving efficiency. I am surprised at country members suggesting that 2.30 p.m. would be a more suitable hour than 4.30. I am a country member myself, and I suggest that the present

hour is the most convenient, having regard to all the circumstances.

Mr. Doney: That is what the majority of country members think, too.

Mr. MARSHALL: Yes. Like myself they prefer to approach Ministers and transact their business during the day and then devote the rest of their hours to participating in the debates here. Unless we can finish at tea-time by meeting earlier, the hours should remain as they are. To start at 2 p.m., or 2.30 p.m., is, to my thinking, ridiculous. If we start at 2 p.m., we may as well go the whole hog—start at 9 a.m. and finish at 6 p.m. If the Government do what they contemplate, I am afraid Ministers will find the altered arrangement unprofitable to them as members of Parliament, though perhaps profitable to them as Ministers. Every now and then we see a Minister who has no intention of participating in a debate being impelled by some reference in the discussion to what he is well conversant with, or to what is of importance to his electorate, to join in the debate. If he were doing his Ministerial work outside the Chamber while the discussion was proceeding and therefore failed to express his views, he would soon find himself in disfavour with his electors.

Mr. Thorn: He would never get any peace.

Mr. MARSHALL: I do not think the Government would be wise to interfere with the hours unless there is to be an early morning start. If Ministers are willing to take the risk of falling foul of their electors, I shall be one to vote for an early start; but I do not agree to the proposed restriction of the length of time for which a member may speak. Some members are rapid speakers, marshal their facts well, and make their contribution to the debate quickly. Another member is a slow speaker, perhaps nervous, and therefore it takes him a great deal longer to state his facts. It would be unfair to place a restriction upon the time available to a member for making his contribution to the debates. I shall certainly vote against any proposal of that nature. I shall also vote against the motion, having regard to the obligations of Ministers at present. In view of those obligations it is impossible for them to do their jobs if the House sits earlier. Again, the present hours are most convenient for country members. At the same time I do not wish it to be thought that I am opposed to an alteration of the present hours if they can be altered

with advantage. But I feel that when Ministers give further consideration to this matter, they will arrive at the conclusion that the present hour of commencing our sittings, quite irrespective of when we finish, is the best in all the circumstances. As a country member I shall vote against the motion.

Question put and negatived.

#### BILL—MINING ACT AMENDMENT.

Returned from the Council without amendment.

#### MOTION—DAIRYING INDUSTRY.

Debate resumed from the 30th August, on the following motion by Mr. J. H. Smith:—

That in the opinion of this House, the Government should give its urgent consideration to the position of dairy farmers in the South-West in their relation with the Agricultural Bank, and more especially in the Bank's relations to the group and soldier settlers.

MR. WITHERS (Banbury) [5.1]: I do not intend to speak at great length, but I welcome the motion as it affords an opportunity to members to discuss the problem concerned. It will also provide the Minister in control of group settlement matters with an opportunity to make a statement to the House. Last year we discussed the report of the Royal Commission which investigated the position of settlers in the South-West. In some instances the commissioners reported favourably respecting the conditions of the settlers, but, unfortunately, very little effect has been given to the recommendations that would have been beneficial to those who are on group holdings in the South-West. I have with me a long report from a group settler giving his opinions of the report of the Royal Commission and their recommendations. The report is informative, but I shall not weary the House by reading what I regard as a most interesting document. I wish it could be handed to "Hansard" for reproduction so that people might know the position of group settlement matters—through the eyes of a group settler.

Mr. Sampson: Put the report on the Table of the House.

Mr. WITHERS: For a considerable period the group settlers in the South-West have been right up against it. Their conditions are much worse now than they were when the Royal Commission investigated the

position some time back. Before I proceed with my remarks, I wish to remove a misapprehension regarding an interjection of mine during the debate on group settlement matters last year, because that interjection has been misinterpreted. The member for Nelson (Mr. J. H. Smith) was discussing the report of the Royal Commission and stated that some of the settlers in the South-West had practically no clothes to wear, as they were penniless and in distress. I interjected that they would be forced to join the nudists. In the "Hansard" report my interjection appeared as "They could join the nudists." I did not mean to be jocular, because I realised that what the member for Nelson said was quite true. The settlers were, in fact, reaching the stage at which they would be practically nude, because they had no clothes to wear and no money with which to replenish their wardrobes. Perhaps I am fortunate in having one or two group settlements only in my electorate. The settlers there are of a good type, although not settled on the best of the group areas. They have stuck to their task manfully and very few of them have left their holdings or have been put off by the department. Nevertheless, those who are on the blocks are in a parlous condition to-day. Even though the State may not receive any interest payments from them, the settlers are better off on their blocks eking out an existence, than they would be if forced off their holdings and placed under sustenance conditions. I have received a telegram from the secretary of one of the group settlers' organisations reading as follows:—

Advise you fully support Smith's recommendation. Commission useless. Position becoming intolerable financially. Interest impossible. Most settlers reduced breadline owing inability provide sufficient fertiliser. Suggest Parliamentary committee tour settlement obtain information actual position. Roads Abba River area disgrace civilisation.

That telegram discloses the position of the settlers in that part of my electorate. With reference to the road problem in the Abba River district, I am convinced that no other area has been so badly treated as has that one. I have endeavoured to get something done to provide roads to the Abba River siding, so as to relieve the situation and enable the settlers to get their produce to one or other of the sidings in the district. There has been much adverse criticism of the settlers, but I am sure that it has not always

been justified. I have already pointed out that the settlers in my electorate are of a good type, and had they been able to carve out their own destiny with the aid of agricultural assistance but with less departmental control, they would be in a better position than they occupy to-day. Too much control represents one of the drawbacks of the Group Settlement Scheme and constitutes one of the factors responsible for the settlers not being able to make good. Constantly officials advised, or rather ill-advised them as to what they should do and that led to the settlers losing their sense of initiative. They have been content to just plod along, saying, "What is the good of improving our holdings if it is merely left to a departmental official to say that we are not doing the right thing and that therefore, we shall not get any further assistance?" Some of the settlers were told to pay their interest charges and not to mind about superphosphate for that particular year. Fancy an officer telling settlers to pursue that course! It meant dispensing with superphosphates essential for top-dressing the pastures, which will go out of existence if they are not top-dressed year by year. It is to the pastures that the settlers have to look forward each year. If the settlers were to adopt the advice of the official I have mentioned, it would simply mean that they would not be on their holdings the following season. I know that the position regarding the capitalisation of holdings is a difficult one for the present or any other Government to deal with. The average interest payments on the holdings in my electorate would be in the vicinity of £75 a year. The capitalisation on the group blocks is £1,500, and, at 5 per cent., the interest works out at the figure I have mentioned.

Mr. McLarty: What about compound interest?

Mr. WITHERS: Yes, and accommodation interest as well. The income of the 10- to 15-cow man would not be much more than £75 a year. If the whole of his earnings are to go in the payment of interest charges, it simply means that the settler will be left with no money to provide for the maintenance of himself and his family. The whole position is extremely difficult and worthy of serious consideration. Cows were bought in the Eastern States for £4 or £4 5s. per head, and were later sold to the settlers at £15 per head. The increased price

was due to the charges involved in handling and transporting the cattle from the Eastern States to Western Australia. Members can imagine the feelings of the settlers who were supplied with those cows two years ago at £15 per head, when I inform them that they can go on to the settlers' holdings to-day and purchase really good pedigreed stock at £7 or £8 per head. Members can imagine what the position of the settlers would be if the price of cattle to-day were anything like it was some time back. I want to draw the Minister's attention to one matter, because I do not know whether it has come under his notice. I have a copy of a letter sent by the department to one settler who offered to buy three group blocks for cash. The reply from the Agricultural Bank was—

I have to advise that your amended offer of £1,150 for locations 1878, 1879, and 1880 was submitted to the Trustees, but they are unable to accept it.

If the Trustees of the Agricultural Bank received such an offer for the purchase of three holdings in respect of which they have been unable to secure interest payments, I should have thought that they would have been well-advised to accept the cash. That would have been the better course, rather than continue endeavouring to secure interest from settlers who would, in the end, be forced off their holdings. The settler who made the offer bought the holding of another settler, who was established in the district. It would have been better to have kept that particular settler on his holding and allowed the other man to have bought the three group blocks he desired to secure. I shall not delay the House because I realise that a Royal Commission has been appointed to investigate the position regarding the Agricultural Bank, and I trust that the phases I have referred to will receive some consideration. I certainly think that the settlers' suggestion that a Parliamentary party should visit the group areas to ascertain the facts of the position for themselves, might well be adopted. I am sure that if members did make the visit, they would return fully in sympathy with the position of the settlers in the area I have in mind. I hope the Government will give serious consideration to the proposition advanced by the member for Nelson.

**MR. FERGUSON** (Irwin-Moore) [5.15]: There is nothing in the motion to which anyone could take exception. The Government, through the Minister responsible, have always given serious consideration to the interests of the dairy farmer. I cannot imagine any Minister giving more serious consideration to any subject than the present Minister for Lands gave to the dairy farmers of the South-West when he was previously in office; and I may say the present Leader of the Opposition, when Minister for Lands, did the same. So there is no reason why we should not approve the motion. But it seems to me there are certain ways in which we might do something to assist those engaged in dairying in the South-West, in their relation to the Agricultural Bank, and more especially in the bank's relation to group settlers. The Government with which I was associated appointed a Royal Commission to investigate the problems of those settlers. That was in response to an insistent demand that an investigation should be made. In the report of that Commission are one or two passages very pertinent to the question, and so I should like briefly to refer to them. One statement made by the Commission was as follows:—

From evidence received and inspections made we have formed the opinion that the management and fertilising of pastures leaves much to be desired, but the pioneering difficulties in the heavily timbered country on which most of the settlements are located must be considered, together with the ravages of pasture pests. While the majority of the settlers are not treating their pastures properly, much remains to be learnt regarding the most efficient methods of management.

Here is another statement from the same source—

Over-stocking, neglect to clean up the fallen debris and remove new growth of scrub and weeds, lack of harrowing and top-dressing, and the failure to graze, systematically account mainly for the present unsatisfactory results on most holdings. Evidence was given that the failure to top-dress was due to the poor circumstances of the settler, and this doubtless was true, but it does not absolve him for the neglect to keep the pastures in good order and to graze them systematically. At the same time further subdivision of paddocks is very necessary on many holdings.

Further on, the report states—

The handling and management of stock by a large number of settlers are not of a high order, many being entirely unsuitable for the life of a dairy farmer.

In reference to pasture pests, the Commission said this—

These represent a difficult problem, the solution of which will make the lot of many settlers more contented. The pests, particularly the red-legged earth mite and the clover spring-tail, are playing havoc on numerous holdings.

On another page the Commission, discussing a report made by Mr. Wigan, the Commonwealth butter grader, said under the heading of "Dairy Farm Inspection and Instruction"—

"These appear to me to be the chief needs at the present time in Western Australia, more especially the instructional work. In fact, I am sure it would pay the factory companies to employ instructors to visit their cream suppliers and to assist any work of the Department of Agriculture officers in this direction.

