

Legislative Assembly,*Thursday, 20th September, 1928.*

The MINISTER FOR WORKS replied:
1, No. 2, Yes.

BILLS (2)—THIRD READING.

1, Dried Fruits Act Amendment.

2, Abattoirs Act Amendment.

Transmitted to the Council.

BILL—FEEDING STUFFS.*Second Reading.*

Debate resumed from the 6th September.

HON. SIR JAMES MITCHELL (Northam) [4.26]: While there is very little in the Bill about which we need concern ourselves, it represents legislation that provides a happy hunting ground for cranks. Having fallen upon a germ of truth, they are apt to ride it to death! I do not think the Bill represents the Minister's ideas; it has been put up to him by the departmental officials, and he has introduced the Bill here. We have been dealing with too much legislation of this description. Please God, we shall soon have a respite from this sort of stuff, and we shall deal with something that really matters! Every purchaser can protect himself. If we set out to provide that everything that was sold to everyone in the State must be sold subject to tests and so forth, I do not know what commodities would cost the people in the end. In matters that will be dealt with under the Bill, it is important that impurities should not find a place in bran, or pollard, and so forth. As a matter of fact, under the milling system, the flour goes down one way into a bag, the bran another way, and the pollard, still a third way. If any impurity is found in any one of those commodities, it must have been put in deliberately in the mill. Of course, it is possible that young fellows, when sweeping up the floors of mills, may tip their cigarette ends and other matter into the pollard, but that would be against the wish of the millers concerned. Should anyone find such impurities in a bag of pollard or bran, he can send it back and demand a bag of pure stuff and he will get it. The Minister did not say anything about the imported bran that is brought into the State, and which may be below standard. The Minister has legislation that will enable him to deal with

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

QUESTION—TIMBER MILL FATALITY.

Miss HOLMAN asked the Minister for Works: 1, Has the account of the inquest on the late James Crossman, timber worker, who met his death by accident at East Kirup on 25th August, been brought under his notice? 2, Is it a fact that the inspector notified the manager of the mill that unless the guard was in position on the saw at the next inspection, a prosecution would be instituted? 3, Is he aware that the jury added the following rider to the verdict of accidental death:—"That had the guard ordered by the Machinery Inspector been in position the accident would not have happened"? 4, What action, if any, does the department intend to take in the matter?

The MINISTER FOR WORKS replied: 1, No. 2, The manager was so notified by the Department's controlling officer. 3, I have not yet been officially advised of the jury's finding. 4, Upon receipt of the official report of the inquest, the case will be submitted to the Crown Law Department for advice as to what action should be taken.

QUESTION—ROAD PROPOSAL, COTTESLOE-PERTH.

Hon. G. TAYLOR (for Mr. Richardson) asked the Minister for Works: 1, Has his attention been drawn to the Mayor of Cottesloe's proposal relating to a new main road from Cottesloe to Perth north of the railway? 2, Is any alternative scheme to relieve traffic congestion being considered?

that question. When it comes to licks, those interested in selling them will be jolly glad to have this legislation. Licks represent very simple propositions, but it is important that they shall contain the right mixtures. In that respect the farmers are just as capable as the departmental officials. The licks comprise salt, lime, phosphate, and bone mixtures. Usually they are quite simple. I do not know whether the Bill will cover ordinary salt. In some respects it is possible to do more harm than good under legislation such as that now under discussion. The Minister pointed out that some cattle had died because they had eaten the bones of poisoned rabbits. I would draw his attention to the fact, however, that an officer of his department stated recently that unless the bones were eaten immediately after the rabbit had died, no ill effects were likely to follow. The Minister hopes that the Bill will encourage people to use licks that will satisfy cattle that have a craving for phosphates and for the lime that is found in bones. That, of course, will keep the animal away from other deleterious substances. The people know what they require, and they are using the licks to which the Minister referred. There is a shortage of salt, although there is plenty of what is called salt-water, which is charged particularly with magnesia. The people are realising the position, and are using more of this type of fodder. The Premier is fond of making the statement that this sort of thing "will not do much harm."

The Minister for Mines: You cannot put the blame for that on the Premier!

Hon. Sir JAMES MITCHELL: That is a favourite expression of the Premier's.

The Premier: You originated that remark.

Hon. Sir JAMES MITCHELL: Someone said that the man who is the most original is he who promptly accepts the ideas of others and makes use of them.

The Premier: I have often endorsed the sentiment.

Hon. Sir JAMES MITCHELL: For every single time I used the phrase, the Premier has used it hundreds of times. I am jolly sorry I told him about it!

The Premier: It is handy for explanations.

Hon. Sir JAMES MITCHELL: The Minister for Agriculture has introduced the Bill with every good intent but we are indulging far too much in legislation of this description. If we go in for this sort of thing much further, we shall not afford the people

real protection, because, whereas they should exercise every precaution themselves for their own protection, they will depend upon legislation. Some people have a profound faith in Acts of Parliament, and instead of looking into matters for themselves, they rely too much upon legislation. Bills of this description will undoubtedly put up costs. Under one clause the Minister could order bran to be scoured before being sold! Of course he will not do that, and I do not know how it could be done. The fact remains that the Bill contains a clause that would enable the Minister to issue such a mandate. He has very wide powers now. He has explained that the Government have taken from the Fertilisers and Feeding Stuffs Act, the references to fertilisers and have included them in another Bill, leaving the feeding stuffs to be dealt with in the Bill now before us. I suppose the House will pass the Bill, but I hope members will not encourage the Minister to introduce legislation of such a description unless it be absolutely necessary for the protection of purchasers. We make a mistake when we tell people we will protect them. We cannot protect them in every instance. The Bread Act says that we must have bread of a certain weight. The unfortunate baker, who sells a loaf that is a quarter of an ounce short, gets into trouble.

Mr. Marshall: Did you say "unfortunate baker"?

Hon. Sir JAMES MITCHELL: Yes.

Mr. Marshall: One baker has been prosecuted three times. He must have been most unfortunate!

Hon. Sir JAMES MITCHELL: When youthful people become enthusiastic, they usually become very enthusiastic—although they may be quite wrong. What I was about to say was that while we get bread now that is full weight, it is not so well cooked. That is because we have scared the baker. I would prefer to have bread that was under weight, so long as it was well cooked. This is the one thing that we say must be over weight. Of course, bread should be properly cooked and it should also be turned out in accordance with the proper weights. In that Act we ought to provide that if the purchaser of the bread demands full weight and the loaf is short, the difference should be supplied from a roll by the man delivering the bread. I believe that is how it is done in England. If we provide that the bread must be of correct

weight, we should also provide that it shall be properly cooked.

The Premier: Proper cooking is more important than proper weight.

Hon. Sir JAMES MITCHELL: Yes, because you get the weight with the moisture. I understand that in England the baker delivering the bread carries a long roll and if the purchaser demands full weight, a piece is cut off the roll.

Mr. Chesson: Would not that leave it open for youngsters delivering the bread to cut a few slices off?

Hon. Sir JAMES MITCHELL: No, the object is to make up the weight. I do not intend to oppose the second reading of the Bill, and I cannot see that very much can be done to the measure in Committee. If it is to go through, I think it must be passed in the form in which the Minister has introduced it.

Question put and passed.

Bill read a second time.

BILL—PROFITEERING PREVENTION.

Second Reading.

THE MINISTER FOR JUSTICE (Hon. J. C. Willcock—Geraldton) [4.47] in moving the second reading said: With the ramifications of commerce and the distribution of necessities, there are opportunities for unscrupulous traders to take advantage of unsuspecting persons.

Hon. Sir James Mitchell: Surely this is not a socialistic measure dealing with production, distribution, etc.!

The **MINISTER FOR JUSTICE**: No, it purports to afford some protection against traders who set out to rob the people. I hope this measure will afford to the public a certain amount of protection that they have not received for a considerable time. In periods of stress, particularly when there is a shortage of commodities, unscrupulous persons take advantage of the occasion by securing control of supplies.

Mr. Sampson: Anticipating a shipping trouble, for instance.

The **MINISTER FOR JUSTICE**: Having obtained control, they sit down on supplies and extract the utmost they can obtain from a long suffering community. The Government consider that the community should not suffer that sort of thing any longer than is necessary. While we do not

want to enact harrassing legislation or to interfere unduly with people carrying on ordinary trade, we consider that the community is entitled to some protection against profiteering sections, whether they consist of an individual or several individuals.

Hon. Sir James Mitchell: What we pay for we should get.

The **MINISTER FOR JUSTICE**: Yes, and a fair and ordinary price should be charged. The community should not be subject to extortion.

Hon. G. Taylor: How do you intend to decide on the price?

The **MINISTER FOR JUSTICE**: The Bill shows that. The hon. member should have some idea of what will occur, inasmuch as we in this State have had some experience of price fixing and of what can be done to prevent traders from exploiting the public and extorting unduly high prices from them. I admit there is what is known as a law of supply and demand. That is not a law of the land but merely a colloquialism used in connection with the distribution of commodities. When there is over-production or a very large supply of a particular commodity, it is naturally reflected in the price, which goes down.

Hon. G. Taylor: Is not that the law of supply and demand?

The **MINISTER FOR JUSTICE**: Yes.

The Premier: I have heard it said that Mr. Hughes repealed the law of supply and demand years ago.

The **MINISTER FOR JUSTICE**: On the other hand, with decreased production of a certain commodity and a public demand for it, there is a rise in price because of the scarcity. We do not seek to interfere unduly with what is known as the law of supply and demand.

Hon. Sir James Mitchell: But that is what you are seeking to do.

The **MINISTER FOR JUSTICE**: Not at all. Let me give an instance: When eggs are very scarce at certain seasons of the year, naturally the price goes up. At other periods when the hens are laying well and there is a plentiful supply of eggs available, the price falls because there are not sufficient people wanting eggs to pay an exceptional price of 3s. or 4s. a dozen for them.

Hon. Sir James Mitchell: We can put a minimum as well as a maximum price on eggs.

The MINISTER FOR JUSTICE: We do not specify eggs or any other commodity in the Bill. Control will be taken of a particular commodity only where it appears to be necessary.

Hon. G. Taylor: Why not bring down legislation to control hens so that they will lay more eggs?

The MINISTER FOR JUSTICE: I leave that to the hon. member who was always to the fore with useful suggestions. There are occasions when individuals and combinations of individuals extract unwarranted toll from the community. That is apparent particularly during times of stress. During the war immense fortunes were made out of the necessities of the people because some individuals had absolute control of certain commodities and exercised that control to their own advantage. Many expedients were tried during that time to circumvent wholesale plundering of that description. In England I understand it was necessary, not only to adopt rigorous regulations in regard to prices, but also to have regulations governing the quantity the people were allowed to have. Consequently, not only were prices regulated by law, but even the quantities allowed were stipulated.

Hon. Sir James Mitchell: But that was during the war.

The MINISTER FOR JUSTICE: That is what I said.

Hon. Sir James Mitchell: We are not dealing with a war period now.

The MINISTER FOR JUSTICE: I suppose there are some smart business men in this city, who, during the last two or three weeks, have been considering the possibility of trouble on the Fremantle wharf and of there being a shortage of butter, sugar and other commodities. No doubt some of them have reasoned that if they could corner the supplies, they might make some money out of the trouble for themselves. There are such people in the community and they are the ones on whom this Bill seeks to lay the heavy hand of the law in order to stop their nefarious practices. In this State we had a Prices Regulation Commission for several years, because of the abnormal conditions then prevailing, but the necessity for the continuance of such legislation was not apparent and the Commission went out of existence. This Bill is not designed as an

ordinary price fixing measure such as we had a few years ago, but it seeks to give the Government the necessary power to conduct an inquiry regarding any commodity which it appears is being made the subject of profiteering by a section of the community. If it is demonstrated that traders are making undue profits, they can be controlled and a fair price can be put on the commodities in question.

Mr. Angelo: Have you any examples of profiteering yet.

The MINISTER FOR JUSTICE: If the hon. member had not been over in the Eastern States some time ago he would have seen considerable controversy in the Press regarding the price of meat, in which he should be interested, and particularly regarding the price of bread.

Hon. Sir James Mitchell: They say the primary producers' stuff should come down and that manufactured stuff should go up.

The MINISTER FOR JUSTICE: We do not say that.

The Premier: It is not the manufacture or the primary producer, but the middleman who is responsible.

Hon. Sir James Mitchell: It is the manufactured goods that are too high.

The MINISTER FOR JUSTICE: What is sought under the Bill is power to conduct an inquiry and then, having ascertained that there is need for action, to have statutory power to take the necessary action and prevent the community from being exploited in the way they have been. During the past few months there has been grave discontent and dissatisfaction. People consider that they have been robbed and that an unduly high toll has been taken in the prices charged for various commodities. We do not know whether that is so or not, but if we have a body with statutory power to make an inquiry, it can be demonstrated to the satisfaction of the public that the prices charged are fair or unfair. If they are found to be fair, there will be no necessity for further action. If they are unfair and cannot be upheld in the ordinary way, the Commissioner will have power to ensure that only a fair price is charged.

Hon. G. Taylor: Will the Bill apply only to edibles?

The MINISTER FOR JUSTICE: No, it will apply to any commodity brought under it by proclamation.

Hon. G. Taylor: To drapery and millinery? There is need for it there.

The MINISTER FOR JUSTICE: It is very difficult to establish differences in quality when dealing with wearing apparel.

Hon. Sir James Mitchell: The Bill will cover everything or nothing.

The MINISTER FOR JUSTICE: It will cover everything.

Hon. G. Taylor: Are you going to bring under it the "West Australian" newspaper, for which 2d. is charged as against 1d. before the war. I think I will support the Bill for that purpose.

The Premier: This is our chance to get even with them.

Hon. G. Taylor: Yes, but their representative in the gallery is not listening.

The MINISTER FOR JUSTICE: It appears to be the settled policy of Australia to exercise control over certain commodities. We have had an instance of that during the last few weeks when we have been considering the dried fruits industry.

Hon. Sir James Mitchell: That is rather a contradiction of this Bill.

The MINISTER FOR JUSTICE: It is the settled policy to legislate in the interests of a big industry, but it is an entirely different matter to allow some individual or a combination of individuals to extract from the people undue profit for their own benefit.

Mr. Mann: Is not the Dried Fruits Board doing that?

The MINISTER FOR JUSTICE: In the dried fruit industry there is involved a considerable amount of public money and, rightly or wrongly, it has become the settled policy of the country to preserve the industry by granting it a certain measure of control. We shall not interfere with that. We should look entirely ridiculous if, after having passed a measure providing for the control of dried fruits, we now legislated to prevent that being done.

Hon. Sir James Mitchell: That is what you are doing.

The MINISTER FOR JUSTICE: No, we are not. It seems to be the settled policy to protect the dried fruit industry. We are prepared in a national way to deal with certain commodities for the benefit of the industry concerned. There is a lot of difference between that and this Bill.

Hon. Sir James Mitchell: Of course there is.

The MINISTER FOR JUSTICE: One or two small combinations of people may get control of an industry, not for the purpose of firmly establishing it, and thus doing

good for the entire community of Australia, but for the purpose of extracting unnecessary profits for themselves. Controlled legislation, such as in the case of the dried fruits industry, may be spoken of as profiteering in a national way. I do not think there has been any grave objection to that, because similar legislation has been passed all over Australia.

Hon. Sir James Mitchell: That is a different thing.

The MINISTER FOR JUSTICE: Butter has also been subject to control in a national way. Prices in Australia for butter are higher than they are for the same commodity abroad.

Hon. Sir James Mitchell: You had better knock over the Federal scheme.

The MINISTER FOR JUSTICE: In this State the Paterson scheme has been agreed to, in order to protect and keep alive the national industry of dairying. The price of butter has been stabilised. With our eyes open we have been prepared to submit to those prices, which could not be justified by the law of supply and demand. We do not, however, with our eyes open allow ourselves to be robbed or exploited by a small section of the community for the special benefit of a few individuals.

Hon. G. Taylor: We cannot continue for all time this arrangement with regard to butter, dried fruits, etc.

The MINISTER FOR JUSTICE: It is a matter for conjecture how long this policy, which seems to have grown up in Australia, will last.

Hon. G. Taylor: It cannot last very long.

The MINISTER FOR JUSTICE: Economists have said it cannot last for a long time. It is only justified because of certain temporary disabilities. When things are done in an organised and a national way, there is no great objection to them, but when they are done for the benefit of individuals, great exception can be taken. When we get down to a discussion of the causes for the high price of butter and other dairy produce, we find that the root of it all is the high capitalisation of land values.

Hon. Sir James Mitchell: The tariff put up the price of butter.

The MINISTER FOR JUSTICE: After the war there was a serious shortage in these commodities. Because producers could get those high prices for their butter and other produce the price of the land from which they were produced soared up accordingly. They were able to obtain greatly increased

prices for butter, for instance, and it was due to this that the capital value of the land also went up. It increased so much that in order to get a return on this high capitalisation high prices have to be charged, and we have to submit to them.

Hon. Sir James Mitchell: Another factor was the cost of material, and so forth.

The MINISTER FOR JUSTICE: I do not want to get into a discussion on the economic side of the business, but I do think the high capitalisation of the land was one of the causes leading up to the high prices. In Victoria, approximately £20,000,000 are invested in industries of this kind, and if the price of the commodities concerned came down to any extent, it might be necessary in that State to wipe off many millions of pounds of capital value.

Hon. G. Taylor: It shows the fallacy of Governments interfering in that sort of thing. It should have been left to private individuals to do all this.

Mr. Sampson: It would not interfere with the cost of maintenance by private people.

The MINISTER FOR JUSTICE: No.

The Minister for Mines: That is already effected through the Arbitration Court.

The MINISTER FOR JUSTICE: Very frequently there is a public outcry because of the cost of various commodities. A few months ago there were serious complaints over the price of bread, although the price of wheat was falling.

Hon. Sir James Mitchell: And about boots also.

The MINISTER FOR JUSTICE: The price of wheat came down considerably. Various other factors existed from which it might be expected that the price of bread would come down, but in some cases it went up. Because of the combination of individuals engaged in the baking and distribution of bread, many people considered they were paying extortionate prices. The complaint was general in the metropolitan area and country towns, and I think it still exists. These may or may not be the facts. It would considerably allay public dissatisfaction if a properly constituted tribunal, having all the necessary powers, made a thorough inquiry and sifted all the facts, and demonstrated that the price was either unwarrantably high, and thereupon took restrictive action to bring it down, or that the price was a fair one to charge to the general community. It was said that this combination existed, and that there was an under-

standing amongst those responsible at least for the distribution of bread deliberately and absolutely to refuse to serve any new customers, who might desire to change their baker because of the high price he was charging. I understand that went on for six or seven weeks.

Mr. Mann: If there was a combination, and all concerned were charging the same price, why was there any necessity to change?

The MINISTER FOR JUSTICE: These people apparently wanted, in their own interests, to prevent anyone, who was prepared to sell bread at a lower price, from doing so. That lower price might be the true economic price, but they wished to deter anyone from selling at that figure. If anyone desired to leave one baker and go to another, difficulties were placed in the way of his doing so. It thus appeared that there was a combination at work to maintain bread at a higher price than was warranted by the actual cost of production.

Hon. Sir James Mitchell: Do not interfere with the price of oysters.

The MINISTER FOR JUSTICE: We young people do not require them. There exists a necessity for a thorough and properly constituted inquiry into this matter, so that it can be demonstrated definitely and exactly what the position is and so that everyone may know where he stands. We know that in the past people have exploited the public in these matters. Humanity has not changed much and such individuals do exist. If they attempt to carry out their practices, we shall, under this measure, have power to deal with them, and some means of protecting the community.

Hon. Sir James Mitchell: We do have them here sometimes.

The MINISTER FOR JUSTICE: Yes. Power is sought to give the Commissioner the right to investigate the price of any particular commodity. Every business connected with the sale of that commodity will be open to the light of day, and a recommendation may be made as to what shall be a fair economic price for it. Some 12 months ago the dairying and poultry farmers considered that the price of bran and pollard was unduly high. It was considerably higher in Western Australia than it was in the other States.

Mr. Mann: Do you know the cause of that?

The MINISTER FOR JUSTICE: I know what the flourmillers said was the cause. The pig, poultry and dairy farmers considered they were being robbed and exploited, notwithstanding the explanations of the flour millers. Such explanations do not satisfy people. Someone makes an ex parte statement which suits his own line of business, and someone else makes another statement diametrically opposed to it. No one is in a position to make up his mind as to the facts of the case, and there is no authority to get at the root of the matter. The dairy farmers at least said in no measured terms that they were being robbed and exploited by the flour millers. The member for Perth has heard that?

Mr. Mann: Yes, but I ask you to give the reason.

The MINISTER FOR JUSTICE: The ostensible reason put forward by the Flour Millers' Association I have already stated. I had no method of determining whether that was correct or not.

Hon. G. Taylor: What was the reason?

The MINISTER FOR JUSTICE: One was the cost of making flour.

Hon. G. Taylor: The high cost of running a mill?

The MINISTER FOR JUSTICE: Another was the amount of flour they had to export, the statement that they had to sell this at what represented an uneconomic price, and that they had to make up their loss by charging more for the local flour.

Mr. Mann: And that the wheat pool had them bound to a contract.

The Premier: If people can establish a case, nothing will be done to interfere with them.

The MINISTER FOR JUSTICE: That is the trouble that exists to-day. No one knows whether the statement that is made is founded on fact or not. If the facts can be demonstrated to the satisfaction of the Commissioner, no action will be taken. If the statements are not borne out by the facts, and it can be proved that undue profit is being made, action can be taken to ensure that a reasonable price is charged.

Mr. Angelo: You are putting a lot of power in the hands of one man.

The MINISTER FOR JUSTICE: It is sometimes necessary to put power into the hands of one man.

The Premier: All the great powers in the world are sometimes wielded by one man.

The MINISTER FOR JUSTICE: We put great powers into the hands of a judge. After hearing all the facts and the law as it is presented to him, he delivers judgment. He has absolute power in his hands to make a fair determination between the conflicting opinions of two individuals.

Mr. Mann: But you can appeal against his decision to a higher tribunal.

The MINISTER FOR JUSTICE: One must get to the end of the higher tribunals somewhere. Most of the appeals against legal decisions are not made upon the facts, but on the law regarding the facts. In this particular matter the Commissioner may determine that unduly high prices are being charged. That is only a matter of fact and not of law, and can be demonstrated by figures. If he is satisfied that unduly high prices are being charged, he can take the necessary action to have them reduced. The hon. member may say that if the merchant does not like it, he can go out of business. No matter how much he desires to sell at those prices, he will not be allowed unduly to exploit the public, if it appears to the Commissioner that he is doing so. The Commissioner's finding will have to be determined on the facts.

Hon. Sir James Mitchell: Do not put a vegetarian on to determine the price of meat.

The MINISTER FOR JUSTICE: The hon. member need not fear that, although I remember that he appointed a Prices Regulation Commission, or one was in existence when he was Premier.

Hon. Sir James Mitchell: It was established before that.

The MINISTER FOR JUSTICE: I think it existed in 1921. At that time, the Prices Regulation Commission did good work. It is not necessary to have such a Commission to govern all the ramifications of industry, but I think everybody will agree that there is need for inquiry relative to specific commodities, with regard to the prices of which there has been grave dissatisfaction. For instance, dairymen say that they are threatened with extinction as an industry. It is not reasonable that the Flour Millers' Association or the Master Bakers' Association should fix prices without anyone having a say in the matter. No one knows whether their prices are fair; frequently people think the prices are unfair; and the Government consider it necessary to conduct inquiries with a view to ascertaining whether the prices are fair and whether it is necessary

to protect the community against extortion by unduly high prices. As to meat, I am not exactly sure what did occur, but I know that the two associations dealing with the distribution of meat had a serious quarrel with regard to their respective shares of the spoils. One section of the retailers' association quarrelled with the wholesalers. It was considered that one of the parties dealing in the commodity was obtaining more than a fair proportion of the proceeds from what might be considered robbery of the public. It has been said that the Retail Butchers' Association suffered all the disabilities consequent on the high price of meat, and that the other section reaped all the profit. At present no one can determine whether that is so or not. But if meat is at a certain price one week, and then keeps on soaring week by week to about double the original figure, consumers are apt to think that the rise is not entirely economic, and that the price is being forced up for the benefit of a few individuals. We know that the need for raising the price of meat arose largely from conditions obtaining in the industry generally, and from the lack of sufficient fat stock. In such circumstances the price of meat would necessarily rise. But many people have a suspicion that the price rose in a greater measure than the state of the industry warranted. In such circumstances, if the Government thought it desirable—and I think the community would think it desirable—a thorough inquiry should be made into all the circumstances of the industry. If, as a result, it was demonstrated that the price was fair, that would be all right; but if it was demonstrated that a section of the community for its own particular benefit was extracting toll from the community as a whole, the Commissioner under this Bill would fix what he considered a fair price at which the commodity should be sold, having regard to the circumstances at the time. There are other commodities with regard to the prices of which it may be necessary to inquire.

Hon. Sir James Mitchell: The Commissioner should not single out the fellow who produces meat, while the fellow in Queensland who produces sugar is not interfered with at all.

The MINISTER FOR JUSTICE: There is generally some idea, where the economic price of a commodity gets out of proportion to the prices of other things, that inquiry should be made. Of course, if the cause of

the increase is apparent to everybody, there is no need for investigation. But if the cause is not obvious—

Hon. Sir James Mitchell: The truth is that the cost of living is so high that it more than absorbs wages, and so people are hard put to it to make both ends meet.

The MINISTER FOR JUSTICE: Everybody knows the state of the pastoral industry. There was a long dry summer, at the end of which not many cattle or sheep were in good condition and fit for slaughtering. How great the shortage was nobody knew. However, the trade was able to justify an increase of 1d. or 2d. per lb. But when the increase went up to 3d., 4d., and 5d. per lb., the question arose whether the later increases of 2d. and 3d. were as well justified as the first rise. I have made a reference to the present waterside workers trouble. It has been said that in connection with this trouble some persons want to obtain control of certain commodities.

Hon. Sir James Mitchell: I think there are a good many thousands trying to do the public.

The MINISTER FOR JUSTICE: The Government have a right to protect the people against such exploitation.

Hon. Sir James Mitchell: Against the strikers, too.

The MINISTER FOR JUSTICE: There is a law against striking. During industrial trouble there may be a shortage of onions, or butter, or sugar, and if some person secures control of the commodity he can hold the community to ransom almost to any extent he pleases.