Those passages convey to the House the impressions of the Royal Commissioners regarding some of the difficulties under which the settlers carry on their operations. It is because I think the Government can do a great deal more to assist them by expert instruction, that I have read those passages. A large number of the settlers were inexperienced when placed upon their holdings. A great deal of instruction was given them by expert officers of the Department of Agriculture, and it is because of that instruction they have been able to do as well as they have, although they have not done as well as we could wish. If the Government wish to put the dairy industry on a solid basis, they could do no better work than by increasing the number of scientific expert officers attached to the Department of Agriculture, so that the settler may get the benefit of their advice. Not only does that apply to members of the dairy branch of the department, but also to the veterinary branch. On every farm there are cows, but there should be pigs and poultry as well, and since we have a lot of animal diseases prevalent in this country the need for additional veterinary advice to the settlers is very marked. All the officers of the Department of Agriculture are doing their best to assist the settlers in solving the problems that confront them, but with the limited staff available the department is not able to do justice to the large number of settlers, particularly in the South-West. Western Australia wants to see those settlers make good. In the interests of the settlers, of the

country and of the Empire as a whole, we have to see that those settlers make a success of the work they have undertaken, and it is only by receiving this expert advice and instruction that they are going to make good. It is a fact that during the last 40 or 50 years scientific agriculturists, as well as practical agriculturists, have devoted most of their time, attention and training to developing cereal production, while pasture products have not been concentrated upon to the same extent. As a result, we have done remarkably well in cereal production, but in pasture production we have lagged far behind other countries. The Old Country, which provides one of the best markets for the output of our agricultural industry, is importing seven times as much produce from pastures as from cereals, indicating that there is a bigger market there for the products of pastures. Another way in which the House and the Government could assist the settlers would be by helping them to market their commodities after they have produced them. On that point the Royal Commission made these remarks—

In many quarters there is a strong feeling against any interference with private enterprise in marketing, and certainly no new Government trading concern should be set up; but Governments in the past have by their policy created artificially-made farms on which millions of the taxpayers' money have been spent. To carry the programme to a logical conclusion, the Government should take the keenest interest in the marketing side of the industry by granting statutory powers to enable it to be carried on in the most economical and efficient manner, so that the whole scheme may come to full fruition.

Many group settlers claimed that markets were promised for their produce. Any authority that is set up should be financed by the producers themselves. The chairman, chosen by the Government, should be a public-spirited business man, not necessarily connected with the industry, but having a full knowledge of business, commercial and banking practice. The technical knowledge needed could be supplied by representatives elected from the producers and manufacturers, the producers having the majority vote.

In regard to that, we have done a little by providing legislation under which the whole milk section of the producers in this territory can market their commodity, and I venture the opinion that although the experiment is in its initial stages it has been a wonderful success and of considerable benefit to the producers. But we ought to go



further and give them other legislation on similar lines under which they will be able to market the rest of their commodities. The Royal Commission recommended that, the producers themselves are asking for it, and I am sure the Government could materially assist the settlers by providing increased facilities whereby they could market their produce in a more orderly manner, more economically and with considerable benefit and satisfaction to themselves. The Royal Commission also recommended as follows—

Your Commissioners are convinced that the present method of group settlement administration leaves much to be desired. Much of the failure in the past can be traced to the unwieldy system that has obtained . . . . . Greater decentralisation is necessary, and more authority should be given to the senior officer of each district, who should then be held responsible for obtaining satisfactory results.

On receipt of this report from the Commission, the late Government did something in that regard, and I believe it has had a beneficial result for the settlers. The Commission also recommended that interest should be reduced to a maximum of 5 per cent. That was done by the late Government, and the Minister yesterday told us what percentage of it was being collected. So it does not matter much what percentage they are being charged, if they do not pay it. If the dairy industry is to achieve success, that success will be brought about by an appreciation in the world's markets of the value of dairy produce. I am afraid there is not very much hope of a permanent improvement until that appreciation comes about. There are some signs in that direction already. For instance, wool shows a considerable improvement in value, and I noticed in the Press to-day it is estimated that the first wool sale in Western Australia this season will be about 40 per cent. higher than the first sale in 1932. Let us hope the same appreciation in values will apply to the commodities produced in the South-West, butter, bacon, eggs and so on. While I think much can be done by governmental institutions to assist the settlers, there are some ways in which they can assist themselves. I have some figures relating to the pure-bred herd testing work being done by the dairying branch of the Department of Agriculture. It is interesting to note that the owners of pure bred herds, who can conserve a

reasonable amount of fodder, are the people who have been able to make a success of the industry. Grade herd testing has recently been started in the South-West, and I am certain that it will have to be extended in every possible way. It is only by testing the individual cows in a herd that the owners can tell which are the passengers, and which are the cows worth keeping. By means of testing, the owners can go in for a vigorous policy of culling. With the assistance of the Government, many high-grade bulls have been introduced into the herds, and a better type of heifer is being bred than was the case a few years ago. By keeping the best heifers and culling the unprofitable units of a herd, I am certain that the owners in course of time will be able to record an appreciable increase in the output per cow. Between 1924 and 1932 herd testing of pure bred herds was carried on in this State. To produce one gallon of milk the feed cost 5.07d. per gallon, whereas in 1932, when the cows were producing only 7½ per cent. more milk, the cost of the feed was reduced to 3.76d. per gallon, a reduction of approximately 25 per cent. In the case of butter fat, the cost of the feed to produce one pound of butter fat between 1924 and 1932 was 10.57d. per pound, whereas in 1933 it was 8.21d. per pound, a reduction of approximately 22 per cent.

The Minister for Lands: In the price of butter?

Mr. FERGUSON: In the cost of the feed to produce one pound of butter fat. The producers of butter fat and milk are not as badly off as some other sections of people engaged in primary production, because the reduction in the cost of the feed to produce their commodity is now approximately on a par with the drop in the value of their butter fat and milk. South-West farmers must realise that although there has been a big drop in the value of their products in the markets of the world, there has been a drop of very nearly the same amount in the cost of the feed.

Mr. McLarty: They do not seem much better off, do they?

Mr. FERGUSON: The average value of butter fat between 1924 and 1931 was 1s. 6½d. per lb., and in 1932 it was 1s. 2d. per lb., a reduction of 24 per cent. The cost of the feed to produce 1 lb. of butter fat

has dropped 22 per cent., compared with a drop of 24 per cent. in the value of the commodity itself. That is not a great difference. Amongst the pure bred herds that have been tested, it appears that the reduction in the cost is largely due to the use of silage, meadow hay, or the conservation of fodders produced on the property. It is only by the production of feed on the farm that herd owners are going to cut down the cost per gallon of milk or per lb. of butter fat. They must produce more and buy less. Amongst the herds that were being tested, and were receiving silage, the cost of butter fat was 7.87d. per lb., while in the case of those that were not receiving any silage the cost of the feed was 9.62d. per lb., indicating the necessity for the provision of silage in getting down to bedrock costs in the production of butter fat. These figures show that the herds that were receiving silage produced butter at 22 per cent. less cost than in the case of herds not receiving silage, not in the actual production per lb. of butter fat but in the cost of the feed necessary to produce that pound of butter fat. I noticed in connection with the recently conducted dairy farms competition, inaugurated by the Australian Dairy Council in this State, and for which no less than 70 entries were received, that in almost every case, according to the report of the judges, the production of butter fat per acre was greater where the amount of fodder conserved per cow was at a high ratio. In those farms where very little fodder was conserved the cost of production in every instance was greater and the production per acre was less. I am now speaking of those farms and those herds that were actually judged, or were under test. So far as the State as a whole is concerned, the same thing applies. In 1928-29 we were milking 69,000 cows, which produced 5,051,088 lbs. of butter. In 1932 we were milking 113,952 cows, which produced 11,261,102 lbs. of butter. The number of cows increased by 65 per cent., and the quantity of butter increased by 122 per cent. This indicates that our dairymen are fast coming to realise that they must supply fodder to their cows if they are going to secure increased and economical production. I believe this matter is largely in the hands of the dairymen themselves. They can do a lot to help them-

selves, but require sympathetic assistance from the institution that is financing them, assistance from the Department of Agriculture, and assistance at the hands of Parliament to enable them to market their commodities economically. To indicate how necessary it is that every dairy farmer in the State should adopt the system of systematic culling from his herd—he can only do that through herd testing—I should like to give some details that I gleaned from the reports concerning successful Victorian dairymen. This was in connection with the testing carried out by a Grade Herd Association in Victoria during the last few years. The figures are very illuminating. During the first year of testing, 1928, the butter fat production per cow was 150 lbs. In 1929 the production rose to 185 lbs. per cow, because the farmers had started to cull from their herds and to find out which were their unprofitable units. In 1930 the figure rose to 210 lbs. per cow, and in 1931 it rose to 256 lbs. of butter fat per cow. The value of butter fat was something like 1s. per lb. For the four years, 1928-1931, in that Herd Testing Association, the increase in butter fat per cow was 106 lbs., which at 1s. per lb. for every cow in the association, brought the value of that cow up to £5 6s. per annum more to the owner than the cow was worth in 1928, prior to the inauguration of the herd testing system. Butter fat to-day in this State is worth a little less than 1s. per lb. Suppose we gave it a value of 9d., and our herd testing indicated to us that we could increase the production per cow by 106 lbs. of butter fat, it would add considerably to the value of our herds compared with the value as it stands to-day. This spells the difference between success and failure. The matter is largely in the hands of the dairymen. They must take advantage of the position, but cannot do it unless the Minister for Agriculture sees to it that they are given every opportunity to get tons of assistance and tons of expert and scientific advice. That advice must be pumped into the dairymen from Monday morning until Saturday night, when they will no doubt begin to assimilate it. When that time comes, we may look for success in the South-West, and possibly Western Australia will get some return from the millions that have been spent in the development of that portion of the State.

**MR. TONKIN** (North-East Fremantle) [5.40]: I have had considerable experience of group settlements, and have spent some time in studying the condition of the settlers, and in forming an opinion as to their ultimate outlook. I must confess that in the case of the majority there is no hope for them.

**Mr. Thorn:** It will not help them for you to say so.

**Mr. TONKIN:** I hope before I sit down I may be able to say something which will lead to their having some hope. The State is expecting them to do almost the impossible. Hope deferred maketh the heart sick. The more hopeless the position becomes for these people, the less efficient work can they do, and the worse their position becomes generally. Even on the show farms in the groups the settlers cannot pay their interest bills. I hope the Minister will give the House some figures bearing on that question. I do not know whether it is generally understood, but the majority of the groups have what are known as show farms; show blocks near the homestead. When visitors go to a group, they naturally pay more attention to the blocks nearest to them. It was to the interests of the foremen to see that the blocks nearest to hand looked the best. The great bulk of the work was done on the blocks nearest the home block. They were almost always the most forward of the blocks, and had the best crops of oats upon them. If new machinery was sent down, the first man to get the use of it was the settler on the home block or the block near by. It was common talk amongst the settlers that "this is something else for the home block." The home block received the best cows. Some of the cows on the group settlements would not produce a pint of milk at one milking. They were charged up to the settlers at from £15 to £18 a head, but when in full milk would not yield a pint at a milking. The settlers were expected to breed up cows from animals like that.

**Mr. Sampson:** They would not stand up to the test.

**Mr. TONKIN:** In the majority of cases there was no test. The animals were bought up somewhere and bundled on to the groups. The show blocks received the best of everything. The foreman desired the best appearance to be put on the scene. Even on the show blocks, where the settlers have had the best of treatment and consideration they

cannot pay the interest on the capital cost, much as that has been written down. I have a number of blocks in mind and I intend to find out just where those people are who are paying interest. Good conscientious settlers with grown-up sons and capital of their own went into the business on show blocks; they had every inducement and every assistance, and yet they cannot pay their way. If they are not able to pay their way, what chance is there for the man on an average holding who received no extra attention or anything in the nature of special treatment. From a chance remark made by the Minister the other evening when he mentioned the amount of interest that was paid last year, I immediately came to the conclusion that very little interest was now being collected from the group settlers.

**Mr. Thorn:** One per cent.

**Mr. TONKIN:** I suppose those who are paying that interest would be the men on the show blocks. The position of the settlers is absolutely hopeless and this country will have to make good the loss, anyway. If we keep the settlers there and they do not pay their interest, because they cannot pay it, the country, having borrowed the money, must find the interest. So we might just as well investigate the position and find out whether there is a payable basis upon which we can work. The sooner we do that the better will it be for the whole country, because we shall then be able to say to those people, "We realise that you are up against a tough proposition; this is the basis we think you should work on and we consider you should be able to pay your way on that basis." That would give them some hope, and we would get a better return. We have hundreds of blocks of the type I have described, and it is not asking too much to request the Government to carry out experiments on some of them. It is all very fine for people to say, "Why do they not pay their interest?" Let us see whether we can assist them to pay their interest. Let us put a few experienced farmers on some of the blocks with the cows that are already there, and tell them to carry on under conditions similar to those under which other settlers are expected to work, and see whether they can meet their obligations. I repeat that in any case if the men are to remain on their holdings, in the slough of despond, the country must meet the interest payments on the money raised. Thus we

might as well say straight away that we will investigate the position to try and put it on a payable basis and so give the settlers some chance for the future. I support the motion.