Hon. Sir James Mitchell: As strike legislation this Bill may be necessary. I think that is a good argument.

Mr. Lindsay: Will the wharf labourers come under the provisions of the Bill?

The MINISTER FOR JUSTICE: If everybody will agree that anything awarded by the Commissioner is to be honourably observed, like the 10s. per day for the waterside workers, the whole community will be satisfied.

Mr. Lindsay: It is 10s. per hour; not 10s. per day.

The MINISTER FOR JUSTICE: Whatever it may be, so long as it has been determined by a statutorily constituted body.

Mr. Thomson: But the men demanded that themselves.

The MINISTER FOR JUSTICE: No. There is an award dealing with ships in dis-

tress. If profiteers and exploiters will agree—they will, in fact, have to agree—to whatever may be awarded by the Commissioner in regard to prices of commodities, no one will have much cause for complaint. In regard to the industrial trouble, the reports are sufficiently grave without people trying to put up records in the way of undue profits. I suppose that in a week's time, if the trouble continues, the usual course will be adopted as to sugar; certain grocers will be announcing that sugar is not obtainable from them unless the persons requiring it buy, say, £1 worth of other commodities on which decent profits may be made.

Hon. Sir James Mitchell: You ought to get at the real culprits.

The MINISTER FOR JUSTICE: Yes. In the interim we will have a go at these people. Hon. members will perhaps recollect that in 1925 a Prices Regulation Commission sat. They reported in 1926.

Hon. G. Taylor: Nobody ever read the report.

The Premier: Oh yes!

The MINISTER FOR JUSTICE: It was a very voluminous report. I will quote to hon. members certain findings of the Commission—

We are generally of opinion that there was not any evidence of excessive profit except in a few cases, which, however, were not sufficient to warrant general legislation.

Consequently the Government do not in this measure seek general legislation. The report further stated that combines were more general than competition, and that therefore excessive profits occurred only spasmodically. The Commission found that there was no evidence of excessive profits on the part of the merchants or retailers in ordinary household commodities sufficient to warrant a reduction by price-fixing, but that some protection should be afforded to the consumer and producer from detrimental actions by associations. The Commission recommended that a Prices Commissioner might be appointed to function where the prices were deemed to be excessive, and so forth; but while some of the duties of such a Prices Commissioner were, as a matter of fact, being performed by the Government Statistician, there was an essential difference between the operations, the Government Statistician being required to make available in a general way information supplied, and the Prices Commissioner being required to investigate, and make public, information

which otherwise would remain private. The Commission did not recommend that power should be given to fix prices, feeling that publicity would meet the case, but suggesting that if experience showed that this result was not realised, such powers could be granted. I do not know that I agree with the Commission's last statement. If there were no legislation or statutory powers to deal with excessive prices, it would not be much satisfaction to the people to know that they were being robbed. Consequently this Bill goes as far as the Commission recommend in regard to price-fixing, but goes a little further as to obtaining information, and says that after investigation the authority under this measure shall have statutory power to declare what are reasonable prices. A very exhaustive Act has been passed in Queensland, No. 33 of 1920, providing for the appointment of a Commissioner of Prices with the full powers of a Royal Commissioner, with a view to declaring what are commodities, investigating all complaints and matters concerning commodities, declaring prices, seizing commodities withheld from sale, investigating illegal combines, and dealing with persons refusing to deal in commodities. The Queensland Act covers no less than 23 pages of detail for the carrying out of the intended objects.

Hon. Sir James Mitchell: The fellow who produces food is an awful scoundrel.

The MINISTER FOR JUSTICE: No. As a rule he is too busy producing. He is apt to find himself in the hands of people whose business in life it appears to be to take advantage of what others produce and to extract from it undue profits for themselves. We all know that some men have all the labour and risk of production and get much less return than others who deal with the product simply by writing out invoices and cheques. In the case of the wheat-grower, the return from tilling, ploughing, fertilising, bagging, and harrowing and all the other necessary operations, covering a period of about six months, is far less than the return to the flour miller for gristing the wheat and selling it.

Mr. Thomson: That has not been the experience during the last 12 months.

The MINISTER FOR JUSTICE: No, but two or three years back it was the general rule. I do not think the Bill will have very much effect upon the producer, for I am not aware that that individual has

been fortunate enough to be able to charge the community more than he should have done. There is no general dissatisfaction over what the producers are doing, but there is grave dissatisfaction in regard to the activities of some of the middlemen and others in trade. The Bill has been drafted in order that the price-fixing commissioner shall have statutory power. There will not be anything at all done until it is quite necessary. But when that time comes, if it should ever come, the Commissioner will be appointed to make investigations and report upon the state of the prices of any commodity and the quantity, demand and supply, and as to what, from time to time should be the maximum selling price under the then-existing market conditions. And on the advice of the Commissioner the Governor will be able to fix the maximum price of prescribed commodities, and different maximum prices according to differences in quality and description, or the quantity sold, or in respect of different conditions, terms and localities of trade. It will be unlawful for any trader to sell any proclaimed commodity at a higher price than the declared price, or to refuse to sell at the declared price if he has in his possession a quantity of such commodity in excess of a quantity which, under an order of the Commissioner, he is permitted to withhold from sale. The Commissioner will have power to call upon traders to supply returns of any proclaimed commodity in their possession, and to order that such commodity shall not be withheld from sale in excess of a fixed quantity. Power is conferred on the Governor, by notification in the "Gazette," to authorise the acquisition and distribution by the Commissioner of any commodity unlawfully withheld from sale. And the Commissioner will then have the right to acquire the whole of that commodity and distribute it among the people at the declared price, less expenses incurred. I do not think it will ever be necessary for the Commissioner to exercise those somewhat drastic powers. When a determination is made by the Commissioner as to a fair price, probably those in control of the prescribed commodity will have no hesitation in selling at the declared price. For it must be remembered that that price will never disregard the making of a reasonable profit by the trader. It is provided that it shall be unlawful for any person to refuse to

sell or supply to any person a proclaimed commodity for the reason that that person does not deal with a commercial trust or any member thereof in relation to the commodity, or does not act in compliance with the directions of a commercial trust. The Bill contains miscellaneous provisions conferring on the Commissioner, for the purpose of his inquiries, the powers of a Royal Commission; dealing with persons who give false evidence on oath before a Commissioner; relating to the bribery of witnesses or the suppression of evidence, and prescribing penalties for offences against the Act. The main object is to have on the statute-book in the event of an emergency the machinery for taking such action as may be necessary. In all probability powers already on the statute-book will be found sufficient for any ordinary contingency, but while there are no powers for the Government to intervene, irregularities amongst those dealing with commodities are practically invited. The Government do not expect the millennium to arrive if the Bill be passed. On the other hand, we do not expect that all profiteering will cease when the Bill passes. But we do think it necessary to have a properly constituted body to make inquiries, and obtain information from every available source, after which it will be advisable to have power to prevent people from charging unwarrantably high prices, just because there is no law to prevent unscrupulous persons from exacting those prices from the community.

Hon. Sir James Mitchell: Or any prices. This is a for-and-against Bill.

The MINISTER FOR JUSTICE: The Bill will allow people to carry on the ordinary business of the community in the sense of what commercial ethics really should be. Some people will think this Bill goes ever so much too far in the regulation of and interference with the business of the community. Others, of course, will say it does not go far enough, that we should take power to control every commodity and every price. We do not desire such extensive power as that. We are taking power to deal with any particular commodity about which we think it necessary to make inquiry. Having got that power and having exercised it reasonably, we think there will not be any very serious cause of complaint about this legislation.

Hon. G. Taylor: Some cranks think we ought to control the people's breathing.

The MINISTER FOR JUSTICE: Exactly. As the Leader of the Opposition has said respecting some of the legislation passed this session, he thinks we are unduly interfering with the community, poking a finger here and there into matters that should not be the subject of legislation. However, I do not think that complaint can be successfully made regarding this legislation. We require power to protect the community. We may never need to use it. I hope there will never be any necessity to issue a proclamation under the Act. Even if it so fall out, at all events we are doing no harm by passing this legislation, which will have created so much fear amongst certain people that they will not continue their doubtful practices.

Mr. Angelo: Is it proposed to create an entirely new Commission?

The MINISTER FOR JUSTICE: It is not proposed to do anything unless a position arises in which the Government think some decisive action should be taken.

Mr. Angelo: It will not be a permanent board?

The MINISTER FOR JUSTICE: No; there need be no fear on that score. There will not be a Commissioner poking his nose into all sorts of things with which it is not necessary to interfere. But when it is demonstrated that there is real occasion for inquiry as to why increased prices have been exacted, the Commissioner will set about that task.

Mr. Angelo: Then the Commissioner will not be appointed until necessity arises in each case?

The MINISTER FOR JUSTICE: That is so. He will not be appointed until it is necessary. I do not think this legislation can be regarded as extreme. It is something that the whole of the community, except those who have been battenning on the public, will readily accept. We feel we ought to provide legislation giving us statutory power to prevent persons from exploiting the public as in the past. I move—

That the Bill be now read a second time.

On motion by Hon. Sir James Mitchell debate adjourned.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Second Reading.

THE PREMIER (Hon. P. Collier—Boulder) [5.40] in moving the second reading said: This is a small annual Bill for the continuance of the Industries Assistance Act for another year, one year only. A similar Bill has been before the House for many years, indeed ever since 1915.

Mr. Mann: And each year you thought it would be the last.

The PREMIER: I do not think any member really did believe it would be the last. The hope has been frequently expressed from year to year that it would be the last.

Mr. Stubbs: Is it not time it was wiped off the statute-book?

The PREMIER: It is very easy to express that opinion, but I remind the hon. member it is not so easy of accomplishment.

Mr. Stubbs: It has served its purpose.

Hon. G. Taylor: The Premier himself had a hazy idea to the same effect at one time.

The PREMIER: It could not be done without dislocating finances and imposing hardships. The desirability of closing down the board has been kept continually in mind.

Mr. Stubbs: And all the years it has been going on piling up a debt owing to the Government against the storekeeper who legitimately carried the settlers for years before the board came into existence.

The PREMIER: It is one of those measures which, if not doing any good, will certainly do no harm.

Hon. G. Taylor: You have got that in at last.

The PREMIER: Yes, and I have to thank the Leader of the Opposition once more for having provided me with that phrase.

Mr. Stubbs: Still it is poor old consolation.

The PREMIER: I was going to say for the information of the hon. member that no new accounts, except those with discharged soldier settlers, will be dealt with.

Mr. Stubbs: Well, that is very fair.

The PREMIER: We are dealing only with existing accounts. The policy of the board has been, wherever possible, to put a settler on his own resources by placing the debt on an instalment mortgage. Progress

has been made in that direction, but the position has not reached the stage when a general policy of discontinuance of assistance could be put into operation without serious disorganisation of the board's finances and hardship to a large number of borrowers to whom other avenues of credit are not available. I do not think there is need for me to go over the manifold activities of the board operating under the Act since it was passed. The figures have been available to members year by year in annual reports and returns, and they are all within the knowledge of members. But although we are not able to discontinue the Act, we are approaching nearer, getting along the road to the end of the journey. For it will be evident that if we are not taking new accounts we shall be getting rid of existing accounts each year, and so drawing nearer to the time when we shall be able to discontinue the Act. This is the best we can do at present. I move—

That the Bill be now read a second time.

HON. SIR JAMES MITCHELL (Northam) [5.45]: This Act has done nothing but good in the past.

The Premier: It saved the State.

Hon. Sir JAMES MITCHELL: It saved Agricultural Bank securities and has been responsible for the production of perhaps nine millions pounds worth of wealth. I hope the Act will always remain on the statute-book, in case of trouble that we again may have to face. We are always settling people on the land and we never know when we may want to have resort to the measure. The board is what might be called the Cropping bank, while the Agricultural Bank is the institution that does the clearing. The Industries Assistance Board might also be described as the short term credit bank, while the other is the long term credit bank. But for this institution, we should have lost a good of traffic on our railways and the creation of considerable wealth. The point now is that we must continue this legislation to retain securities and also in the event of striking trouble. It is the only means by which we can assist people to crop.

The Premier: Even if everything is squared up, it is a proper Act to have on the statute-book in case of emergency.

Hon. Sir JAMES MITCHELL: We know that we must keep the people on the

land in their own interests as well as in ours. I support the second reading of the Bill, though I do not know why we make it an annual affair.