**MR. LATHAM** (York) [5.50]: I expected the member for North-East Fremantle would put up some proposal whereby we might provide a ray of hope for the people engaged in the dairying industry of the South-West. What he told the House the Minister already knows. The question of interest does not come into the matter. The settlers to-day are not paying their interest, so it has no effect on the position. The Minister told us what he had collected for the last half year. The main thing for the present Government to do—and indeed it has been done by every other Government—is to see that the settlers get enough food to eat and clothes to wear. The Government, this or any other, must not take their pound of flesh when giving consideration to other matters. The small amount of money that the Minister said had been collected should clearly illustrate that it is not at all a question of interest. It is no use going over the whole ground that we have traversed year after year. We have had investigations made and everyone of us, irrespective of the political views held, has been through these areas and has realised that the proposition is a pretty tough one. I am going to make this proposal: it is unfair for any section of the community to be asked to produce an article and sell it at a loss. We should fix the price of butter at a figure that should enable the settlers to pay their way. We should ascertain exactly what it costs to produce a pound of butter under up to date conditions and with the right person in control. By the right person I mean a man who knows his job. I do not suggest that we should experiment, as was proposed by the member for North-East Fremantle, because we know that immediately the Government start to make farming part of their business, it will be very costly for the State.

**Mr. Tonkin**: Put some private individual in charge.

**MR. LATHAM**: I will leave it to the Government to select the right type of men to put in control in the various districts, and in this way it should be possible for us to ascertain exactly what it costs to produce butter. We have reached the stage that we are now providing all the butter that the

State requires, having due regard to certain periods when we have shortages, and other periods when we are flush and then export the surplus. Taking it on an average, we can produce enough to supply our own requirements. We have no desire that the worker should sell his labour for less than it costs him to keep himself in a degree of comfort; that is to say, the basis fixed by the Arbitration Court. We have no right to ask people down there, who carry on an important natural industry on which we have spent an enormous sum of money, to produce an article and sell it at a loss. It would be a bad business arrangement to provide a bonus such as we have had to do during the last two or three years. We have had to pay the settlers to remain on their holdings. We should say to these people, "These farms are capable of producing so much; we shall fix the price of butter, and that will enable you to earn your living and pay your interest." The member for North-East Fremantle rightly said that if the settlers do not pay their interest, the taxpayers will have to pay it. The Treasurer has to find interest on the money he has borrowed, and whether it comes from that channel or from some other source, it has to be paid. If we place these men in the position that they know they will get 30s. or whatever the basis may be, and if they improve their stock, as suggested by the member for Irwin-Moore, so that they will increase their returns, we shall establish a basis whereby the settlers will have a chance. After all, the people there are of the same flesh and blood as ourselves, and they are workers, as are any other class. Thus they should be given some consideration.

**Mr. Sampson**: And they have to work unlimited hours.

**MR. LATHAM**: Dairying is one of those jobs that anyone who takes it on soon realises cannot be done in eight or ten hours each day. I admit it is not laborious, but it is exacting work; it is a really full-time job. Whatever I possess in this world to-day is due to my early association with dairying, and if I see a cow while I am walking along, I am not ashamed to raise my hat to it. I am aware of what has happened in some instances in the South-West. Men have become careless and have milked their cows as late as 11 o'clock in the morning.

**Mr. McLarty**: Not many.

Mr. LATHAM: Will the hon. member say that there are no such instances? I can tell him of one occasion when I asked why cows were being milked at that hour of the day. The settlers told me that they had had a night out. Cows must have attention at regular hours, and they must be milked twice a day on seven days a week.

Mr. Tonkin: Some cows give about a pint of milk.

Mr. LATHAM: I have seen all types of cows on our dairy farms, but I know of very few that would only give a pint of milk. Naturally, if they do not get attention, the cows will not give any milk.

Mr. Tonkin: I know of a settler who milked five cows and who barely filled a 2½-gallon bucket.

Mr. LATHAM: I will admit there are some cows which, under some of the conditions that existed in the South-West, would not give any milk. I have seen the ground as bare as the table in front of me; I have seen cows licking bits of paper off a wire netting fence. It is impossible to get milk from a cow unless that cow is fed. We have imported a good class of cows for some time past, but we know that they require culling from time to time.

Mr. Lambert: The settlers too, require culling from time to time.

Mr. LATHAM: I admit that there are good and bad settlers.

Mr. Lambert: And that you should cull them for a start.

Mr. LATHAM: I am afraid that the group settlement scheme was responsible for our putting on the land men who, though they might have been good land workers, had probably no idea of the cow husbandry side. I heard the member for Sussex the other day make a statement about some settlers that we have put on the land during the last two years. I have felt very proud of the work they have done, but I warn the Minister that I still feel a little concerned regarding them. They have done the job we asked them to do and have done it very well, but will they make dairymen? That is the question we have to ask ourselves. A man who has lived all his life in the bush may be an expert axeman, he may be able to clear land at half the usual cost and he may be able to plough and seed well, but when it comes to milking cows, he may not have the requisite patience and may not be fitted for the work. It is difficult to find an all-round man. When such a big scheme

was inaugurated, particularly as it included putting on the land a large number of men from the Old Country devoid of any experience, it was hardly to be expected that we would get 100 per cent. of successes. I believe that to-day we can provide all the material required to man the farms. In the South-West we have the right kind of material. We have a better choice of men than ever before. There are men who would probably make bad clearers but would make good dairymen. However, I warn any man who undertakes the life of a dairyman that he has to be prepared to stick to it, work long hours and suffer the inconveniences that all dairymen have to endure—the inconveniences of going out in all kinds of weather both in the early morning and late at night. He should not have to stick to the job all his life. When conditions were bad in New South Wales, almost as bad as they could be, I made sufficient money to enable me to come to Western Australia. I do not suggest that a man with his wife and family should continue at dairying all their lives; the point is that while they are engaged in the industry, they must be prepared to submit to the inconveniences inseparable from the industry. When they produce butter, we on our part should pay a reasonable price for it. That is the remedy for many of the difficulties now being experienced. We have no right to expect the people in the South-West to continue suffering hardships while we are getting butter for 1s. 3d. or 1s. 4d. a lb.

The Minister for Mines: Similar butter in England costs 8d. or 9d. a lb.

Mr. LATHAM: That has always been the experience. We also send our best mutton and fruit to England where they are sold at less than the local prices. I do not know how we could remedy that condition of affairs.

The Minister for Mines: Not by increasing the price of butter here to 1s. 9d. a lb.

Mr. Sampson: The farmer has to pay through the neck for all he needs.

Mr. LATHAM: Let us pay another 3d. per lb. for our butter, and if we do that, we shall have found a cure for many of our difficulties, provided we give consideration also to the personal equation. I feel sure that that is where the solution lies. I believe that the land is all right.

The Minister for Lands: I recall having been told before that the settlers were all right and the land was all right.

Mr. LATHAM: The cattle are all right and I believe the settlers are all right.

Mr. Tonkin: Then what is wrong?

Mr. LATHAM: The prices are too low. We are asking the settlers to sell their commodities at prices roughly equal to half the cost of production. It is the same as asking the working man to sell his labour for half its value.

Mr. Wansbrough: Who is getting the profit?

Mr. LATHAM: The people who are buying the produce. The hon. member knows that very well. He has been told the story repeatedly, and he is cognisant of the difficulty. Let us see if we cannot provide the solution. Continued talking will not get us anywhere. The Minister for Lands and the Minister for Agriculture have had experience, they know the trouble, but they cannot rectify it unless they receive authority from Parliament to fix the prices for the commodities those people are producing, thus enabling them to earn a living.

**MR. LAMBERT** (Yilgarn-Coolgardie) [6.4]: I do not know that we should be unprepared to support the motion.

Mr. Hegney: Are there any cows at Southern Cross?

Mr. LAMBERT: A lot; otherwise I would not be speaking on the motion. Probably every member is prepared to support legislation that would lead to a betterment of the conditions of dairying in the South-West. I was particularly interested in the speech of the member for Irwin-Moore (Mr. Ferguson), who gave us some valuable statistics. Possibly the Royal Commission, just appointed to inquire into certain aspects of the Agricultural Bank, could compass the investigation sought by the member for Nelson.

Mr. Sampson: Judging by the remarks of the member for North-East Fremantle, all the settlers would be culled.

Mr. LAMBERT: It should be borne in mind that any investigation will not have the effect of putting back the clock or of erasing the mistakes of the past. Admittedly, mistakes were made in initiating the scheme, in carrying it through, and in the subsequent administration, but no investigation, however comprehensive, could erase those mistakes. If the Government had spent on water catchments in the wheat areas 50 per cent. of the amount expended in the South-

West, we would be producing a much greater quantity of butter fat than is being produced in the South-West.

Mr. J. H. Smith: But that would be for only three or four months of the year.

Mr. LAMBERT: With water conservation, ensilage and other up-to-date methods, the wheat areas would have been producing more butter. However, it is useless to hold an inquest at this stage. The money has been spent, and it is for our advisers to show how we can put the industry on a better footing.

Mr. Ferguson: The cheapest production I quoted was at Kulja, in the heart of the wheat belt.

Mr. LAMBERT: That is so. Our producers should have been encouraged to engage to a larger extent in mixed farming, but instead of that we have encouraged wheat farmers with little or no capital to gamble, first on the season and then on the price of the commodity, and we have always slipped in respect to both. Sooner or later we shall have to realise that the first essential after putting people on the land is to feed them. As the member for Irwin-Moore said, they must have food and they must have clothing, and such provision can best be assured by fostering mixed farming. That is the only solution of the difficulty. I hope that before any further capital money is expended on holdings in the South-West, whatever their merits may be, that phase of the question will be considered. From what I have seen in the wheat areas, I am satisfied that settlers with a few cows, pigs and poultry can always feed themselves.

Mr. Thorn: They have not all their eggs in one basket.

Mr. LAMBERT: That is so. Yet in my district the Government are actually providing sustenance for wheat farmers. There should be no need to do that in any district that has an adequate water supply, because the farmers ought to be able to run sheep, cattle, pigs and poultry.

Mr. Hegney: And rabbits.

Mr. LAMBERT: The hon. member may regard the adequate feeding of people flippanantly, but I do not. When the cupboard is empty, it is a serious matter. The hon. member should visit some of those areas to appreciate the conditions under which men and women are working, and then compare their lot with that of other people in the metropolitan area who are on the bread

line. I hope the Government realise that greater production can come from the wheat areas. There is a prospect of doubling or trebling the export of butter, if only we utilise the catchment areas that are available. At present farmers cart water for distances up to 40 miles, and yet we have some of the finest granite catchments that only require harnessing. In my district are 30 or 40 such catchments which could be harnessed to give the farmers an adequate water supply. The farmers would then be spared the necessity for spending 10 to 20 per cent. of their time in carting water. I support the motion. I believe the member for Nelson realises that all I have said about the wheat areas is true, and is not in the slightest degree intended to discount his forceful argument for an investigation that will assist to put the all-important industry of dairying on a sounder footing. The industry has cost the State much; it has damned the ambition and dashed the hopes of many men who have engaged in it, and if any useful purpose can be served by passing the motion, members should certainly support it.

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

*[The Deputy Speaker took the Chair.]*

**MR. WANSBROUGH** (Albany) [7.32]: I believe that every member realises the serious position of the South-Western dairy farmer, and the same remark applies to every primary producer in Western Australia. Personally, I am not one of those who hold that we have over-produced. Rather am I inclined to believe that under-consumption represents the greater part of our trouble, and that much might be done through the Agricultural Bank to assist dairy farmers. Little interest is taken by that institution in the selling of the dairy farmer's stock and in the disposal of his pigs and so forth. To-day a dairy farmer with half a dozen pigs for sale has to find his own market. As soon as he does put the pigs in the market, the Agricultural Bank says to the agent, "We require the cheque for those pigs." That being so, the Agricultural Bank should take some hand in the marketing of the stock and should protect the producer in the marketing. My view is that in the past the trustees have been rather too liberal in handing out ad-

vances. Many settlers are now, as a result, unable to pay interest. I have here a statement by a soldier settler; in fact, I have several such statements, but I shall read this one to show what is the position confronting these unfortunate people. The settler in question became an Agricultural Bank client in 1914-15. Before I proceed, let me make it clear that he has only 21 acres of land. In 1914-15 the Agricultural Bank advanced him £75. In September of 1915 he enlisted and went to the Front. During his absence, of course, the bank protected his property; but immediately upon his return they issued a notice threatening a writ. The settler was then transferred to the soldier settler group, and was given a further advance of £318—on 21 acres of land. To-day he does not owe the Agricultural Bank one penny of interest. He has kept his interest paid up, and has also paid off a certain amount of the principal. During the years 1921-1933 he has returned to the Agricultural Bank no less a sum than £444 14s. 4d. And yet his outstanding debt is £270 on 21 acres of land. It means that up to date the land has cost him £21 per acre. If he continues to pay interest for the next ten years as he has done in the past, the freehold of the land will cost him £40 per acre. Under such conditions it is impossible for any settler to continue, much less to succeed; and there are hundreds of similar cases. Over-advancing has been the trouble, and to-day the bank is demanding the payment of interest on the whole debt. The Minister will say that the Agricultural Bank is not demanding interest payments, but I have here a notice to that effect issued by the bank as lately as the 5th of the current month. The settler therein referred to has been in the habit of handing over to the Agricultural Bank his cheque for every second can of cream going to the factory, this representing about £6 per month. Under present conditions a settler who pays £6 interest monthly is not doing badly. Unfortunately this settler has received a final notice from the bank, as I have mentioned. I consider that in the circumstances the trustees are going a little beyond themselves.

Mr. Doney: But you are plainly not telling all the story.

Mr. WANSBROUGH: This settler is paying an average of £6 a month interest, and has been doing so for some time; but the bank trustees are not satisfied.

Mr. Doney: If you were telling all the story, the bank would not be putting him off.

Mr. WANSBROUGH: I do not desire to mislead the House in any way. I am stating the case as it has been told to me. I know the settler in question well. He is a man with a large family, and is doing his best. To pay the accumulated bank interest within the next 19 days would mean the sacrifice of all his stock. I regard the demand as too severe on a man who has borne the heat and burden of the day. This settler has never attempted to mislead the Agricultural Bank authorities. In fact, he has been the other way round—too honest.

Mr. Stubbs: We ought to get his photograph.

Mr. WANSBROUGH: On every occasion he has placed a truthful statement before the bank. The bank are receiving one half his income each month, and yet they have demanded payment of all his back interest, failing which a writ is to issue within the next 19 days. No wonder South-Western settlers are becoming uneasy. I am inclined to agree with the statement of the Leader of the Opposition that the time has arrived when there should be some system of price-fixing, not only for butter fat, but for all products. It is not reasonable to expect any man to produce a commodity for less than cost price. These settlers should receive at least their cost of production. I believe that the Royal Commission recently appointed will do all that the motion asks, and I do not think this House should direct the Government to do something more pending the Royal Commission's investigation.

Mr. Marshall: The carrying of this motion will not do much harm.

Mr. WANSBROUGH: No; but it represents a direction to the Minister.

Mr. Marshall: It merely asks for consideration.

Mr. WANSBROUGH: I believe the Royal Commission will present a useful report. In the meantime, the Government should not be asked to do anything further.

**THE MINISTER FOR LANDS** (Hon. M. F. Troy—Mt. Magnet) [7.41]: I have no objection to the motion. However, all that the motion asks is being done. Every consideration is being given to the settlers. It cannot be escaped, because every day there are letters coming to the department which must be attended to, and those letters

bear upon every aspect of the subject. Not only urgent consideration, but every consideration is given to settlers in the South-West and everywhere else. If a Minister is to do his job, that cannot be avoided, whether it is pleasant or unpleasant. I repeat, what the motion asks is being done; and more cannot be done. I have no right to raise any objection to members moving motions of this character and discussing them, for this is a deliberative Assembly, and in any undertaking in which the Government are concerned members are concerned, and therefore have a right to discuss them here; but I want to say, at the same time, that no words uttered here can help the settlers in the least. I think I may claim the virtue that in respect of land settlement I have spoken my opinions all along, and I propose to do so to-night. These motions do no good. They entirely mislead the settler, giving him a hope that discussions here will help him, whereas they cannot help him at all. In giving the settler a belief that these motions can help him, hon. members lead him to depend upon agitation to get results which it cannot produce, instead of his putting his heart into his work. I want hon. members to view the position with a sense of responsibility, and to realise that while the present Government have the main responsibility for the time being, every party must take its share of the responsibility. I want hon. members to realise that if this question of land settlement, in which so much money is involved, is to be discussed with a desire to help the settlers, there must be a new sense of responsibility. It is no use hon. members pretending that they can help the settlers by motions of this kind, for they cannot do so; and there is very grave danger that some settlers may be led to believe that they can get results by agitation, whereas they can get them only by work and industry and economy. Except on those standards a people cannot be built up. If hon. members think they may get a temporary advantage by telling settlers they can be helped by speeches or tales, still at best that advantage can be but temporary, and not permanent. I can assure them of that. No permanent good can result from such proceedings to the settlers or to the State. I propose to reply to some of the remarks made this evening. I preface my comments by stating that the administration of land settlement to-day is on the lines adopted by previous



Governments. The administration has not been altered one jot, and for this reason, that it cannot be altered. The whole administration of land settlement and group settlement is under the control of the Agricultural Bank. It was placed under the control of that institution by the previous Government. What is the control exercised by the Government in this matter? The Government have power to appoint the trustees, and there the responsibility and the power of the Government end. The whole of the control is entirely in the hands of the trustees. Group settlement matters were placed under the Agricultural Bank by the Mitchell Government, and the bank officials are now in control, not the Government. Is the member for Nelson (Mr. J. H. Smith) aware that the Agricultural Bank Act does not provide the Minister with power to interfere with the bank? If the Government attempted to influence the trustees and direct them to do certain things, the trustees would be within their rights in refusing to take any notice of the Government. The whole of the responsibility is in the hands of the trustees. If I ordered the trustees to do something to-morrow, they could refuse to do it and would be acting within their rights. The trustees could say to the Government, "If you like to provide the money to do what you want, well and good, but that is your responsibility, not ours." I want to emphasise the point to the member for Nelson that there has been no alteration in the administration. He supported the Mitchell Government and supported their administration of the scheme; it has not been changed. I know it was claimed that the administration under my direction, when I was Minister for Lands before, was not satisfactory. How often have we heard the former Premier, Sir James Mitchell, make that point on the floor of this House? How often did we hear him say that the land was all right, the settlers were all right, the scheme was all right, but the administration was all wrong. After Labour left office, Sir James Mitchell was in charge for three years, and now to-day I will not say whether the position is better or worse. Whatever the position may be, it has not been altered from what it was during previous years. I will not say anything more about the administration, nor will I interfere with it until I have had an opportunity to visit the

groups and see the position for myself. I have not been there for three years and if I am to interfere at all, I must establish personal contact with the scheme and ascertain the position for myself. Certainly I have discussed some aspects with the Agricultural Bank trustees, and have indicated that certain things do not satisfy me. As soon as I have an opportunity, I shall visit the group settlements, absorb the atmosphere and see the settlers themselves. Until then I shall not be able to express a proper opinion relative to the progress of the scheme, and until I am in that position I shall certainly not interfere with the trustees of the bank. The former Minister for Agriculture, Mr. Ferguson, made what I regarded as an effective and responsible contribution to the debate. He urged that more instructors were necessary. We have appointed four additional instructors to help and advise the settlers. That has been done during the last month or so. During my previous administration, we appointed instructors who were brought from New Zealand, and I think they were the first to teach the settlers how to make silos. As a result of that a great quantity of silage was conserved. Those officers have been re-appointed by the present Government. So we have done what the member for Irwin-Moore emphasised as being necessary. I appreciate the fact that the settlers must be helped; they must have knowledge and instruction. That phase has been neglected in the past. We have given attention to that phase, and I am sure that good results will follow. Then the member for Irwin-Moore emphasised another necessity. His hobby of late has been marketing. He said he wanted the Government to provide statutory power for the settlers to market their own produce. Does the member for Irwin-Moore know what he means? He spoke about "orderly marketing." What does that mean?

Mr. Ferguson: You have an example in regard to whole milk.

The MINISTER FOR LANDS: We know something about disorderly marketing. The hon. member wants orderly marketing. We cannot achieve that by merely passing legislation.

Mr. Ferguson: But you have examples in the marketing of dried fruits and milk.

The MINISTER FOR LANDS: The hon. member proposes that statutory power shall be provided, and on the board the producers

will be represented and will fix their own prices. Is that his solution of the problem? If that is the way, let us all fix our own prices and then we shall all be happy.

Mr. Latham: Everyone fixes prices except the primary producers.

The MINISTER FOR LANDS: Do they? I am a primary producer, and I know the position. I have been a primary producer all my life, and I entirely disagree with the Leader of the Opposition. I will not accept his suggestion that any body of men should fix prices in order to exploit the community. I am a primary producer equally with members sitting opposite, and I will never agree to any such proposal. What does that sort of thing lead to? It leads to inefficiency and slackness.

Members: Hear, hear!

The Minister for Works: Do the labourers fix their own wages?

Mr. Thorn: Yes.

The Minister for Works: Of course they do not.

Mr. Thorn: They have their basic wage.

The Minister for Works: But who fixes that?

The Minister for Mines: The Arbitration Court.

The MINISTER FOR LANDS: The member for Toodyay (Mr. Thorn) has more intelligence than his remark would indicate.

Mr. Thorn: I know what I am talking about.

The MINISTER FOR LANDS: The proposal of the member for Irwin-Moore (Mr. Ferguson) would simply lead to inefficiency and slackness. I have had some experience. I can claim to be the son of pioneers of the back-country areas. My people went to the big scrub country in the north of New South Wales, and they did not know that a Government existed. My father was a timber cutter, and he cleared his holding and reared a family of ten. We lived on the soil and carved out our own destinies. As I have said, we did not know that a Government existed. Nevertheless, 90 per cent. of the settlers in that part of New South Wales, by the application of industry, economy, and frugality, and the development of independent characteristics, won homes for themselves and competencies in their old age. When they died, they left behind them magnificent farms, which their sons took over. In later days, I returned to my old

home country where the farms had been cleared, stocked, improved, and left as wonderful propositions for the younger generation. I found that the farms had gone to pieces. Although the sons had had better opportunities than their fathers, the farms had retrogressed. The whole talk now, I find, is about orderly marketing! In the old days the people had to fend for themselves in the best way they could.

Mr. Thorn: You did not have over-production in those days.

The Minister for Mines: You have not got it now.

Mr. Thorn: Of course we have.

The Minister for Mines: Nonsense! What you have is under-consumption.

The MINISTER FOR LANDS: The member for Toodyay (Mr. Thorn) is one of a later generation. Of course we had over-production in those days, and we had no export market. The Leader of the Opposition knows that that is a fact. It was not until the depression struck Australia that exports were stopped. In the days I speak of, there was no market. There was an abundance of production. We could buy a kerosene tinful of eggs for a shilling, a pound of butter for 4d., or a pound of meat for 3d. The people had to live on the land and they did their best, with the result that they developed wonderful farms and earned for themselves a competency in old age. This practice of agitating in Parliament is one that will not lead to an improvement. What we really want now is some of the old standard of agricultural development, and we want it very badly. It may be thought that I am speaking as a Conservative: I am not. I am speaking as a Labour man. Unless we have character, industry, thrift, and integrity, there can be no success. We cannot reach things down from the sky and make everything available that is wanted. On the other hand, all we hear nowadays is that we must do this and do that; we must have orderly marketing and let people fix prices, and so on. That is not going to lead to success. If members think that we can gain success by giving people everything that they want without making them work for it, they are entirely wrong. When I went back to my father's country in New South Wales, I found that the sons had let the old properties go to pieces. I found that in

place of thrift and work, there was extravagance and indolence. The young men to whom the farms had been left, were no longer in occupation of their properties. They were following the races; they had their motor cars; they preferred two days of work and a life of pleasure. No country can survive on that basis. I do not believe in the principle of making things too easy and telling people that if they cannot do their work in two hours they can take more time, that if they are working too hard, we will see to it that conditions are made more easy.