MR. STUBBS (Wagin) [5.48]: The Bill might be described as a hardy annual. In 1914, if my memory serves me correctly, a number of people were placed in the position that compelled the Government to go to their rescue to prevent them walking off their holdings, and also to prevent a procession of families travelling hundreds of miles to the coast. I was surprised to hear the Leader of the Opposition say just now that he hoped the Act would remain on the statute book for all time. Before I add another word, I wish hon. members to believe me that in the few remarks I intend to offer I am not actuated by any personal motives. I am well acquainted with the whole of the facts that led to the Government of the day establishing the Industries Assistance Board. They happened to be practically the same set of gentlemen who now occupy the Treasury bench. They brought in a Bill that prevented scores of families joining the ranks of the unemployed. I do, however, resent with all the energy in my composition, the remark made by the Leader of the Opposition to which I have just referred, that the Act should remain on the statute book. It was never designed to remain in existence for all time. It was an honest desire on the part of the Government of the day to see that men, women and children, through no fault of their own, suffered the loss of their life savings. I well remember, too, that the Bill when introduced, gave preference to certain creditors of the unfortunate people. Again, if my memory serves me rightly, there was a scheduled list of the people to whom money was owing by those who had struck difficulties on the land. The object of the measure was also to protect the creditor who stood by the agriculturist, but the first person protected was the machinery merchant. I will leave it to any hon. member to imagine whether the machinery merchants would not take jolly good care to see that they got their pound of flesh, at any rate before they allowed their machines to go on to a farm. If my memory is still correct, I have an idea that the unfortunate storekeepers—and there were dozens of them in Western Australia—were not even second in the scheduled list, nor were they third or fourth,

but probably were fifth or sixth. Many of those storekeepers had carried the burden of the man on the land in the early stages and carried it to an extent twenty times greater than did the machinery merchant. Yet the machinery merchant was No. 1 on the list and was paid off first. The different Governments that came into office after the Bill was first introduced were just as sympathetic as the Government that were responsible for the measure, and naturally they expressed to their officers the hope that no drastic measures would ever be taken to recover the amounts of money that the original framers of the Act had advanced to the men on the land. I know perfectly well that the Government that introduced the Bill placed debit notes against scores of men in my electorate for water supplied, but never pressed for payment, because another load would have been piled on to those who were then in sufficient distress. The point I wish to make is that the measure was designed to get over a difficulty that arose through circumstances over which nobody had control, but it was never intended that the Act should be perpetuated. Are members aware that some farmers were charged as high as £40 a ton for maize? But even before that a number of storekeepers had advanced to some of the farmers a couple of hundred pounds worth of stores—groceries and clothing. Then in 1915 all that money was added to the debt then owing to the Industries Assistance Board as well as interest. Am I then wrong in calling attention to the fact that thousands of pounds were lost to men in the State? I desire to make it perfectly clear that I am not associating with my remarks any transactions I may have had with men on the land in my capacity as a business man. I merely wish to say that many storekeepers suffered considerably by reason of their having gone to the assistance of those men on the land before the Industries Assistance Act came into existence. I repeat my protest against the remarks made by the Leader of the Opposition who expressed the hope that the Act would remain on the statute book. I sincerely trust it will not be permitted to continue any longer than is absolutely necessary. I hold it is not within the province of any Government to enter into competition with private enterprise. I have no wish to criticise the present Government any more than the Leader of the Opposition, but 90 per cent. of the people of the

State will agree with me when I say it is not the function of the Government to in any shape or form compete with private enterprise. The moment an attempt is made by Act of Parliament to destroy the incentive of any one who is doing his best to carve out for himself a home in Australia, then the spirit of the individual is shaken and the State suffers. I ask the Premier to give us an assurance that it is not the intention of the Government to continue the operation of the Act one moment longer than is necessary. I am reluctantly compelled to support the second reading of the Bill, but so long as I am a member of the Chamber, I shall voice my opinion against the continuation of the Act for all time as suggested by Sir James Mitchell.

MR. THOMSON (Katanning) [6.1]: There have been members—and I have been one of them—who have considered these continuance Bills unnecessary. Such members have argued that it should be possible to extend the province of the Agricultural Bank so as to enable that institution to perform the functions of the Industries Assistance Board. No doubt the Industries Assistance Board have in many instances inflicted material hardship on business men, but it must be recognised that the board have been of great advantage to the primary producers who, in 1916, found themselves in the unfortunate position of being unable either to obtain stores or to carry on. While the board have been of great benefit to the farmers, they have also been of immense benefit to another important section of the community—I mean the Government. The Government derived many advantages from the operations of the board. They were in the happy position of protecting their own interests by ensuring payment of land rents, Agricultural Bank interest, and many other charges levied through the instrumentality of the board. In that way Governments have been enabled to show things from a financial aspect as better than they were. Governments debited clients of the Industries Assistance Board with land rents and Agricultural Bank interest which were not in fact being paid. Thus, from a book-keeping point of view, the State's finances were shown to be much better than actually they were. There have been many disadvantages associated with the Industries Assistance Board. If the unhappy circumstances which necessitated the creation of the board should

occur again, I hope we shall profit from the ghastly mistakes and blunders that marked the board's inauguration. I do not know whether the Premier has given consideration to the question whether it is not possible to co-ordinate the work of the Industries Assistance Board with that of the Agricultural Bank. I know, of course, that the Premier is handling the Bill on behalf of the Minister for Lands, and I am not aware whether he has given consideration to that aspect of the matter. It should be possible to abolish one of the two separate sets of books kept by the board and the bank. I shall not enter into the blunders of the past. While it is essential to continue the operation of the Act, the Government would do well, in place of bringing down such a Bill as this year after year, to see whether the Agricultural Bank Act cannot be so amended as to bring within its purview the work of the Industries Assistance Board. Then, if the primary producers were again brought into difficulties—I hope they will not be—by bad seasons, there would be machinery enabling the Government to deal with their requirements. It was the administration of the Industries Assistance Act that broke the hearts of many settlers. Though the measure performed a useful function, those who took advantage of it were in many cases compelled to continue farming in a manner which their common sense told them was not suited to the district. The beginnings of the Industries Assistance Board were marked by unfortunate happenings and a condition of chaos. Members representing districts engaged in primary production know the difficulties that faced the men who originally administered the Industries Assistance Act. I hope that instead of the Act being further continued next session, a comprehensive measure will be brought down to widen the provisions of the Agricultural Bank Act in the manner I have suggested.

MR. ANGELO (Gascoyne) [6.6]: I would like to remind the House that in 1922 we appointed a select committee to inquire fully into the administration of the Industries Assistance Board. One of the questions which the select committee investigated thoroughly was whether the board could not be discontinued and its accounts taken over by the Agricultural Bank. The chairman of the select committee was the Hon. W. C. Angwin, and I think it will be generally

agreed that no member of Parliament ever went into matters more thoroughly than that gentleman did when appointed chairman of a select committee. Evidence was taken from the general manager of the Agricultural Bank and from other officials of that institution, and also from the manager of the Industries Assistance Board. From that testimony the select committee came to the conclusion that an amalgamation of the bank and the board should take place as soon as possible. The select committee found that in many instances a debt due to, say, the board had been overlooked when payment had been made by the Agricultural Bank, and vice versa. That happened in connection with amounts running into hundreds of pounds, and was due to the keeping of two sets of books. The concluding paragraph of the select committee's unanimous report reads—

The board has been in existence for seven years, and during that period the farmers should have been able to make some recovery from the loss sustained during the 1914-15 drought. Conditions have again become normal, and your committee is of opinion that no new clients should be taken by the board. Steps should be taken to finalise the accounts of the board, and the board should cease to exist after its accounts have been finalised. In the event of any difficulty being experienced in finalising the accounts, the administration should be handed over to the Agricultural Bank trustees, and, if necessary, the Agricultural Bank Act should be amended so that all assistance to land development may be granted under that Act. If this were done, it would enable the security to be watched the more closely and the funds of the State to be protected better than is possible under the Industries Assistance Act with its wide and open provisions.

That was the considered opinion of the select committee after careful investigation, and after taking evidence from officers who must now have asked the Premier to bring down this Bill.

Hon. Sir James Mitchell: But the same general manager controls both institutions, and the same board of trustees controls both institutions.

MR. ANGELO: The select committee's conclusion was arrived at after careful consideration. The Premier said yesterday that it was not much use having select committees. Apparently that is so, since a recommendation made after ample consideration is not given effect to within six years. I hope the Premier will give further consideration to the matter and see whether this is not the last time a continuance Bill need be brought down. We are told now

that we are to have a rural bank. Probably the functions of the three institutions—the Agricultural Bank, the Industries Assistance Board, and the rural bank—will be amalgamated.

The Premier: There will be a comprehensive measure. "Comprehensive" is a blessed word. A comprehensive measure co-ordinating all the activities of the institutions.

Mr. ANGELO: I shall not vote against the present Bill, but I would ask the Premier to remember that a select committee was appointed about six years ago, that a gentleman named Mr. Angwin was chairman of the select committee and went most carefully into the matter, and that the select committee—

The Premier: It just bears out what I said last night, that the recommendations of select committees are never carried out. I shall be contradicting what I said last night if I adopt that recommendation.

Mr. ANGELO: No good purpose can be served by voting against the Bill.

HON. G. TAYLOR (Mount Margaret) [6.12]: I remember well the bringing down of the Bill for the original Act, and the reasons given for that measure. Notwithstanding all that has been said against these continuance Bills, and notwithstanding what may have happened to some farmers as a result of the passing of the parent Act, I am unable to suggest what would have been the fate of many settlers but for that measure. Numerous farmers who to-day are prosperous can thank the Government of 1914 for sponsoring that piece of legislation.

Mr. A. Wansbrough: Ninety per cent. of them can.

Hon. G. TAYLOR: I know that some storekeepers have suffered severely because of the Act, but the great bulk of the farmers have benefited from it. I fail to see that there is much force in arguing against the continuance Bill on the ground that the Industries Assistance Board should be incorporated with the Agricultural Bank. The general manager of the Agricultural Bank is also general manager of the Industries Assistance Board. The assistant general manager of the Agricultural Bank is also assistant general manager of the Industries Assistance Board. The trustees of the Agricultural Bank are also trustees of the Industries Assistance Board. I fail to

see what economy or advantage can result from combining the two institutions. If there were separate expenses of management, there would be some reason in the suggestion. Assuming the correctness of the Premier's statement that the trustees of the Industries Assistance Board do not intend to enter into business with new clients, then the Industries Assistance Act might well remain on the statute-book for all time, to meet any case of emergency—I hope no such emergency will arise again in the same form as during 1914, 1915 and 1916. Still, we cannot control the elements, and if there were two bad seasons in succession the State would have to look after many people on the land who were not there in 1914-16. However, I hope that by the exercise of economy and foresight our new settlers will be sufficiently advanced to enable them to withstand a dry season or two without becoming stone-broke.

Sitting suspended from 6.15 to 7.30 p.m.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—RAILWAYS DISCONTINUANCE.

Second Reading.

THE MINISTER FOR RAILWAYS (Hon. J. C. Willcock—Geraldton) [7.35]: in moving the second reading said: Hon. members will recognise the Bill as somewhat similar to the measure introduced last session.

Hon. G. Taylor: It is not quite so complete.

The MINISTER FOR RAILWAYS: No; therefore it may meet with a different fate. The position has not altered from what it was last year. When last year's Bill was introduced, some members urged that the Government should give the districts concerned another 12 months' trial, and if nothing happened in the meantime to warrant the continuance of the lines being worked, a decision could be arrived at as to the future. I regret to say that

the position has not improved. Nothing has happened to warrant the continuance of the lines, and, in fact, if anything, the position is worse. It has been estimated that had the Kanowna line been operated during the last 12 months about £30 would have been earned by the Railway Department.

Hon. Sir James Mitchell: Unfortunately you have to do this because of the conditions that exist.

The MINISTER FOR RAILWAYS: It is unfortunate. No one would be more pleased than Mr. Speaker and myself if the necessity had not arisen to repeat what the Government attempted to carry out last year. As it is, we have in the two lines mentioned in the Bill, considerable assets that could be used with advantage elsewhere in establishing sidings or in making other provisions where the necessity had arisen. Only sentiment would permit us to allow the rails to rust and many sleepers, that could be used elsewhere, to rot, merely because of what happened in the early days to assist in the progress of the State. When I introduced the Bill last year, I said I had to do something in which I did not take any great pleasure. It is unfortunate that goldfields come and in due course go, but we must face the fact. The Kanowna field has reached a stage at which there is no warrant for continuing a railway to that centre. In the circumstances, it becomes necessary to recover the asset available, and make use of it elsewhere.

Mr. Mann: Motor trucks do a good deal of the work now.

The MINISTER FOR RAILWAYS: If we were to operate the railway to Kanowna, we could run a train once every four or five months only, and people could not wait that long as the necessities of life that they require must be obtained every week. We have therefore decided to ask Parliament to authorise the Government to make use of the rails and such of the sleepers as will serve elsewhere, because it would be economically unsound to leave valuable material in, or on, the ground to decay. Hence the Bill that is before Parliament now. In the Bill that we presented last year, provision was also made for authority to discontinue the short line to the Bunbury racecourse. There may be a possibility of making some use of that line and as there is not much material available there for use elsewhere, we have

decided to omit it on this occasion, more particularly as it may be possible to use it for storage purposes. The Government are reconstructing the Bunbury yards and sidings, thus making more space available, and also are building new locomotive workshops there. It might cause some inconvenience or congestion during the change-over and as the siding may be used for storage purposes, the line may just as well remain for the next 12 months at any rate. The Kalgoorlie-Kanowna line is about 12½ miles long and was constructed in 1896. The Royal Commission that sat in 1922 to investigate our railways, recommended that there was no necessity to continue operating that line. However, Parliament was not desirous of pulling up the line at that time, and preferred to give the district a further opportunity in case there was a revival of the mining industry there. Naturally, if hon. members were to visit Kanowna at present, they would find the few people remaining there, perfectly convinced that the principal mines will one day be worked again, and that prosperity will return to the township. Their hopes have not been realised so far and inevitably a time must come when the Government must do what they consider best in the interests of the State. It would cost £8,000 to re-sleeper that line, and if we must go to that expenditure to earn less than £100 in railway freights, it must be apparent to every hon. member that the Government are forced to recommend Parliament to give the necessary authority to discontinue the line. The second line dealt with in the Bill is the Kamballie-Lakeside section. Hon. members will remember that when the gold discoveries were made at Hampton Plains six or seven years ago, this section was being worked as a wood line. Owing to the promising nature of the discoveries the State could not abandon the field, but now, despite the fine values that were reported, the prosperity anticipated for the field has not been realised. At the time, the prospects furnished sufficient warrant for the Government to continue operating the line, particularly as the railway provided the only means by which water could be transported to the mines. However, the field did not live up to expectations. We had one offer of freight over the line for the transportation of 80 tons of ore. However, it would have meant an expenditure of £1,000

or more to put the line in order and an additional expenditure of between £500 and £600 to maintain it in a condition that would enable trains to run over it with safety; so the ore was not transported.