Mr. Thorn: You are not referring to primary producers only, are you?

The MINISTER FOR LANDS: I will come to that in a moment. I have every sympathy with the producer. How could I be otherwise than sympathetic, seeing that I am in the ranks of the producers myself? I have lived the life that they lead. Nothing the producers can tell me about the difficulties of early days of settlement, will be new to me. I know about the difficulties of pioneering. I confess that at one time I had more patches than pants. I appreciate the difficulties in the early days of settlement in Australia. Their conditions were parlous indeed, but I experienced those conditions myself, and I believe I profited by that experience. I think it was the best training I could possibly have had. We cannot build character, and industry and create a proper outlook on life without some such experience. Never has any nation been built up by making everything happy and bright for the people; it cannot be done. So I say to members on the Opposition side of the House that if they think they will build up a prosperous community in Western Australia by making things easy for all, they will fail in their objective. Rather than build up the nation, they will destroy it. Members who submit motions such as that under discussion now, may gain for themselves some temporary advantage and for the settlers concerned some temporary benefit, but in the end, each will be destroyed. The State itself will not benefit.

Mr. Latham: That applies to members on both sides of the House.

The MINISTER FOR LANDS: Yes. I am sorry that I have been drawn away from the motion, and led to speak so feelingly on this subject. The member for Irwin-Moore (Mr. Ferguson) said that there should

be more experiments. Who will deny that the whole Group Settlement Scheme constitutes one huge experiment that has been in operation for 12 years?

Mr. Ferguson: I did not mention anything about experiments.

The MINISTER FOR LANDS: Somebody did. It will be admitted that the scheme has proved a great and costly experiment. We have had all the experts possible.

Mr. Tonkin: That is the trouble: there have been too many experts.

The MINISTER FOR LANDS: They are not in this House. I have not much respect for some of them. Such experts as we have had, we have made use of, and the scheme has not reached success yet. Experiments are not necessary, because we have been engaged upon one vast experiment—

The Minister for Mines: That has cost the State about £10,000,000.

The MINISTER FOR LANDS: We shall get nothing from agitations in this Chamber. Of course, the scheme will be prosperous in time. When conditions improve, the group settlers will benefit and they will become prosperous. When prosperity is reached, there will be no more of these motions in Parliament.

Mr. Sampson: Settlers will go through a fiery furnace first.

Mr. Tonkin: But the settlers will have to be assisted.

The MINISTER FOR LANDS: The member for North-East Fremantle (Mr. Tonkin) said that we had asked for the impossible. The hon. member knows that Australia was built up by people who were asked to do the impossible. The pioneer settlers who came here, men who were the forbears of many in this Chamber, were asked to do the impossible, and they did it.

Mr. Tonkin: That is rather paradoxical. The settlers are being asked to do the impossible now. They cannot buy sixpenny-worth of stuff with fourpence.

The MINISTER FOR LANDS: Of course not. The hon. member should not forget that the pioneers of Australia came here without any help. Now we have a community of over 6,000,000 people, and I ask the hon. member: What built up Australia? It was not Governments nor was it Parliamentary agitation. It was work, industry and thrift. Without those qualities, no country can exist.

Mr. Moloney: The people in those days did not have to pay £55,000,000 in interest alone.

The MINISTER FOR LANDS: No. Whatever interest they had to pay, they had to raise the wherewithal themselves. There was no such thing as reduction of capitalisation in those days. The settlers could not incur capitalisation, because it was not available for them. They had to labour for what they got.

Mr. Sampson: They were able to get their requirements at reasonable prices. They were not slugged to death by the tariff.

The Minister for Mines: If the tariff were wiped out, it would not make twopence difference.

The MINISTER FOR LANDS: Such requirements as the early settlers bought, they could afford to pay for. They did not try to get more. They worked in that spirit, and the settlers of to-day must acquire the same spirit if they are to achieve success. We have spent £10,000,000 in rendering their task possible. Australia was built up by people who did not get a solitary penny-worth of assistance. The member for Murray-Wellington (Mr. McLarty) when I asked him what his forefathers had done, said they had got their security; and when I asked what security, he said that things were very different now. What is the difference?

Mr. Latham: A matter of twelve hundred millions sterling national debt.

The MINISTER FOR LANDS: Yes, that is the difference.

Mr. McLarty: A tremendous load of debt is the difference.

The MINISTER FOR LANDS: Did not the early settlers have to go on the land and incur debt without a penny of Government assistance? Did not the hon. member's forefathers go North without a penny of assistance? But the settlers of to-day want to lean heavily on the Government. The hon. member sits there to-night, and is what he is and possesses what he has, because his forefathers did what settlers will not do to-day. Hon. members cannot escape that.

Mr. Tonkin: Are there any payable farms in the group settlements?

Mr. McLarty: The Minister will admit that many of the settlers have suffered hardships.

The MINISTER FOR LANDS: Any man worth a rap is prepared to suffer hard-

ship, for a little hardship will do him no harm. Hardship makes a race, which cannot be made without it. The Northern Territory and the Kimberleys are vacant places because we will not do as our fathers did, will not rely upon our own resources. We have to face the facts: we do not do these things, because we are not of the same type as our forefathers, and so we will not accept obligations and handicaps. The member for North-East Fremantle (Mr. Tonkin) said the earliest blocks developed were show blocks.

Mr. Tonkin: That is true.

The MINISTER FOR LANDS: There were a few fair blocks, which were entirely misleading. I discovered some of them myself. A show block does not remain a show block; it may be a show block this year, but it will not be next year, unless the settler puts the work into it.

Mr. McLarty: But a show block gives a settler a good start.

The MINISTER FOR LANDS: Nevertheless he has to put the work into it if it is to remain a show block; it is a show block only so long as the settler maintains it as a show block.

Mr. Tonkin: But extra work was done on the show blocks, giving them large acreages of clearing.

The MINISTER FOR LANDS: Pretty well all the blocks had large acreages of clearing. The appearance of a block largely depends on the industry of the settler. The hon. member said we should prove a block first, prove that it could be made payable. That can be done if we get the right settler, for some settlers can make a living where others cannot; it depends on the settler, one succeeding where another fails. So we prove nothing by getting good men on the land, because we cannot have the majority of the settlers good men; all we can hope for is the average type of man, whether settler or anybody else, and so it is the average type that has to make a success.

Mr. Tonkin: How many group settlers have succeeded?

The MINISTER FOR LANDS: I do not know, but one thing I am sure of is that the speeches made in this House will not help them to succeed. While members say it cannot be done, that it is impossible without further concessions and increase of help, it never will be done. If you tell a man he need not worry, that the Government will come to his help, you are bound to make of

him anything but a good settler. Some men, of course, cannot be spoilt, but most of them can be.

The Minister for Mines: And most of those that cannot be spoilt, cannot be spoilt because they are already spoilt.

The MINISTER FOR LANDS: If everything in the country were regarded from the standpoint that it must be proved possible before being attempted, very little would ever be attempted.

Mr. Tonkin: But this has been attempted, for it has been in operation for ten years.

The MINISTER FOR LANDS: Many of the settlers fail because they are ill-suited to the task. If they are told they need not make an effort, that the task is too great and cannot be accomplished, they soon come to believe that. Who is carrying this load represented by the group settlements, and how is it to be done unless the taxpayer does it? The taxpayer is fast becoming a small minority in the State, and I have been told that his numbers were reduced by 15,000 last year. Yet this load can be carried only so long as the taxpayer is able to carry it.

Mr. Sampson: Are the group settlers allowed to use their own initiative?

The MINISTER FOR LANDS: Yes, of course. I should like to see them using all the initiative they possess. In that, I am with them to the utmost. I was disappointed with the speech of the Leader of the Opposition, who said it was unfair to ask any man to produce at a loss. That is all right, but there must be some test of that; we cannot accept the mere statement that a man produces at a loss. He must prove it.

Mr. Latham: I told you how to test it out.

The MINISTER FOR LANDS: How?

Mr. Latham: By getting hold of a farm with a proper man on it, and so seeing what it really does cost to produce.

The MINISTER FOR LANDS: But I could get one man who could do it, while others could not.

Mr. Latham: Yes, that is so.

The MINISTER FOR LANDS: The hon. member appointed a Royal Commission to inquire into farmers' disabilities. But the hon. member did not do the things he said ought to be done, although his Government were in office for three years: so I assume that while he was carrying the additional responsibility as a Minister he did not see things the way he sees them to-night.

Mr. Latham: I did not have a chance to do those things, for the time was not long enough.

The MINISTER FOR LANDS: Looking through the files, I saw that Sir James Mitchell, in his letters to the settlers, stoutly resisted them and said they must pay their way. He said it was the policy of the previous Government.

Mr. Latham: And I think it is a good policy.

The MINISTER FOR LANDS: Yet the hon. member said it was unfair. He has no more evidence to-day than he had when Sir James Mitchell was his leader.

Mr. Latham: You are misquoting me now.

The MINISTER FOR LANDS: No, I am not. Sir James Mitchell put the settlers on the Bank, and whenever any of the settlers got into the hon. member's district, Sir James Mitchell fixed the price for them. So the hon. member must accept the dictum of his own leader. The member for Tood-yay (Mr. Thorn) said the wages man has his wages fixed for him, and on that basis the hon. member argued that the settler must be treated the same as the wages man, for he was in the same position. But he is not in the same position, for the wages man goes to the Arbitration Court, and has to place on the table his cost of living, including his rent and every little detail. I have been humiliated in having to explain to the court the smallest detail, on which the working man's wage is fixed. But what is the position of the settler?

Mr. Thorn: We want him to go to a board.

The MINISTER FOR LANDS: And furnish his cost of production. I have no objection to the settler going to the Arbitration Court and proving his case to the court.

Mr. Latham: That is what I argued.

The MINISTER FOR LANDS: Oh, no. They want a marketing board on which there will be a majority of the producers, so that the settlers can fix their own prices. They call this orderly marketing; giving them statutory power to do what they like with their own products. There is a great difference between the two sets of persons. The producer has his home and a future. The group settler has been given his block of land for nothing.

Mr. Seward: With nothing on it.

The MINISTER FOR LANDS: Thousands of pounds have been expended on its development, costing him nothing. He has his herd, and he can make two-thirds of his living from the soil if he likes to make it. In the end he has something more. He has his farm, his home, a competence and independence. That is all very well if the State can afford to give him all these things. If we could give the settler the basic wage as well as his farm we would all be farmers.

Mr. Latham: I did not suggest the basic wage. I even quoted 30s.

The MINISTER FOR LANDS: The settler in the South-West has his home rent free. In fixing the basic wage the Arbitration Court allows £1 for house rent. The settler, however, pays no house rent. He has a garden in which he can grow produce all the year round.

Mr. Thorn: You paint a wonderful picture. Do you say he gets his house rent free?

The MINISTER FOR LANDS: Yes, rent free.

Mr. Thorn: I say he does not. That house costs him so much, and he has to pay interest upon it.

The MINISTER FOR LANDS: I am telling the House the facts, and I will prove that what I say is correct. The man on the land can produce two-thirds of his living. He has his cattle, pigs, poultry, garden and orchard. He can grow the fruit he requires for himself, and in the hon. member's district can get two potato crops in the year. He has his own bacon, milk, butter and eggs, and yet the hon. member talks of his being a wages man, and wants to give him the basic wage plus his farm.

Mr. Latham: You are the only one saying that.

The MINISTER FOR LANDS: If it can be done, let it be done.

Mr. Thorn: We never said that.

The MINISTER FOR LANDS: If the taxpayers can afford it, let it be done. The hon. member says I have painted a wonderful picture.

Mr. Thorn: So you have.

The MINISTER FOR LANDS: I guarantee that farmers in the district of Greenough produce 80 per cent. of their living requirements off their own land, and always have done so. I live in a 10-inch rainfall, and I can produce 80 per cent. of my re-

quirements. In these difficult times, I am content if I can scrape through and pay my debts. I know that if I can hold the property I have something for the future. That is the way we want the settlers to look at the matter. They must not think that they can get the results they want by agitation. The future is theirs and their children have a future. They have properties that will grow in value. If butter increased in value by 2d. a lb. to-morrow, their properties would increase in value. They have had a home given to them and a competence, if they will only strive for it. Hon. members think they should get all this quickly by means of an agitation in Parliament. The previous Government did not give it to them when they were in power, because it was contrary to their principles to do so. I hope members opposite will not endeavour to apply the basic wage to these settlers.

Mr. Seward: There is no comparison between them and the working-man.

The MINISTER FOR LANDS: I know there is no comparison.

Mr. Seward: One is sure of his living and the other is not.

The MINISTER FOR LANDS: The wages man has work to-day and is out of work to-morrow. He has no security and no sense of independence. He has to seek a job, and has nothing for himself in the end. He works for a basic wage of £3 9s. 3d. a week. He has nothing to look forward to in the future, no increase in land values, no home and no competence. Members are arguing from wrong premises when they compare the working man with the man on the land.

Mr. Marshall: The former cannot get any work to do.

Mr. Latham: You are misrepresenting what I said.

The MINISTER FOR LANDS: I am sorry. It was not like the hon. member to say such things. I cannot think he holds with all this talk about a man not producing at a loss, and the Government making up to him any loss that would otherwise accrue. It is a false argument to use. It must be proved that he is producing at a loss, and every factor must be taken into consideration. Farmers may derive temporary advantages from a marketing board, but it will mean disaster in the end. It will produce settlers who have no outlook and who believe there is no necessity for them to produce a great deal. It will produce settlers

who will take their time to produce anything, and whose main object will be to get paid what they think they ought to be paid for that which they do produce. That will give the same results as have occurred in the case of the people in the other States. They did all that, with the result that they have lost their land and have themselves become incompetent and inefficient. Wherever I find industry in trouble and in difficulty and that the settlers have done their very best, I am with them. My heart goes out to them. One must always go to their assistance on such occasions. When that happens I am with the settler to the end. I will tell members what has been done in the South-West. The motion refers to soldier settlers, group settlers, and Agricultural Bank clients. Plenty of Agricultural Bank clients in the South-West are paying interest. When I referred to the beggarly amount collected last year, I was referring to group settlers only. Agricultural Bank clients have paid their interest because they have developed their land under entirely different conditions. They have developed it through their own energies, by means of the few pounds of assistance they have had, and by keeping down their capitalisation. The whole trouble with other settlers is that the Government have been too generous to them and have given them too much. We have taken all the responsibility and have given the settlers money which to-day is a great burden upon them. If we had given them half the amount they would have been better off, but we have gone to the limit and given them more and still more. Finally the fountain has dried up, and we have no more to give. The fountain which fertilised all the settlements has dried up. Having borrowed all this money they find themselves in serious trouble, and do not want to pay anything back. They want relief, hence this motion. I am going to say straight-out that I accept no responsibility for this state of affairs. From the very beginning I was in doubt about the result of this type of settlement, and often spoke about it in the House. When the Premier proposed to appoint me Minister for Lands, the "West Australian" said I ought not to occupy that portfolio because I was opposed to group settlement. I should be opposed to it. I saw a lot of it and realised it could not work out. Any scheme by which the Government pay and the

other man calls the tune cannot work out; unless we leave something to the individual we are not going to get results. That is what has happened in group settlement. When I held office in the previous Collier Government, I spoke in season and out of season to the settlers about keeping down their capitalisation. I urged them not to borrow more money because the day would come when they would have to pay it back. I pointed out the money was loaned to them and they should keep down their capitalisation. But I got no response to my appeal. Indeed, the settlers were far from pleased, and a good deal of ignominy was heaped upon me.

Mr. Tonkin: In the early stages the settlers had no control over the expenditure.

The MINISTER FOR LANDS: I do not think that worried them much. They were not greatly concerned about the capitalisation. The demand was for more and yet more money. I went to Jardee on one occasion. At that time the Government were providing contracts which enabled the settlers to earn £20 10s. per month. The houses were there, and they could earn this much in three weeks. During the fourth week they were expected to utilise their time in spare-time effort. In this beautiful valley of Jardee I had a meeting. The settlers told me they were starving on £20 10s. a month. When I got to Northcliffe I found that two marketing days a week were held. On that particular day all the settlers in the district were in the town. I asked if it were a fete day, but was informed it was marketing day. When we reconstructed the Peel Estate, the contract price was questioned. I asked the foreman why that price was paid, and suggested it was about £5 too much. He informed me that the settlers had to earn their £20 10s. My experience was that most of the settlers were not greatly concerned about the capitalisation. They wanted more money and got it.

Mr. Tonkin: Those who were concerned had no control over the expenditure.

The MINISTER FOR LANDS: I will come to them later.

Mr. Tonkin: They were obliged to have tractors on the blocks, and these were worked at £9 a day.

The MINISTER FOR LANDS: The policy of the Mitchell Government was to pull down the trees and encumber the earth. That was soon stopped. The total expen-

diture on group settlement, inclusive of roads and drainage, was £10,000,000. The total expenditure exclusive of roads and drainage, but including stock, and interest that we had to pay, was £7,204,000.

The Minister for Mines: That would have bought all the butter we required for 10 years to come.

The MINISTER FOR LANDS: The assessment expenditure on the blocks, exclusive of stock, plant, and other charges, amounted to £4,848,000. When the groups were revalued, there was written off on the assessments £3,164,000. The rest was thrown in for nothing. The total assessment on all the blocks was £1,683,000.

Mr. Stubbs: Have you the approximate total cost?

The MINISTER FOR LANDS: It was £7,000,000 with roads and drainage.

Mr. Withers: What were the administration costs?

The MINISTER FOR LANDS: I do not know.

Mr. Withers: They were a lot more than they should have been.

The MINISTER FOR LANDS: The settlers have made no complaint about that, because they have not paid back a single penny. Whatever the cost of administration was they have not been responsible for it. When the groups were re-valued, the assessment of the total of the groups worked out at £1,683,000. It was stated that when the locations were valued, they were valued on the existing price. That is not so and I am pleased to make that announcement. When the Group Settlement Assessment Board was established, I told the members to make a generous cut, and not to base the re-assessments on existing prices, but on valuations that would give the settlers some hope for the future. That was my personal instruction, and it was carried out. Immediately the valuations came out, established settlers in the South-West said we had reduced the value of their property by reason of the reduction in the value of group settlements.

Mr. Latham: That is perfectly true.

The MINISTER FOR LANDS: They received a most generous cut.

Mr. Stubbs: So they did.

The MINISTER FOR LANDS: The actual cash given to the settlers as payment for their own living amounted to £2,693,000, and that does not include, insurance, interest, administration, explosives, fencing and

other things which they got for nothing. It is the actual money given to the settlers in cash.

Mr. Stubbs: What did they do with the money? They must have burnt it.

The MINISTER FOR LANDS: We gave the settlers a million more for their own purposes than we charged them for the land. Could there be anything more generous? The State could not possibly carry another group settlement. We have to find £400,000 a year for interest and last year we collected £4,000 towards that huge sum. I do not know how much more generous we could be. Of course I do not mind if the taxpayer can stand up to it; but I do not think he can. Still, as far as we can, we shall give the settlers as good a deal as is possible. The interest already paid by the taxpayers on group settlement amounts to £1,154,000. Thus the taxpayers have paid more interest than the group settlers have paid for their properties. We have had great losses on abandoned holdings. Since we have had the assessments there have been further advances made amounting to £416,000. This has been advanced in the last few years. The interest outstanding to-day is £342,000, and the current interest is £70,000. I suppose some hon. members think we have not done a fair thing. I hope we shall be able to do more. Our difficulty now is that the values with the interest and advances are growing. If the settlers could stop at that, we would say, "We will cut the loss." But we have to put more money into it, and I shall have to find additional money again this year for the groups. Let me give some figures to show the difference between prices of butter fat before the war and since. In 1911 butter fat was 10d. a lb.; in 1912 it was 1s. 1½d.; in 1913 it was 10d. In 1931 the price was 1s. 4d., a figure that was higher than any of those before the war, and 6d. higher than in 1913. In 1932 the price was 1s. 2d. These figures are authentic; they were supplied by the Department of Agriculture.

Mr. Latham: Did you say 1s. 2d. in 1932?

The MINISTER FOR LANDS: Yes. This year the price is 11d. The group settlers are competing against dairy farmers in the Eastern States whose land is more highly capitalised. It is £50 and £60 an acre there. In New Zealand the land may be worth up to £170 an acre. I was told by the Prime Minister of New Zealand that some of the land there carries as many as



16 mortgages and there are any number of properties carrying seven or eight mortgages. The New Zealand dairy farmer is getting 6d. a lb. less for his butter and he has to compete against us in the markets abroad. Never in my experience have I seen such provision made for dairy stock as I saw in New Zealand.

Mr. Latham: He must be having a pretty bad time.

The MINISTER FOR LANDS: He is having a very bad time now. In the North Island of New Zealand the conditions to-day are better than they are in Western Australia, but in the South Island they are worse, because for six months of the year there is snow on the ground.

Mr. Seward: On the mountains only. Do not tell me there is snow on the Canterbury Plains. I was there for five years.

The MINISTER FOR LANDS: I was in the South Island for a month and the settlers told me that they had to feed their stock during the whole of the winter.

Mr. Seward: That is not to say that there is snow on the ground, and because of that they have to feed their stock.

The MINISTER FOR LANDS: The difficulties are considerable; as a result New Zealand produces the type of dairy farmer who can so successfully compete with us that the Australian Government have to impose a duty of 6d. a lb. on New Zealand butter.

Mr. Seward: You do not compare the land here with that of New Zealand?

The MINISTER FOR LANDS: I compare the land in the Eastern States with that of New Zealand. The dairy farmers in Queensland and in northern New South Wales where they have an 18 inch rainfall, have a protective duty of 6d. in the lb. against New Zealand butter. Why? Because they are less efficient than the New Zealand farmer. Reverting to the price of butter fat, members will see that it is now higher than it was before the war.

Mr. Latham: What about the cost of production?

The MINISTER FOR LANDS: What is the cost of production on a dairy farm? I can understand that the cost of production on a wheat farm would be high because the wheat farmer has to buy machinery; but what expenditure on plant is there on a

dairy farm? Dairy farming is about the cheapest type of farming because the settler there can produce nearly everything for his own requirements. The personnel of the Group Settlement Commission which sat two years ago included the present member for Sussex. That Commission justified the settlement on the ground that the butter industry had now been established. The Commission said that all the expenditure that had taken place had established the butter industry in Western Australia.

The Minister for Mines: That has not been done yet.

The MINISTER FOR LANDS: I do not know that the statement is too correct. If the industry had been established without all this expenditure, I would say that we had got somewhere. But that has not been done. The settlers must have help even now. Our interest on group settlements, as I have already said, is £400,000 a year and the value of the butter we produce amounts to only £355,000.

Mr. Stubbs: Down there?

The MINISTER FOR LANDS: In the whole of Western Australia. In 1929 the butter produced in Western Australia was valued at £248,000; in 1930 £310,000; 1931 £386,000 and in 1932, £399,000. These figures have been supplied by the Department of Agriculture. Unfortunately it will be seen that the industry has not been established. The industry cannot be said to be established when the value of the butter produced in the whole of the South-West is less than the interest that has to be paid on group settlement expenditure. For the amount that we have lost it would have provided free butter for the whole of Western Australia for a period of ten years.

The Minister for Mines: And be much better off than we are to-day.