Mr. Lambert: Is the Sandstone railway warranted?

The MINISTER FOR RAILWAYS: A train runs once a fortnight, and that line is warranted. A considerable area of country has been taken up for pastoral purposes and a fair quantity of wool traffic is available. That traffic is remunerative.

Hon. Sir James Mitchell: But the line is run at a dead loss.

The MINISTER FOR RAILWAYS: Yes. But if we have country opened up for pastoral purposes to such a considerable extent, we would hardly be warranted in pulling up the line.

Mr. Lambert: Two motor trucks could carry the whole lot.

The MINISTER FOR RAILWAYS: I suppose we could say the same about the Port Hedland-Marble Bar railway. We could institute a policy of despair there, too, and say that if we were to face the position as a purely commercial proposition, we would have to discontinue the line as it was not an economic concern. That line pays working expenses, but it does not pay interest on the cost of construction. The two isolated railways referred to represented a loss of about £30,000. They just about pay working expenses, but cannot meet the interest charges. The Government have no desire to pull up railways in any part of the State if justification can possibly be found to warrant those railways being retained. Unfortunately no such justification exists for the two lines referred to in the Bill, and however unpalatable it may be, it is our duty to act in the best interests of the State. Rather than leave the rails and sleepers to rust and deteriorate, we should make use of them elsewhere. In the circumstances, much as I dislike having to do so, I am confronted with a public duty and I move—

That the Bill be now read a second time.

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

BILL—GROUP SETTLEMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 13th September.

HON. SIR JAMES MITCHELL (Northam) [7.45]: We all regret it should have been necessary to bring down this Bill. It takes us back to the time when Mr. Angwin, then Minister for Lands, introduced his Bill in 1925. Every group settler before going on his block signed an agreement in which it was stipulated that the general manager of the Agricultural Bank should decide as to the allocation of the total expenditure on each group. It was then expected that if £20,000 was spent on a group it would be possible for the general manager to say that one block should be charged £1,050 and another, say, £950. When the scheme was started the work of clearing was limited to 25 acres, and it was provided that the money actually spent on the group should be debited against the settlers in the group, the final allocation being left to the manager of the Agricultural Bank. Mr. Angwin in his Bill merely continued that agreement. He did not set it aside. But the bill now before us does set aside that agreement. It seems an impossible thing, and it would be impossible if it were not for the fact that we can no longer recover the total expenditure incurred on the group blocks. In 1925 Mr. Angwin anticipated that the total expenditure could be recovered, and so he continued the arrangement for the distribution over the blocks of the total expenditure on the groups. The only justification for this setting aside of the Act of 1925 and the agreement is the fact that we can no longer expect to debit the full amount spent on the group blocks. Mr. McLarty may still be the deciding factor, but someone will have to be appointed to go into the work and make the valuations. I do not know what the intention is, but judging by an interjection made the other night, it is possible that the assistant general manager of the Agricultural Bank will be one of the gentlemen appointed to do this work. The Bill proposes that we should appoint a board. We already have a board, and I do not know why that board could not be asked to do this work. But the Minister for Lands has decided against that, and so we are considering a Bill for the appointment of some other authority to do this work of

apportioning the amount which is to remain against each group settlement block. Mr. Angwin's speech, in moving the second reading of the Bill in 1925, was made 20 months after he became Minister for Lands. If members will turn to that speech, reported on page 2701 of "Hansard" of 1925, they will there get from the lips of Mr. Angwin just what the position was at that time. It was entirely satisfactory. On the 16th August, 1925, Mr. Angwin said—

There has been a total expenditure of £2,557,218 on group settlement blocks. There are 2,273 group settlers and 2,334 group holdings. There are 61 vacancies, to fill which people are already on the water.

So at that time the scheme was considered quite satisfactory. It is important, in view of recent statements, that members should keep that in view. Mr. Angwin said—

Immediately the Bill is passed we shall be able to place 54 groups under the Agricultural Bank.

That is to say, they had developed, to the extent that the original scheme provided no fewer than 54 groups. That would mean 1,080 settlers. However, that was never done, although the Bill was readily passed by the House in 1925. The expenditure on the groups to June, 1924, was £1,053,000. The present Government came into office on the 17th April, 1924. In November of 1925 Mr. Angwin told us that £2,557,000 had been spent. It will be remembered that 54 groups were then to be disbanded and to come under the Agricultural Bank. The last statement of total expenditure was given to us by the present Minister, who said that £5,523,000 had now been spent, £2,966,000 having been spent on the groups since Mr. Angwin said that 54 groups were completed. But the extraordinary thing about the expenditure is that there were 2,296 settlers in 1924, and an expenditure of £818,000. But the settlers were not on their blocks all the year, and so we cannot get a fair comparison. Still, in 1924-25 there were 2,296 settlers, and on each settler there was spent £441. In the next year there was practically the same number of settlers, and the expenditure on each settler was £538. The extraordinary thing is that in 1926-27, when there were 2,048 settlers, the expenditure for that year averaged £698, or £257 greater than in the year 1924-25. And be-

fore June, 1924, there had been built 1,200 houses, and a great deal of other work had been done. Given the house plus the purchase of plant and stock, plus the allowance drawn by the settler—who does all the work on these blocks, except such work as is done by the children—it will be seen that the extraordinary position has arisen in which the expenditure per block went up in the year 1926-27, although there must have been very few houses erected that year, for they were erected previously. It is extraordinary to have had that jump in that year. Now we have only 1,766 settlers, and so I suppose 500 settlers who were once on group blocks are now either on other land or on the labour market. I hope members will remember just when this expenditure occurred. It is important that we should bear this in mind, and the amount of it from time to time. The Minister for Lands during his speech mentioned the average expenditure on various groups. I should like to compare the expenditure on two of the groups, on one of which the heaviest expenditure occurred, and another on which the expenditure was comparatively light. Take Group 29, at the Peel estate. The Minister has told us there were 10 holdings there and that the average expenditure, not including drainage, etc., was £3,688. He told us the stock and plant represented £277. We know that the buildings cost about £300 on each farm, and that if those men, for the six years they have been there, drew 10s. a day, all that they had was £936. Put those three amounts together and we have a total of £1,513, whereas the average debit on those blocks is £3,688. So there is £2,175 to be accounted for, a most extraordinary position. In addition to the £1,513, there would be some small expenditure for fencing wire and perhaps for explosives and incidentals, but it should not be more than £100 per block. That still leaves £2,075 to be accounted for. No one is employed on those blocks except the group settlers themselves, so there could not be other wages debited to those blocks. On those blocks the average area cleared is 113 acres, while 118 acres have been sown for pasture. It is fairly lightly timbered country. Now we come to Group 12, which is outside Busselton, and which was settled a little time before the Peel estate groups.

I hope members will take some interest in the figures I am giving, if only in common fairness to the country. The average expenditure, including stock and equipment on Group 12, is £2,671. So we get £3,688 in one instance and £2,671 in the other. We have one block here and another there, one man here and another there, one house here and another there, stock, plant and machinery here, and stock, plant and machinery there. There is no difference. And it is in the same period. Yet there is in the expenditure a difference of £1,000—an utter impossibility of course. So, again, the six years' earnings would be £936, and the house and the stock and the plant would be the same in both instances, namely, £577. Again, we get £1,513. But this time the unaccounted for expenditure is £1,158 as against £2,075 in the other instance. It gives a difference of £1,070.

Mr. Clydesdale: What has become of it?

Hon. Sir JAMES MITCHELL: God knows. How it is possible that one man working and getting 10s. a day could have charged against him for those three things I have mentioned more than £1,513 I do not know. I do not know how two men working on different areas could have widely different debts. The whole of the group settlers on each of the groups No. 12 and No. 29 worked under precisely the same conditions, one would think—setting up the same amount for wages and other things. So how could one lot of men have £1,017 on each block more than the debit to each man on each of the other group blocks? It is an impossible thing and cannot happen.

Hon. G. Taylor: I suppose it could be accounted for.

Hon. Sir JAMES MITCHELL: Of course there is always an excuse for everything. On block 12, which is heavily timbered country, there are 47 acres cleared and 50 sown with grasses. I think the 47 is wrong, although that is what the Minister said; it must be 57 acres. There would be interest on the expenditure and the interest in each case should be practically the same. If we worked it out on £1,500, we would find that for the six years it came to very little. I should think the amount would be about £270, but it would be very little as compared with the enormous amount of expenditure in excess of the work that created the asset. The work that created the asset was the work of the men and the building,

plus plant and stock, but that absorbed much less than half the total expenditure in the one case and a little more than half in the case of block 12. I have said that a little of the money would go for fencing wire and probably something for explosives and tree pulling, but in the aggregate not very much. Is it in the minds of members that, without justifiable reason so far as we know, there is a difference in the debit to each group block on 29 as against each group block on 12 of £1,017? That must be accounted for and I suppose it will be accounted for when the board is appointed to go into the matter of group expenditure. I cannot see where the money has gone and I do not suppose any other member can. Naturally, when the group work was extended from the original 25 acres it extended the time, and to-day there are many blocks with nearly 100 cleared, or nearly four times the area intended under the first scheme. That has delayed farming operations and made the settlers dependent entirely upon the work of clearing. Consequently, overhead charges have mounted up in steep fashion, but that does not account for the difference in the charges or for the amount charged against group 12. Interest and overhead charges could not account for the debit against those blocks, so how much less could it account for the £1,000 greater debit in the case of the Peel Estate block? The solid asset, I repeat, is the asset created by work and the purchased plant and stock remaining on the holding. What would not be represented by any asset on the block are the interest and overhead charges and losses on cattle, but the latter would not amount to very much because we have not spent much on cattle. That money, however, will not be represented by any substantial asset, and it is this position we are now called upon to face—the writing down of this money which, in my opinion, is not a legitimate charge against group settlement. If we turn to the measure which Mr. Angwin introduced, and which was passed, we find that Section 5 begins—

(1) All moneys received by the Agricultural Bank in payment of interest and in repayment of principal on and in respect of mortgages to the bank under the preceding sections of this Act shall be paid to the credit of a suspense account to be kept at the Treasury.

Hon. G. Taylor: That has not been done.

Hon. Sir JAMES MITCHELL: That could only be done if the bank had taken over the 54 groups of 20 holdings that were then in

a state to be handed over to the bank with the debit against each of the blocks passing to the books of the bank. It was provided in the same section that the bank should pay the cost of administration out of the suspense account, pay the interest on the money borrowed for the scheme, and credit the suspense account with the interest debited to the settlers under the scheme. The balance remaining would represent the money held to meet losses, because it was never anticipated that the scheme could go through without some losses being incurred, though not the enormous losses we are facing now. A suspense account could not be established until the blocks were handed over to the control of the bank. That meant that the expenditure under the group system—the clearing of 25 acres, the erection of the house and so on—would be a debt that the bank would take over, after which the bank, under its ordinary system, would advance money for other clearing, as deemed necessary, insisting of course upon the farming of the 25 acres. Under the migration agreement we have borrowed money; I do not know quite how much, because we have not the latest returns, but at the 30th June, 1927, the amount was something over 2½ millions. The Treasury is paying one per cent. on that large amount of money, not, of course, on the total expenditure on the groups, and the Treasury received the full rate of interest charged to the settlers' account, and has treated the difference as revenue. If the blocks had been handed over, that would have been treated differently. The bank would have held the difference between the one per cent. charged and the amount charged up to the settlers. That amount was £212,719 on the 30th June, 1927. The Premier set aside in suspense account £150,000 to cover group settlement losses, but during last year the difference between the one per cent. we pay to London and the amount debited up to the group settlers must come to something like £150,000 more than we paid for the money. Consequently the total gain to the State to-day is about £362,719. If that is so, we have the £150,000 set aside on the 30th June, 1927. I do not know whether the Premier has added to that amount during the last 12 months.

The Premier: I propose to do so this year.