The MINISTER FOR LANDS: I am convinced, however, that the South-West will come out right. I know that the settlers there have their difficulties, one of which is that they must fertilise the properties with the right fertilisers. In New Zealand the settlers provide their own fertilisers.

Mr. Latham: Not in northern New South Wales?

The MINISTER FOR LANDS: No, but in New Zealand I was surprised to learn that in Hamilton in the North Island settlers used from 300 lbs. to 400 lbs. of fertiliser per annum for top dressing. Farmers in

New Zealand use a lot of fertilizer and we have to do the same.

Mr. Stubbs: Fertilising at the rate of 300 lbs. per acre would mean that butter would cost 2s. per lb.

The MINISTER FOR LANDS: That quantity is not used here.

Mr. Seward: At Hamilton there is heavy volcanic soil.

The MINISTER FOR LANDS: I was assured that the land at Hamilton was poor. I know there is some magnificent volcanic soil, but I was told that the country at Hamilton had to be top-dressed freely. I know that on some of the soil there it is impossible to fatten stock. Near Rotorua they have problems just as we have in Western Australia. The member for Sussex (Mr. Brockman) said that the expenditure on group settlement had been largely the result of the contract policy adopted when Sir James Mitchell was out of office, and he added that some of the contractors had made £30 to £40 a month. Some of them did, but it is false reasoning to assume that clearing by contract is dearer than clearing by men on sustenance. A lot of men received 10s. per day, and it was because they were not earning the 10s. per day that contracts were introduced as a method of defence. It is quite probable that when a contractor earned £30 a month, he was doing more relatively for the money than a man who was getting £12 a month. The member for Sussex believes that the Imperial and Commonwealth Governments will help us in the matter of group settlements. No fear! They have got out; they would remain in no longer. Both the Imperial and the Commonwealth Governments to-day are agitating to have cancelled the Migration Agreement under which we get the cheap money. The Leader of the Opposition is aware of that. They want no more responsibility. Consequently, we will get no more help from them. We have the loan and it is our responsibility to bear the burden of it. The member for Nelson stated that a 20-cow man would find it difficult to make ends meet without paying interest. He doubted if the settler could do it. Yet, almost in the same breath, he said that the income from 20 cows would be £180 a year, less £35 for fertiliser. A settler making £180 a year, less £35 for fertiliser, would be getting nearly £150, which is not bad. All we ask is that the settlers try to pay some of the interest. We ask them to do as other men

are doing and not leave the load to be carried by others. The settlers must make an effort. Is not that fair and reasonable? Everyone must try to stand up to his obligations and not seek to put the load on to someone else. When there is a difficulty, all must lend a hand. That is all we ask. Even the best man will not pay if he is not required to pay. We ask the settlers, so far as they can, to pay. The group settler is not dependent entirely on the proceeds of the butter fat produced. The Leader of the Opposition, speaking of the earnings of settlers, referred to the value of their butter. But group settlers have other earnings as well. If a dairy farmer depends upon butter alone, he should not be on the land. He should have side lines such as pigs and poultry to sell. If the dairy farmer is going to do dairying and nothing else, the State cannot carry the industry. He must engage in producing other lines. The dairy farmer must be a pig raiser and a poultry raiser, and he must put potatoes on the market when the opportunity is favourable. He must also cure his bacon, sell a steer or two occasionally, and kill a steer to feed his family. No dairy farmer would depend entirely on his butter fat production; he relies upon side lines as well. Members say that our settlers have no side lines.

Mr. Latham: I did not say so.

The MINISTER FOR LANDS: They ought to have side lines. Last year the Commonwealth Government sent to Western Australia the secretary of the Migration Commission, Mr. Stevenson, who furnished a report on group settlement to the Federal Government. In my experience it is about the best report ever made on group settlement. I was struck by its accuracy and by the sound summing up of the whole situation. This is what Mr. Stevenson told his Government about the group settlers—

The bank, through its officers, has due regard to the revenue which each settler is receiving, and is endeavouring to collect as much interest as possible after making provision for living expenses. Although the amounts allowed for living expenses may appear low—from £6 to £8 per month is the usual thing—it must be borne in mind that the settler is living rent free, and that much of his food can be produced on the farm if he cares to exert himself.

No one will disagree with that.

The contrast between settlers in regard to production of vegetables and other household requirements is very marked. Many of them

still buy their vegetables in the town or from more far-seeing settlers. At Manjimup I saw the greengrocer's delivery cart out on the road amongst the groups—

That is calamitous.

—and at Peel estate the greengrocer has a regular round among the settlers.

No rational man could encourage that sort of thing.

Some of the settlers do not appear to be over-exerting themselves. On some farms I saw super which was issued in 1931 still in the sheds.

That is an extract from a very good report made in 1932. I could not find much wrong with the report. The writer spoke well of some of the settlers. The weakness of the scheme is that settlers depend too much on the Government and not enough on themselves. They must produce as much of their own living as they can, and when they have done that, they will have done everything possible. The member for Nelson spoke about my having promised that interest concessions would be capitalised for five years. I did not make any such promise. I agreed to capitalise the arrears that were outstanding over the last five years. Much comment has been made about the cows on group settlements. Statements have been made that the cows do not produce milk. The Superintendent of Dairying states that the average South-West cow receiving reasonable treatment produces 180 lbs. of butter fat. A number of group settlers in 1932 averaged, from herds of 16 to 20 cows, 251 to 310 lbs. of butter fat.

Mr. J. H. Smith: About half-a-dozen of them.

*The Speaker took the Chair.*

The MINISTER FOR LANDS: The superintendent says that the average cow purchased for group settlement is not inferior to the average cow owned by private farmers in the South-West. In the dairy competitions over the last two years, a number of group settlers competed successfully with private stud herds in the district.

Mr. J. H. Smith: Your department say that the average production is 160 lbs.

The MINISTER FOR LANDS: I suppose there are some poor cows on the groups.

Mr. Latham: Poor cows and poor milkers.

The MINISTER FOR LANDS: A settler can be supplied with the best cow and it can be ruined in a month. The type of cow is important, and the type of care and feeding is also important. Give some people the best cows in the world and they will make them the worst in the world. The fact that the cows on the groups are not giving better production is not in every instance due to the cows. Some of the fault is due to the inattention of settlers. There are settlers who starve their cows and have to be dispossessed. Repeatedly we have found that settlers would not top-dress. They would take all they could from the land and starve the cows, and the cows would then revert to the department. During my last period of administration, we had to repossess 1,000 cows from group settlers owing to starvation. That was not entirely due to faults of the settlers; partly it was due to the fact that the land would not carry the stock. I have numerous instances now of settlers who will not look after their stock. A man who will not look after his stock cannot be made to do so. The fact that some of them do not look after their stock is not remarkable. It is impossible to make a dairy farmer merely by putting a man on the land. Some have capacity and a liking for the life, and some are not suited for it. The member for Sussex referred to the recommendations of the Royal Commission. Those recommendations consisted of deferment of interest for varying periods and the subsequent capitalisation of such interest. That is largely what is happening to-day; settlers are not paying their interest. That, however, cannot provide a way out, as deferment of interest will only add to the capitalisation and increase the burden on the settlers.

Mr. Ferguson: The Royal Commission also recommended marketing legislation.

The MINISTER FOR LANDS: We will come to that.

Mr. Ferguson: I thought I would remind you of it.

The MINISTER FOR LANDS: Why was it not introduced by the Government of which the hon. member was a Minister?

Mr. Ferguson: We did not have time.

The MINISTER FOR LANDS: The Royal Commission reported 12 months before the hon. member left office.

Mr. Ferguson: We started off with the Whole Milk Bill.

Mr. Latham: You know how long it took us to get some of our legislation through.

The MINISTER FOR LANDS: A marketing Bill was not part of that legislation. The member for Sussex said that group settlers were leaving their holdings and that others were being harassed and starved off. Those are wide and general statements, and I should like the hon. member to be more specific. Settlers, he said, were leaving at the rate of 12 per week. That statement is not correct. In the Sussex district two settlers abandoned in July and four in August, one holding was sold in August and four settlers were dispossessed in July. Thus, six abandoned their holdings in two months, which is not at the rate of 12 a week.

Mr. McLarty: Quite a number settled at South Fremantle.

The MINISTER FOR LANDS: From first to last there have been on the 2,000 group blocks over 6,000 settlers, and they have been going off for years. That has been the whole weakness of the scheme. The member for Sussex said that inspectors were picking out the best heifers and selling them. I wish the hon. member would be more specific. Who is the inspector? I invite him to give me the name and he will not be there very long. I promise him that. As a matter of fact, an inspector cannot sell stock. The stock is the property of the settler and he sells with the consent of the bank through the local manager. The suggestion has been made that the services of a number of the foremen could be dispensed with and the settlers treated as ordinary bank clients. I hope to do something in that direction. We are really in much the same position as we were in 10 years ago. We still have a lot of foremen telling the settlers what to do. If, after 10 or 12 years, we have to tell the settlers what to do, their position is rather hopeless.

Mr. Withers: Some of the foremen were hopeless in the beginning.

The MINISTER FOR LANDS: I would not be surprised at that. If after ten years a settler still requires tuition, how is he going to get it? Very probably it would be a good thing to dispense with a great many of the foremen. The supervision of the groups costs £17,000 a year, and we probably collect only half that amount in interest

in a year. If settlers will not look after their own stock, and will not top-dress their pastures we ought to let them go.

Mr. Stubbs: You have told a very sad story to-night.

The MINISTER FOR LANDS: I have given the facts. No doubt the Royal Commission will inquire into all these questions. The point of view of the bank must also be considered. There must be men on the spot to look after its interests, but I do not see why we should spend £17,000 a year in supervision in order to get a few thousand pounds in interest.

Mr. Patrick: The bank's assets must be protected.

The MINISTER FOR LANDS: That is so. The member for Murray-Wellington (Mr. McLarty) laboured the question of security of tenure. He did not tell the House what he wanted. This is what has happened to the settler: he has been given a freehold title to his land. These are the only settlers in the State who have had freehold titles given to them. Their only liabilities are the mortgages representing a considerably reduced amount of money compared with what has been expended in providing a farm for them. They got their land for nothing. They are in the same position as any other settler who borrows money on mortgage, for they have to mortgage their property in order to get advances against it. The same thing applies to any other settler, merchant, or business man who borrows from an associated bank. The ordinary settler has to mortgage his property in order that he may get credit. Neither a wages man nor a business man can raise money on his property without mortgaging it. The group settler has the same security as any other man who borrows on a mortgage. What can we do to make the position any easier for him? He has had the land for nothing, land which may represent thousands of pounds. We are still assisting him with fertilisers and other things. We want him to stay on his holding if he will stay. What more can we do for him?

Mr. McLarty: And yet he is in constant fear of being put off.

The MINISTER FOR LANDS: The same may be said of the man who has mortgaged his house. It can also be said of the farmer on the wheat belt and the pastoralists. They are in constant fear of losing their properties under mortgage.

Mr. Latham: In most cases that is possibly the only reason why they are paying interest.

The MINISTER FOR LANDS: I appreciate what has been said about security of tenure. That is what we all want. If we could all get that, it would be an end to our troubles. But if the group settler had all the security of tenure he wants, he would get no more credit. If the pastoralists had complete security of tenure they would get no more credit. People cannot have it both ways. When it is necessary to take a mortgage over a group settlement, the settler must accept the position as it is accepted by any other citizen in the country. The State has not been ungenerous to group settlers. We have carried on these farms, and the trustees are only too anxious to keep the occupants there.

Mr. J. H. Smith: I have never disputed that.