Hon. Sir JAMES MITCHELL: That represents roughly the gain to date—the difference between the one per cent. and the interest we would have paid but for the migration agreement. I shall show how much it will come to by the time the ten years have expired over which period we get the special interest rate. I have already said that the original agreement signed by settlers and Mr. Angwin's Act provided that the total expenditure on a group should be apportioned to each of such group lots. At that time, he had not in mind any thought of writing down. This is no longer possible, and so we have this Bill before us. The scheme has dragged on and that is really the trouble. If the original scheme of the 25 acres of cleared land and then the Agricultural Bank control had been followed, and if the scheme had not dragged on over so many unnecessary years, much of the interest and overhead charges and other debits to the scheme would not have piled up enormously as is the case to-day. It is this dragging on that has caused the trouble. I say quite candidly that we have now to face the writing down of a great portion of the interest and overhead charges on each of the blocks, because for the last three years most of them should have been producing enough to keep them going and certainly enough to pay their interest. That, however, has not been possible because the settlers have been adding to the acreage cleared. Charges of that kind have added very small benefit to the blocks. I hope members realise that if a man starts off scratch and spends over three years a sum of £1,000, the interest does not come to a great sum—about £90, but if he continues from that £1,000 to spend another £2,000 over the next three years, the interest over the six years becomes a very large sum. Consequently this dragging on is one of the real causes of the trouble.

Mr. Stubbs: Was it contemplated when the scheme was first inaugurated?

Hon. Sir JAMES MITCHELL: Certainly not.

Mr. Stubbs: Whose fault is it now?

Hon. Sir JAMES MITCHELL: I should think that any man in Parliament should be wise enough to be able to decide that question. It certainly is not my fault. The original scheme meant the clearing of 25 acres, the erection of a house and fencing,

and the placing of stock and machinery on the block. That would have been done in a very short time and at a very moderate cost as compared with the present cost. I have been endeavouring to show that the real expenditure on the block does not represent in the case of group 29 one-half of the total debit against the block, because the scheme has dragged on and the years have passed, each day adding something to the debit. Under the present migration agreement the State receives a rebate of interest representing 40 per cent. of the money we spend. I do not know whether that is fully realised, although it has often been stated. If we spent five millions in the South-West on the building of railways and roads and on group settlement, then the advantage in the rebate of interest represents two millions of money. Great advantages are to be derived under the migration agreement. Under my agreement, which was the first one of its kind suggested to the British Government, and under which the advantages were the best I could get, we were to get a rebate of just about half that sum, about one million, against the expenditure of five millions. Under the later and improved agreement we received double the advantage, or two millions. At any rate, Western Australia led the way under my agreement in obtaining assistance from the Imperial Government for the work of development. We told them frankly that we could not go on with development in the South-West if we had to be debited with the whole cost. I admit that the present agreement is very much better for the State than mine was, to the extent that we are getting ten years' advantage in interest rates as against five years under my agreement. There are also some other advantages. When I made the agreement the Imperial Government promised that if they made a better one with any other State, we should have the advantage of the improved terms, and they kept that promise. So it is that this agreement under which we are acting now dates back to the earliest stage. We are getting the advantage of the present agreement, as we are borrowing the money for ten years, instead of five as was the case when we first borrowed for this purpose. That is highly satisfactory. It may be some solace—probably a little—that we shall get this £2,000,000 out of the expenditure of £5,000,000 to cover losses. So far as I can

see, if those cases that I have mentioned, and which were mentioned by the Minister, are typical of the expenditure on each of the groups, we shall probably have to write down two millions. The taxpayer will not be losing, but he will not be gaining the advantage he should have gained had the group result been what we all had a right to expect it would be when we started the work. The member for Wagin interjected just now, "Who is to blame?" Willingly and cheerfully I accept the blame for having suggested this scheme, and made with the British Government the first migration agreement ever suggested or made within the British Empire. I accept all the blame for that. I also accept the responsibility for getting only a five years' advantage in the way of interest, whereas to-day the interest advantage is current for ten years. Under my agreement this meant a return of 20 per cent. on the money expended, but the advantage under the present agreement means 40 per cent. on the total amount expended. If there be any responsibility attaching to me for not having made a better agreement in 1922, I accept it. I am, however, also entitled to a little credit for having originated the idea within the Empire that the Dominions had a right to ask the British Government to help them in the work of settling British people in Western Australia.

Mr. Stubbs: No one in the House doubts that, or that you did it for the best.

Hon. Sir JAMES MITCHELL: It was the best that could be done by anyone at the moment. Whether it was for the best or not, with me originated the idea of asking the British Government to make this agreement. That is the point. The present agreement is a better one. I rejoice in that, and wish that it could be still further improved. I have no hesitation in wishing that the State might get an even better agreement. If I am responsible for expenditure on group settlement, my responsibility stops with the expenditure of £1,053,000. I would point out, however, that I left office 2½ months prior to the 30th June, 1924, and that therefore I had nothing to do with anything more than the expenditure of £1,053,000. The public may be deceived as to the responsibility attaching to my Government and to the present Government, but they will realise that we got pretty good value for our first £1,053,000, and that if the scheme had gone on as originally proposed, and as Mr. Angwin said 28 months

after the 54 blocks that were ready had been handed over to the Agricultural Bank, we should not be here to-day dealing with these possible losses.

Mr. A. Wansbrough: What is it you say that Mr. Angwin said?

Hon. Sir JAMES MITCHELL: Mr. Angwin said then that 54 groups were ready to be handed over, that the work necessary under our arrangement with the settlers pursuant to the scheme had been completed, and that he was ready to hand over when the Bill was passed. If the hon. member will turn up "Hansard" of 1925, page 2701, he will see that what I have stated is correct. It does not really matter a jot who is responsible. At this moment the position is as we find it. Members may debit me with £1,053,000, or the whole lot, if they like, so long as they agree that had we gone on with the original scheme we should have not had to face the trouble we are now in. The original scheme, however, was not adhered to. In the origination of the scheme every detail was attended to. We had even come down to getting agreements signed with the settlers, so that the expenditure on the groups might be apportioned against each block by Mr. McLarty, whose word would be final. Every detail was thought out. A scheme like this could not be started without a great deal of forethought and much work. Every member on the Opposition side of the House was allowed to see everything that was going on. They were permitted to see the officials, and talk to them quite frankly. Mr. Angwin knew as much about the work as I did. I made him acquainted with every detail, so that if the country was unfortunate enough to lose our services, and unfortunate enough to obtain the services of members opposite, the scheme could go on as it was then working. I do not suppose that, ever in the history of Australian politics, such great care was taken to inform the possible successors of the Government of the work that was being done under a scheme of the magnitude it was and still is. The utmost frankness was exhibited by me and every official in the department towards representatives of the then Opposition. That was entirely right. Nothing we do here is done for ourselves. Everything is done in the name of the people, and should be done in an open way. There is nothing members should not be able to know about group settlement, other land

settlement, or any other work of Government departments. I do not say that every detail of a proposal that is maturing in the minds of Ministers may be made known, or that immature proposals should be mentioned, but official happenings inside the departments should always be disclosed to members. Under this Bill we are asked to substitute someone for Mr. McLarty. I agree that has to be done. I hope that will not be substitution by a board, but that the substitute will be the assistant general manager because he will be an excellent successor to Mr. McLarty in this job. It must be someone connected with the bank. I do not know why it should not be Mr. Hewby, who was chairman of the other board, but apparently the Minister thinks he will be sufficiently busy elsewhere. The Minister did not actually say what was the proposal in his mind, but indicated in reply to an interjection from the member for Perth that this was what he felt about Mr. Hewby. I assume the substitute would be a senior officer of the bank. I hope to secure the passing of an amendment that will mean that the work which cannot now be done by Mr. McLarty will be done by the next in command to him in the bank. I should suggest that Mr. Grogan does his work more or less in this capacity. There is nothing big about the whole thing. It is a multiplicity of one small farm. It does not matter a jot whether it be one multiplied by a hundred, or by ten thousand. It is still one small thing multiplied. Few things bulk large in the world, and land settlement is not one of them. In the case of wheat land settlement, it still means the making of one small farm, and then another and another. What often happens to people when they consider group settlement is that they get the whole lot of farms into their minds, when their minds will not hold half of one. They want the 2,000 farms dancing around together, instead of fixing their minds on one farm. They should get it into their minds that all that is necessary to be done is to get one group block cleared and stocked, and a house and fencing erected upon it. They would then be able to visualise what it would produce. If they made that their care for a time, and conquered that, and got into their minds the correct idea of what to do with the farm, what it ought to cost, and what could be produced from it, they could then visualise the whole scheme.

Mr. Clydesdale: These are not alike in all cases.

Hon. Sir JAMES MITCHELL: They are so much alike in regard to the expenditure that the variation can easily be made. No two men are alike, and no two blocks are precisely the same. Down there the climate is the same for good and bad land. The production is the same from all the blocks. Whilst one area may be of 25 acres and carry ten cows, on another it may be necessary to clear 50 acres to carry that stock, but if that were so, it would be lighter country, could be cleared more easily, and the total expense would probably be the same in each case. With slight variations, all that is necessary is to get a correct idea of one block. If this work be entrusted to one man, I should think he would go on to a block, get hold of a group settler, and the foreman to find out what trees were originally standing on the property, for the latter would know what trouble and cost were entailed in the clearing. He would then get hold of the senior official who was on the land before it was cleared, and seat them all round a table, discuss with them the probable value of the work of clearing, and let the three of them, the settler and the other two, come to a determination as to the value of the clearing which, of course, could only be known to the man who had seen the land before the trees had come down. If that were done, it would greatly simplify the work. After ascertaining this, the official in charge could see the house, which would have a certain book value, and the stock on the place, which would also have its market value. He could also see the fences that had been erected. All the Commissioner would need to do, in my opinion, would be to visit each one of the three areas. He could make a start by fixing the value of one holding, and then quietly go on from holding to holding until all the 1,776 holdings had been appraised. If he did six holdings per day, it would take a year. If a board were appointed—I am sorry the Minister for Lands is not present—the work would be far more difficult, and it would not be effectively carried out. A board is no better than the best man on it; indeed, I doubt whether a board is as good as the best man on it; and every man put on the board adds to the cost unnecessarily. The work would be better done by one good man, than by one good man assisted by two fairly good men. I have no great faith in boards. I do not know that

government by boards is a good thing. If the Government appointed a good man from within the service, a man who would have no responsibility because of the permanency of his job, they would be likely to get better work than by going outside. The Government, naturally, know the officials of the department thoroughly, and can make a better selection there.

The Premier: Do you think the settler is likely to be as well satisfied with the appraisalment by a Government officer as with an appraisalment made by a board containing outside representation?

Hon. Sir JAMES MITCHELL: I certainly think he would be. Everyone would be satisfied with, for instance, Mr. McLarty, because everybody knows and respects him.

The Premier: But you know the group settlers are very suspicious of Government officers.

Hon. Sir JAMES MITCHELL: I do not think they are. I believe that sometimes the officials treat them in a way they do not like. When an official with a dozen officials above him has had a dozen pinpricks inflicted upon him by those twelve superiors, he is apt to be a little irritable with the settlers. In my opinion a good deal of trouble has been due to the fact that control has not been sufficiently centralised. I think the settlers would be satisfied if a man so respected as Mr. Grogan were appointed for this purpose, or in fact any other senior man in the department; there are many excellent men in the Government departments. If one of them were appointed, he should be given the right to call for such advice as he might require in each district and to pay the assessors whatever would be a fair thing for their day's work. Under such conditions the present difficulty would be got over quite satisfactorily to the settlers. However, it is necessary to lay down a policy; and in my opinion that policy should be that the asset created by the expenditure of Government funds on each block, the tangible asset, should be the debit against the block.

The Premier: Of course that is the point, to determine what is the value of the asset.

Hon. Sir JAMES MITCHELL: That is not so difficult. The Premier should see that some definite policy is determined upon. If it could be announced to-morrow that the group settler shall be charged with the debt against his holding calculated in the way I have suggested, according to the asset

created and not according to the debit in the books, the Government could say to the settler to-morrow, "You have now to become a farmer. We cannot cut you off entirely. We have to help you quite as much as the wheat farmers were helped by the Industries Assistance Board for a time." This would be a small matter in the South-West as compared with the wheat belt. The group settler would have to be helped with milch cows, and in regard to his early crops, until he got on his feet, which would not take long, because many of the group settlers already have wonderful pastures and excellent stock. In fact, a large number of them could carry on now.

The Premier: But there might well be a wide difference of opinion as to the value of the asset.

Hon. Sir JAMES MITCHELL: Of course there might.

The Premier: We would do the right thing, naturally.

Hon. Sir JAMES MITCHELL: I want to impress upon the Premier that the matter will have to be settled by someone, and that it will take 12 months to settle. So far as I see, we are expending nearly £5,000 a day and of this amount only £1,000 is going to the group settlers. I would like to stop the expenditure of some of that £5,000 straight away, instead of waiting for a year, which might be fatal. The Government could determine that this is to be their policy: the debit against the settler to be represented by something on the farm, material or house or something else. This would mean that the settlers would get to farming straight away, and that a great proportion of the £5,000 would be saved. The Premier asks whether the settler would be satisfied with the appraisalment of the cost. I believe that in most cases, if the interest and supervision charges were deducted, the rest of the debit would be represented by solid assets.

The Premier: The settler would have to be satisfied with the value of the asset as determined by a responsible officer.

Hon. Sir JAMES MITCHELL: Yes; and he would be, too.

The Premier: He would have to be. It must come to an end in that way.

Hon. Sir JAMES MITCHELL: I hope, however, to make it clear to the Premier that the departmental books show clearly what has been spent on the building, the stock and the machinery, and in wages for

the man to do the work. Taking those three items, plus the bits of wire and so on, we would have roughly the asset represented by the debit. In the departmental books, however, there appear many other charges which have not helped to create the asset—interest, supervision, and so on. In the main it would be found that the amount to be lost would be represented by interest and supervision charges.

The Premier: That is to say, you think that in the main the block will be worth the money paid in wages, the cost of the house, fencing, and other tangible assets on it?

Hon. Sir JAMES MITCHELL: Yes.

The Premier: Naturally I hope it is so.

Hon. Sir JAMES MITCHELL: I think it will be so. I do not mean as regards the £3,600 spent on each block of Group 29. In regard to that there is some mistake: the debit is impossible.

The Premier: We shall get out of it luckily if we lose only interest and supervision charges.

Hon. Sir JAMES MITCHELL: The Premier will remember my mentioning a case at Manjimup, where interest and supervision charges came to £768, speaking from memory, with a total debit of £2,400. I went into that on the spot. It is certain that the debit, apart from those two charges, was fully represented by assets.

The Premier: The £2,400 less £700?

Hon. Sir JAMES MITCHELL: Less £768, yes. In that case I am sure my calculation is right, and I am pretty certain that the cost of the house and the purchases on the place, plus the amount paid to the man in wages, is represented by assets, and will be found to be, in the main, the debit that can remain against the block. The amount to be written off will, I am sure, be the total of interest and supervision charges. Undoubtedly £5,500,000 is a huge sum, but it does not refer to 1,776 blocks: it is spread over 2,400 blocks. Two millions, I think, will ultimately represent interest and supervision charges, and will have to come off, and two millions will represent the amount we shall receive from the British and Commonwealth Governments to help us in the work. That is not, of course, due to the actual expenditure on the blocks, because we have not spent £5,500,000 of cheap money on the South-Western groups; but when we add the necessary expenditure on railways and roads, the total will

be pretty well that amount. The present agreement covers railways and roads right back to the first agreement. We are not entitled to ask the group settlers to pay more than we give them now, because, after all, they have been under far too much control, have not had enough freedom. The agreement was that they should exercise their own judgment after they had cleared 25 acres; but in many cases they remained under control while clearing 100 acres. They have been under control all the time. As to the pastures, we are inclined to think that some of them have failed. On some blocks they have been rooted out. What has happened is this: the settler is not in control of his block, which is still a departmental holding; and whilst the settler could have managed with a few stock, which might have been depastured quite comfortably, he has been compelled to take many more stock, with the result that his pasture has, in many cases, been eaten out. That is why there have been some failures. On an abandoned holding near Busselton I saw pasture equal to anything in the State. However, that pasture had not been stocked. The settler had been given enough fertiliser for about 25 acres, and he put it on a fifth of that area—with wonderful results. He put on tremendous dressings, and produced pasture that is not equalled on 99 per cent. of the farms in Western Australia to-day. Yet we are told the block is unsuitable. With regard to other good land we are told that the pastures are not satisfactory, that the land will not grow pastures. The failure, however, is due to the fact of the pasture having been overstocked, or the subterranean clover having been sown too late in the season, after the rains had come. So we have beaten the land: the land has not beaten us. We have not managed the land properly, with the result that we are inclined to blame the land whilst we ought to blame ourselves. I hope that the system I have outlined will be adopted when we come to make the debit, when the officer to be appointed goes about his work. I trust the Government will see to it that the job is done by one man. Just imagine three men sitting around a table with the settler and of course a couple of group officers, who must be there because the trees are not standing now and the board will not know what the clearing is worth. Would

it not be much better to have just one good man to do this work for us? If some adjustments have to be made afterwards, still the number will not be great. Some blocks have been joined up. Now, I do not think it is a bit of use giving a lot of acres to anybody in the South-West. There is hardly an acre of the best land there that can be used until it has been fertilised. The whole of the land in Western Australia needs phosphates; until the phosphates have been applied, no good can be done. I have mentioned that on the poor land at Busselton there was wonderful pasture after a good dressing of phosphates. One hundred acres in the South-West is as much as a single group settler can fertilise and manage well. It will take him and his family to do that. Therefore it is no use giving him 400 acres of land, 300 of which must remain virgin country indefinitely. I know, because I came from the South-West; I know that land at Burekup, that in the early days would run a horse to the hundred acres, now carries stock to the acre, merely because of top-dressing. In the districts between Harvey and Brunswick wonderful pastures are to be seen, yet in my boyhood I rode and hunted over that country, when it would hardly carry a horse to the hundred acres.

The Minister for Agriculture: That is good land.

Hon. Sir JAMES MITCHELL: But before it was fertilised, it did not, and could not, carry a horse to the hundred acres. It was only when the timber was killed and the land top-dressed that anything like the present position was reached. Most decidedly it is good land there, but it was not so in the early days. So I say that it does not matter a jot; that land can be put to good use, but it is no good giving a settler more land than he can deal with and develop. Linking up of holdings means only linking up of debts. I know a man who had a 100-acre block in the Abba River district and he had his 30 acres cleared. He was given an adjoining block on which another 30 acres had been cleared, and there was a house on it as well. That man was not allowed to clear another 30 acres on his own block, but he had the two blocks and also the two lots of debt. I suppose the same thing has occurred elsewhere. In the South-West we have the best growing climate of any country in the world, and we ought to give the land there, including the

Abba River country, a reasonable chance. Hundreds of acres of subterranean clover have been well established, particularly where the pastures have been given a chance. On one Abba River farm—not a group block—that I saw, the settler was running 90 cows and 80 calves on 130 acres of established clover pasture, and 100 acres sown during that year. His cheque for November, 1927, amounted to £180 for cream and butter. I do not think there are four people in this State who produce more than that from a larger area or from better land. Subterranean clover takes most of its weight from the atmosphere, probably 95 per cent., and that is of advantage in the South-West. It is no use linking up blocks of poor land. I do not know how the Government can get out of the position, as it is at present. Under the existing system, the Government are asking settlers to take over a heavy load of debt with the linked up blocks, and are, I suppose, requiring them to pay for two houses and all the paraphernalia necessary in connection with the settlement of two men. A great mistake has been made; but there it is, it has been done. Then there are the blocks that have been abandoned altogether. Again I say to the Premier, there should be no delay. Those blocks should be thrown open before they go back to nature. The scrub springs up and trees grow rapidly down there, and buildings, fences and so forth, deteriorate quickly. On some of the abandoned blocks, quite apart from those I have already mentioned, the pastures became really good when the stock were taken off. The blocks that have been abandoned should be thrown open to the public to-morrow morning. Let the people of Western Australia have the first go at them. In the Busselton district years ago, long before any of us came to Parliament, an area, that is now known as the Spanish settlement, was settled by our own people. The Agricultural Bank advanced money, but ultimately the area was abandoned; all the bank received in return was some wire taken from the fences. Later, the Spaniards went there, and now they have really good farms; they have obtained wonderful production from those blocks. That land is much inferior to most of the group abandoned blocks. If our own people will not avail themselves of the opportunity to take over the abandoned blocks, well and good. If they desire to take them over, let them have the opportunity. If I were

merely thinking of politics, I would not be so frank about it now. I would say, "You have driven our people off, and now you have given the land to Southern Europeans." That would be merely making political capital out of it. I have heard that the Government are contemplating allowing Southern Europeans, who are already here, to take over these blocks if they so desire. All I ask is that our own people be given the first chance, and that they be given that opportunity at once. Failing that, let the other people have the opportunity. We have assets there in the houses, and fencing, and in the cleared portions of the blocks. We must secure production. It has to be remembered, too, that we shall do considerable harm to the districts affected if we continue to allow the abandoned blocks to remain idle. Take the Northcliffe, Busselton, Manjimup and other such areas. If the blocks there are allowed to remain idle, people, who have established themselves in business to serve the requirements of the district, will be adversely affected because those blocks are not occupied by settlers. Then, again, many blocks have been abandoned although they have hardly been tried out. Land at Northcliffe has hardly been tried at all. Pastures were put in, but all that is left on some blocks is Yorkshire fog. I do not know that efforts have been made to grow sufficient potatoes to serve Northcliffe itself. Nothing there has really been tried out. We ought to have a system of decentralisation, and the man in charge of a district should see to it that the country is given a fair trial quickly. If that were done, we would know far more about the position than we do to-day. If we were to do that, we would not talk as some of us do about the land. I am afraid some people have done the State incalculable harm. The land is not to blame. We may have selected some bad blocks, but that is not to say the land is to blame at all. The land is capable and will respond. The first thousand men that we settled in the South-West were our own people, and were taken from the goldfields and from the wharves, and elsewhere. They were splendid men, and many are there now. We got splendid men in the second thousand, who were drawn from the Old Country. That was good enough in its way, but still the country there has not really been given a fair chance. If we damage our State by making assertions that are wrong, even though we believe our statements to be

right, then we shall have something to regret. We should be very careful before making such statements.

Mr. Stubbs: If they are true, what is wrong with making those statements?

Hon. Sir JAMES MITCHELL: If they are true—

Mr. Stubbs: What about the Peel Estate? There are hundreds of houses empty there.

Hon. Sir JAMES MITCHELL: And there are hundreds of heads that are empty in this State to-day, but I cannot help that! The hon. member would say that, because houses are empty, the land is bad. As the hon. member knows, the Lake Brown country was deserted after it was first settled, but that is not the position to-day.

Mr. Clydesdale: That was pretty good land, different from some at the Peel Estate. You are suggesting that all the land is good that has been settled.

Hon. Sir JAMES MITCHELL: No, not all the land in a country is good, but it is good in parts. He would be a foolish man who believed that all the country throughout the world was good. If we take South Australia, from which State the hon. member comes, I do not suppose that more than 40 per cent. of the land there is good. There are very few countries in the world that can boast of more than 40 per cent. good land. So it is that I do not say that every acre in Western Australia is good, but in the South-West we have as good land as the hon. member could find in any other part of the world. Without fear of contradiction, I say there is no better growing climate than we have in the South-West.

Mr. Clydesdale: What is the good of putting men on bad land that will not keep a goat going? What is the good of advocating putting men on blocks where others have not been able to make a success?

Hon. Sir JAMES MITCHELL: To what area does the hon. member refer?

Mr. Clydesdale: To parts of the Peel Estate, for instance.

Hon. Sir JAMES MITCHELL: There may have been some mistakes made there.

Mr. Clydesdale: Then why not admit it? Why advocate putting men back there?

Hon. Sir JAMES MITCHELL: I say we should throw those blocks open, and if anyone desires to take them up, let them do so.

Mr. Clydesdale: And give them more Government assistance?

Hon. Sir JAMES MITCHELL: Not necessarily any more than we get for what we do here each year!

Mr. SPEAKER: Order!

Hon. Sir JAMES MITCHELL: As a matter of fact, I have shown how the Spanish settlement in Busselton was deserted in the early days. However, I am sure the Premier appreciates the fact that I am giving him what I believe to be good advice, when I urge him to throw open the blocks at once, and let people have the opportunity of taking up the abandoned holdings. I believe they will make something out of them. Failing that, let the blocks go to the Southern Europeans who are in the State now. I do not make any bones about it. My advice is openly and frankly given. Let our own people have the opportunity first, and then let the Southern Europeans have their opportunity. I urge, however, that we shall do that at once. Do not let the blocks revert to nature. When the member for Canning (Mr. Clydesdale) so rudely interrupted me, I was endeavouring to show that such statements as he made just now, thoughtlessly no doubt—

Mr. Clydesdale: Not at all.

Hon. Sir JAMES MITCHELL: Such statements do the State much harm, particularly when they are cabled Home to appear in the London "Times" and other papers. It does not matter a jot if members say that the group settlement scheme was badly managed by me. That may annoy me a bit, but it does not hurt the country. But when they say that the land is bad, that the settlers cannot do any good, that the whole thing is rotten, and that the South-West will have to be deserted, they do incalculable harm to the State. If they persist in making such statements, and production does not go forward, there is not much inducement for people to come to this State. If we are content to eat butter, bacon and other food, including sugar, imported from the Eastern States, costing £3,000,000 per annum, very well! Let us say that we shall not endeavour to go in for that production and that we will buy our requirements elsewhere. I do not know how we shall be able to pay for those supplies. During the last 30 years, we have sent not less than £66,000,000 to the Eastern States for supplies of foodstuffs. They have the money, and we have swallowed their butter. If we were to produce our own re-

quirements, we would have both the butter and the money. Surely that is our duty. Do not let us damn the whole country merely because we want to damn each other. That is neither manly, fair, nor honest to the State. I do not care what my political opponents may say about me, but I do care when, in saying it, they damage the interests of the State.

Mr. Chesson: I think they were just as anxious to make a success of the group settlements as anyone else.

Hon. Sir JAMES MITCHELL: Everyone prays that they will be a success.

Mr. Clydesdale: They are just as anxious now as they were then.

Hon. Sir JAMES MITCHELL: I dare say they are, but to be anxious and yet allow things to drift is not of much advantage; to be anxious and at the same time to be willing to do things, is another matter. So I say that we should immediately throw open the blocks that have been abandoned.

Mr. Chesson: You want people to have an opportunity to take up blocks where others have made a failure, and where it is considered they have no possible chance of making a success.

Hon. Sir JAMES MITCHELL: No. But I suppose that if people wish to get farms, and to use their own money in developing them, they can have that opportunity? If for political reasons my friend is prepared to say the whole of the 47½ blocks are thoroughly bad and thoroughly useless, he can say it. I dare swear he has not seen four of them.