The MINISTER FOR LANDS: We want settlers, and have gone a long way to get them. We have made many sacrifices to keep them, and spent a lot of money on them. The member for Murray-Wellington said the settlers were leaving their homes in great numbers. Up to the 31st August last only six had gone, and 46 had sold out. I will now give members a summary of what the State has done for group settlement. We have given them the land free, made advances to them, cleared their land, erected fences, laid down pastures, provided a home, dairy stock, farm machinery, insurance against accident, etc., etc. We have given them the best of expert advice for nothing. We have reduced the cost of their completed farms from an average of £3,500 to £1,500, and called upon the general community to bear the loss. We have made further advances of another quarter of a million pounds. We have found manures for top-dressing, and called upon the community to carry the burden of the interest. How can it be said we have treated them badly? The member for Nelson (Mr. J. H. Smith) referred to the possibility of the British Government appointing a Commission to inquire into group settlements in Western Australia. I give an assurance on the part of the Government that the Imperial authorities can send 1,000 Commissions here if they like, and they will only discover that nothing more liberal has ever been given to settlers anywhere in the Empire. The

British Government are represented in Australia by Mr. Crutehley and have been represented by Mr. Banks Amery, and these gentlemen know what we have done. We would welcome any inquiry by the Imperial authorities into how this country has treated the group settler. But we cannot do this again.

The Minister for Agriculture: We want a Commission to inquire into the group settlers themselves, not the group settlements.

The MINISTER FOR LANDS: The Agricultural Bank has never dispossessed a settler until it has found that he has neglected his holding, allowed the scrub to grow up, and denied proper attention to his stock. What else could the bank do, but dispossess him, when a settler neglects his home, his pastures and his cattle? We are asked to give these people security of tenure, so that they may go on in this way and destroy the State's security. Parliament would never agree to that. I have no objection to the motion, but would point out that the hon. member would be doing a disservice by the State as well as by the group settlers if he encouraged the latter to hope that by agitation in this House he would get concessions which the State could not afford, and which it would be unjust to give. This State has treated the group settlers well, and yet members come here in the hope that by an agitation in this House they can wrest still more from the people of the State on their behalf. The group settlers may get the idea that by agitations of this sort they can get even better results than have accrued to them up to now. If they did get better results they would themselves be destroyed. They would not be standing up to their job. This would not last very long, for the State would collapse and members also would collapse. There is only one way in which a man can succeed on the land, namely, by keeping down his capitalisation and producing his commodities with proper economy. He must live by the soil as far as he possibly can. If Australians do not carry out this principle, and the Britisher does not do it, some other race will come along and do it. Reference has been made to the success of Italian labour in the sugar industry. There is an outstanding example of what Italians have achieved in the case of Fontanini Brothers at Manjimup. They went there with

scarcely a penny and to-day they are amongst the most favoured settlers in the country. They possess a fine establishment of their own. They have no complaint against the Government, and none against the bank. They have done their job, and established themselves out of nothing.

Mr. J. H. Smith: But they selected their own land.

The MINISTER FOR LANDS: Out of the 2,000 group settlers the hon. member cannot say all have taken up bad blocks. Have Fontanini Brothers selected the only good land in the South-West?

Mr. J. H. Smith: I did not say that.

The MINISTER FOR LANDS: Hundreds of the group blocks are as good as Fontanini Brothers' land. Mr. Fontanini himself said to me, "You talk about your standard of living. Look at the money you get with which to buy things. You despise our standard of living. Come to my home and I will show you 50 products I grow. We produce our stuff from the soil. We make our property our savings bank, but you do not do that. You get money and you squander it. We raise money out of our own land and buy what we want with it." The only man who can succeed is the man who makes his land his savings bank, who borrows as little as possible, produces as much as possible and banks his money in his property. That is the only way in which group settlers can succeed, and members had better tell them that too. I am not personally acquainted with the settlers of to-day, for I have been removed from the administration for three years. I shall, however, get to know them later on. I do not propose to approach the authorities in their behalf until I become acquainted with the settlers. I have not been in touch with the scheme for several years. The Royal Commission will look into the question of group settlement security. We had better, therefore, allow the matter to stand over meanwhile. It is a foolish thing to lead the settlers to believe that by a motion of this kind they can get any result whatever. There can be no result unless the settler deserves it, and if he deserves it, he will reap results richly.

On motion by Mr. Marshall, debate adjourned.

## MOTION—DOUGLAS CREDIT PROPOSALS.

Debate resumed from the 6th September on the following amendment moved by Mr. Tonkin—

To strike out all words after the word "to" in the motion moved by Mr. North—"That this House urges the Government to explore fully the means of escape from our present trouble, indicated by Major Douglas," with a view to inserting the following: "inquire into the mechanism of the economic system in order to discover whether our present trouble is due, as Major Douglas asserts, to a discrepancy between the price of goods and the purchasing power issued against them, or to the unequal distribution of income."

MR. CROSS (Canning) [9.17]: I believe that to-day people seriously expect that a genuine attempt shall be made to improve the deplorable economic position. An absurdly paradoxical state of affairs exists—chronic poverty and want in a world of vast economic resources. A survey of the economic field discloses that in the leading industrial countries of the world millions of men are unemployed, factories and workshops are closed for want of orders, hundreds of powerful ships are laid up because there are no passengers and no freights to carry, wages and salaries have been drastically curtailed, and staffs have been reduced in works and offices alike. To-day huge numbers of hard-working people live in dread of imminent poverty and want. In fact, insecurity, economy and still more rigid economy are the order of the day. That is one side of the picture. Let us consider another. People are actually starving in the world while the world is glutted with wheat. Quite recently representatives of various countries met in order to devise ways and means of disposing of surplus stocks of wheat. That fact does not indicate that we are living beyond our means so far as wheat and bread are concerned. Vast quantities of coffee have been dumped into the sea, and in the last year or two Brazil has actually used coffee as fuel for locomotives because the price was uneconomic. Fish caught with considerable skill and at times with serious danger have been thrown back into the sea because it did not pay to sell them. One could go on indefinitely relating such activities, which make a sorry story of what has happened to the harvest resulting from human labour. There is no shortage of real wealth in the world, no shortage of

those things which are essential to health, comfort and happiness. It is important to note that day by day our capacity to produce real wealth increases rapidly. Modern machinery and technique have provided methods staggering in their ingenuity and in their capacity to produce more and more. In point of fact, production increases much faster than does population. Let me give an illustration in point. Between 1914 and 1920 the population of America increased by 6 per cent., and during the same period productivity increased by no less than 32 per cent. Thus diagnosis discloses that part of our present trouble is due to plenty. For untold ages man has toiled and sweated under the lash of threatened scarcity and famine. The fear of want bit deeply into his consciousness. A bad season might mean starvation. That has happened in the past. For so long did the period of scarcity exist that man became chronically apprehensive of want. Even to-day man apparently cannot realise the new fact that there is no longer any need to worry about production. Therefore mankind continues to cling to the idea of the old economists that it is essential to accept a lower standard of living. Let us examine the problem more closely, and investigate the link which exists between production and consumption. That link is money. Here we come to the main flaw in the economic system. There is a fairly general assumption that money is a just and regular standard of wealth. But that is incorrect. The issue of money bears no necessary relationship to the issue of goods or the prices put on them. As a matter of fact, there is no mechanism operating to ensure such a functioning of money. What actually happens is that when new markets are opened and demand increases, the financial machinery creates money and the goods may be absorbed.

Mr. Doney called attention to the State of the House.

Bells rung: a quorum formed.

Mr. CROSS: As the demand increases, so the machine comes to the rescue, and before long saturates the market with goods. Thereupon, quite naturally, reaction sets in: the flow of money is restricted, manufacturers' credit is stopped, workmen are discharged. The workers, upon losing their regular employment, naturally buy less from the shops week by week. It follows that week by week the shopkeepers place

smaller and smaller orders with the merchants. Then shops close down and further wage cuts take place, thereby further reducing the purchasing power of money. Then it is the economist comes forward and begins to talk about the baffling nature of the depression. It is imperative that an equilibrium be established between the flow of goods and the flow of money. The money merchants are interested only in making money. They regard money as a commodity. They trade in it to make profits, but do not consider it a means to facilitate production, exchange and distribution. I hold that those are the proper functions of money. Here we have part of our present trouble, a part that demands a searching inquiry. During the making of that inquiry it may be found imperative to investigate all the ramifications, far-reaching as they are, of the present system of banking and finance. In the interests of the national life it may be found absolutely essential to nationalise banking and finance. Another process which has been going on for a long time has, in this country, reached a stage when it makes itself felt keenly. I refer to the ever-increasing growth of the national debt. As regards the British Empire, the growth of the public debt has been going on for centuries. Today the debt is almost as high as ever it was in British history. A paragraph in this evening's paper refers to debts owing to the British Government which accumulated during the Crimean war. As a matter of fact the Napoleonic wars are not paid for yet. It follows naturally that the increase in debt exacts from the people an ever-increasing burden in the form of interest. The interest burden has become almost unbearable. I believe that any nation saddled with a tremendous interest bill must be in a very unfavourable position when it embarks upon competition with another nation practically free of debt. I will give an illustration to show the point clearly. We will assume that there are two butchers' shops in one locality. One of the butchers owns his own shop, whereas the other butcher is compelled, through force of circumstances, to pay £10 a week as rent. It will be perfectly obvious which of the two men will be in the better position to sell meat more cheaply. So it is with nations. That phase of the problem must be given due consideration. When we seek overseas markets, we come into competi-

tion with other nations such as Japan, which has practically no public debt. In consequence, the Japanese are able to place a different value on the purchasing power of their internal money. I believe that constitutes a problem requiring the application of statesmanship. I consider that, as a result of a comprehensive inquiry—I welcome the fullest inquiry because I realise that, from time to time, various nostrums are advanced and are regarded as the cures for all our evils—into the Douglas Credit System, some information may be gleaned respecting one or other of its phases that may prove useful to us.

Mr. F. C. L. Smith: How do you suggest the inquiry should be conducted?

Mr. CROSS: I think it could be undertaken by the Commonwealth Government.

Mr. North: Canada has an inquiry every 10 years.

Mr. CROSS: And I think that is right. Conditions change with the times, and we must meet new conditions with new methods. I believe an inquiry should be held with a view not only to suiting goods to the conditions of human requirements, but to relieving the tremendous interest burden. In the latter connection, I was pleased to notice in the "Daily News" to-night an announcement by Sir Walter Massey Greene, the Commonwealth Assistant Treasurer, that £21,000,000 of our indebtedness has been converted, £15,000,000 at 6 per cent. and £6,000,000 at 5¾ per cent. being converted to 3¾ per cent. That will save Australia over £500,000 in interest. That is a step in the right direction. When we remember that Russia still owes Britain £1,141,000,000, we should expect to receive further consideration. I am of opinion that definite steps should be taken to fund the whole of our national debt at a very low rate of interest. I hope that the inquiry will cover that phase, with a view to seeing what can be done to establish an equilibrium as between the flow of goods and the flow of money. I trust it will be done with a view to wiping out the present paradox of poverty in the midst of plenty.

On motion by Mr. Nulsen, debate adjourned.

*House adjourned at 9.35 p.m.*

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*Thursday, 14th September, 1933.*

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

### BILL—FINANCIAL EMERGENCY TAX.

*Second Reading.*

Debate resumed from the previous day.

**HON. A. THOMSON** (South-East) [4.35]: When the Bill was introduced here we were told it was essential that it should be passed, in order to enable the Government to carry on. The assessment measure, which is closely related to this one, has been dealt with by this Chamber, amended and returned to the Assembly for its concurrence, but apparently the Government do not consider it of pressing moment, for they have placed it No. 12 on to-day's Notice Paper in the Assembly. So it seems there cannot be such urgent need for the Government to have this money, else they would have made an effort to discuss the assessment measure, and perhaps go to a conference on it in order to arrive at an agreement. If we were to pass the Bill before us, the Government would be in a position immediately to put the whole proposal into effect. In any case, it seems to me an unheard of thing to bring down a taxation measure before Parliament has had opportunity to discuss the Budget and the manner in which the money to be raised by the new taxation is to be expended. The Financial Emergency Act was passed in 1931, and in view of statements appearing in gold-fields newspapers, one is constrained to believe that the Cabinet intends to amend that Act. If so, we should know in what way it is proposed to amend it. We have had submitted to us some of the emergency legislation, but in my view the whole of that legislation should have been brought down together. I have always been accused of holding the view that Parliament should