Mr. Chesson: On the Peel Estate I have been over blocks that would not feed a goat to the acre.

Hon. Sir JAMES MITCHELL: Of course the Peel Estate is all bad. The Minister for Mines said we had bitten off more than we could chew. Some of us require to bite off mighty little, otherwise we shall choke. The Peel Estate has any amount of good land in its 80,000 acres. The Premier knows that. We always knew, even when we purchased it, that there were 20,000 acres that could not be settled at all. I have not seen all the blocks there, neither has any other member, but the people appointed to make the choice of blocks were thoroughly capable and so there ought not to have been any bad blocks.

Mr. Clydesdale: What is it going to cost to keep it going?

Hon. Sir JAMES MITCHELL: If you let the drains fall in, you will not keep it going at all, and if you allow the banks to be washed away you will flood the country. I think the Minister for Works went with us down to some land halfway between Fremantle and the Peel Estate, where a couple of men spent £130 filling up an acre of swamp that could not be drained. It paid them handsomely. At the Peel estate there are some of the best swamps in Western Australia. Some have not been sold yet. There are 20,000 acres of first-class land in those swamps. I dare say that for political purposes it may be wise to declare that everything the other Government did was bad. But when you say the Peel estate is all bad—

Mr. Clydesdale: Nobody said that.

Hon. Sir JAMES MITCHELL: But you want to make the people believe that. As I have said, there is no country in the world where the land is all good.

Mr. Clydesdale: You are trying to make out that all the Peel estate land is good.

Hon. Sir JAMES MITCHELL: No, I did not say anything of the sort.

Mr. Clydesdale: Neither did we say it was all bad.

Hon. Sir JAMES MITCHELL: I will sit down in a minute or two, and then my friend can have a turn. It will be something new for him. There are many thousands of acres of good land on the Peel Estate.

Mr. Chesson: But we require to send out a man to find it.

Hon. Sir JAMES MITCHELL: The truth is hard to accept. If we require a man to write articles for a newspaper, purely constructive work, we have to pay him high fees, whereas if he is merely required to defame other people, we can get him cheaply.

The Premier: You do not suggest that the writers on the "Primary Producer" are cheap men?

Hon. Sir JAMES MITCHELL: No, but it is very hard to accept the truth. People accept it with great reluctance. It is not to be wondered at.

The Premier: It is so rare that we do not know it when we meet it.

Hon. Sir JAMES MITCHELL: I am not acquainted with all the Premier's friends, but I hope that from some of them he gets

the truth at times. It is hard to accept the truth and easy to accept all that is against it. Gladstone, I think it was, who said that some men were born into the world to help others, whilst others were born into the world to oppose in all things. How true that is. If I were to go down the street and say the member for Menzies is a jolly decent fellow, and a highly successful grower of flowers, it would be quite true. But if I were to say that that ass from Menzies is always trying to grow flowers, but can never win a prize, there would not be a word of truth in it, yet all would accept it. It is much easier for most men to say hard things of people than to speak the truth of them as they know it. If we cannot speak well of a person, we should not speak of him at all. Then the world would be a very much more decent one. I accept responsibility for all that was done in my time, including the selection of the blocks, although I never made that selection. But there must be a lot of those abandoned blocks quite good blocks. Let us give the people on the land a chance. Do not let us deduct anything from a man's earnings because he may have transgressed some of the 100 odd regulations drawn up by the department. Let this be our policy: We are going to charge you what you have got. You have to become a farmer. You had better start now. There is no need to clear more than 25 acres. Get to work and produce. Then let us tell the district official that he must see that the settlers produce. Make it his responsibility. The district official, surely, is a thoroughly competent man. If we were to do that, it would make things far more comfortable for the Government and for the settler, and would make it easier to achieve results. I earnestly suggest to the Premier that we ought to stop this daily outgoing of between £4,000 and £5,000. That can only be done by the announcement of some definite policy. What could a man on a block expect more than to be charged with just what he is getting now? If we were to say, "We have controlled you for all these years, and so we accept responsibility," what more could he expect? I do not know that I need say very much more, I do not know that I can be of very much help to the Government, except insofar as the statement I have made here can be of help. But I should like to be, and am perfectly willing to be, helpful in any way that is possible. Naturally, when

I have been accused or made responsible for every happening during the past 4½ years, I resent it, and I refute the responsibility. But I am perfectly content to let that matter rest. Let us get down to doing the best we can for the State and for the settlers. That is our clear duty. If the Premier will accept my assurance that I am ready to help in any way possible, I shall be content to leave it at that. It is necessary that so far as we can, we should help in the development of the country, whether it be in the production of wheat, the production of butter or the production of bacon. Unless we do increase the production and wealth of this country, we shall have unemployment and shall not maintain even our present activities. It is quite obvious that we must produce more wealth from the land. Gold mining and timber are under a cloud at the moment, manufacturing has not increased as we hoped, and so we turn to the land east and south. Let us turn wholeheartedly where the land is good, either east or south, and let us see just what can be done. I have nothing more to say. I am sorry we have to face this writing down, but it has to be faced.

The Premier: We expected it from the beginning.

Hon. Sir JAMES MITCHELL: Nothing like this.

The Premier: No, but the writing down.

Hon. Sir JAMES MITCHELL: That is why we asked help from the British Government. The only comforting thing is that it looks as if the British Government and the Federal Government will face the whole amount to be written off. But that is not intrinsically satisfactory. It is a pity we have to write off so much. Let us get the money that is represented by this work of clearing turned to account, and let us have the produce, at any rate, and see if we cannot recover everything that has been spent indirectly, if not directly.

MR. THOMSON (Katanning) [9.12]: This is a very small Bill, practically of one clause, but to my mind it is one of the most important the House has had to consider. In my view it is a great pity it was not brought down quite a number of years ago. We have arrived at the stage where we have to face our responsibility, and a very serious responsibility at that. I am not going to say who is to blame for the position. All we know is that we have spent a considerable

sum of money on our group settlements and on the Peel estate, and that it is up to the Government to see that the promises made to the settlers on the various groups—they were to be supplied with everything that would make them successful farmers—are carried out in their entirety. I do not quite agree with the suggestion of the Leader of the Opposition respecting the valuations. In that regard we have to consider what reasonable chance a man will have of making a success. If the clearing of the land has been too costly, and if the supervision has been greater than it should have been, we should not penalise the settlers for the blunders of administration or for over-capitalisation. While I am in accord with the principle contained in the clause, it does seem to me that it should have been practicable to utilise the services of the existing board. If they are doing their job as we expect it to be done, they should have been on every individual block from which a group settler has been endeavouring to wrest a living. No body of men could be better equipped to form an accurate opinion of what is a fair, just and reasonable charge to levy on the various blocks. In my opinion, the method of valuation that will have to be adopted will be, after taking the area into consideration, to define the carrying capacity and place such a value on the block as will enable the settler to pay his interest, meet his annual instalments of principal, and, provided he is a worker in the real sense of the word, give him an opportunity to earn the basic wage for himself and his family upon the land we are asking him to bring under production and make a paying proposition for the State. I and my party have been charged in this House and outside it with being opposed, for political purposes, to the development of the South-West. What satisfaction would that be to us who have advocated from the inception of the scheme that it should be placed under the control of a board possessing a knowledge and understanding of South-West settlement conditions? After having committed all the blunders it is possible to commit, after having done those things which ought not to have been done—

Hon. G. Taylor: That sounds scriptural.

Mr. THOMSON: —the Government, although having before them the fruits of the experience of closer settlement schemes in similar country in the Eastern States, proceeded to have the land cleared on the face,

whereas experience elsewhere showed that partial clearing was all that was necessary. Although that knowledge was available to the Government, we made the same blunder in the initial stages of our group settlement, just as if closer settlement schemes in the other States had never been attempted. It is not just to the men desirous of earning a living on the groups that they should be charged with the loss arising from the maladministration and blunders of the Government or of those officials who have been in charge of the groups. I congratulate the present Minister for Lands on having endeavoured to grapple with the position. In my opinion no Minister has ever had a greater burden placed on his shoulders than has the Minister for Lands in the task to bring order and business-like methods out of the unfortunate position into which group settlement had drifted. Members should not criticise the Minister or ask who is responsible or who committed the blunders, but should face the position which should have been faced years ago, and give the settlers a fighting chance. That is all we have asked for in the years gone by; yet we have been severely criticised because we have made such statements in the House and out of it. It is no satisfaction to us to be able to say, "We told you so." I am not dealing with the question from that viewpoint. As regards the valuation of the groups, we have to give the settler a reasonable fighting chance. We have to place a value upon his property that will enable him to pay his interest and his instalments, and give him a reasonable opportunity to earn the basic wage. If we do that, I am sure a great many of the settlers—I should say at least 90 per cent. of the men determined to make good—will make a success of their holdings. It is far better for the State and the people that we should face the responsibility. No matter how great the loss is, let us write it down, and in the years to come the State will reap the benefit from the expenditure incurred. But for Heavens' sake, do not ask men to continue to work on the groups if we are going to place such a financial load on their shoulders that they will not have a reasonable chance of success. Reading the "Primary Producer" the other day, a paper that I believe is well read by members of this House—

Mr. Panton: We look at the pictures.

Mr. THOMSON: I came across a report of a meeting held at Manjimup recently. I commend the report to the attention of members as it gave the views of some of the men on the question how the group scheme could best be brought to a successful issue. I was particularly impressed with the remarks of one speaker, who said, "The only way to attain success is to let each man make his own success." For years my party have urged the Government to take the step that this Bill will enable them to take, and that is to give each man an opportunity "to attain success by making his own success." My only regret is that a measure of this kind was not introduced several years ago, and that in consequence many deserving settlers have not been given a chance. The system that has been in force for years past has unfortunately driven off the groups many men who would have made our best settlers, and I regret to say that quite a number of the men we have kept on the groups might better, in their interests and in the interests of the State, have left the scheme and gone out to work for wages. Quite a number of them for years have regarded the group scheme as merely a wages scheme. I say unhesitatingly that any group settler who has no higher ideal than that is no good to the scheme and no good as a potential producer of the State. Far better it would be that he should return to the rank and file and take work as an artisan or unskilled labourer, because in that capacity he would be able to earn a living. Let him make way for a man who is desirous of making a good as a producer. I have pleasure in stating that this Bill has my hearty support, and I trust the valuations to be made will be of a character that will give the settlers anxious to make good the opportunity they richly deserve.

MR. ANGELO (Gascoyne) [9.25]: I merely rise to say I regret very much that I cannot agree with the suggestion made by the Leader of the Opposition that the assessing of the group blocks should be left to one man, he being an officer of the Agricultural Bank. When we cut down the figures, we want to start the settlers off with the fairest valuation that can possibly be placed on their blocks. If an officer of the Agricultural Bank were appointed, it must mean an officer who has been related to the

group settlement scheme, and naturally he could not help being biased to a certain extent in supporting the actions of his own department and of the other department connected with the scheme. There may have been mal-administration; there may have been waste, and an officer of the Government would be bound to try to support the expenditure made not only by his own department but also by a department working in conjunction with his. Had the Leader of the Opposition suggested that the work of valuing the blocks be undertaken by one man entirely independent of the Government and of the group settlers, his suggestion would have met with my approval. Sooner than have it done by an officer of the Agricultural Bank, no matter how honest or reliable he might be from the Government's point of view—

Mr. Thomson: It is the bank's responsibility.

Mr. ANGELO: Quite so, but even the most honest man must be a little biased in the direction of supporting and upholding what his department had done. At present there are in Perth two ex-bankers. Both of those gentlemen were in charge of their respective banks here for many years, have visited all parts of Western Australia, and are well acquainted with the value of securities, the cost of clearing and the value of improvements. I suggest that one of those gentlemen be invited to join the board. Even if it were considered that one valuer was sufficient, he should be an independent man such as one of the two I have indicated.

Mr. Thomson: That is a good suggestion.

Mr. ANGELO: Mr. Herbert, ex-general manager of the Western Australian Bank, and Mr. Fegan, ex-manager of the Bank of New South Wales, are both in Western Australia. Whether they would undertake work of this kind I do not know, but I should think they were specially qualified to do it.

Mr. Thomson: One of them would certainly be of great value to the board.

Mr. ANGELO: Yes. I am sorry I cannot support the suggestion of the Leader of the Opposition, because I feel we ought to have an independent man to make the valuation. I am glad the Bill has been introduced, and it will have my hearty support.

MR. J. H. SMITH (Nelson) [9.29] : I support the Bill. Had the House acceded to the wishes of the former Minister for Lands, the group settlers would have been under the control of the Agricultural Bank to-day. Instead of that, the Government have gone on blundering in the same old way. In the interests of the settlers themselves this House must assist the Minister and endeavour to have a fair writing down. The Leader of the Opposition gave us some figures about Group No. 12 in the Busselton area and No. 29 on the Peel estate. We find that in six years the same houses have been built, and the same fencing erected, but there is a difference in the cost of £1,000 on those two groups. The business must be thoroughly investigated. The Minister might appoint one of his officers who understands values to conduct the inquiry. That officer could go into the Manjimup area, the Busselton area, the Denmark district and to the Peel Estate. He should be empowered to appoint one or two practical men in each district to assist him in assessing values. In the first place the land was a free gift to the settlers. They should, therefore, be given every opportunity to make good. The only chance they will have of doing so will be for their land to be properly assessed at its true value, whether the work has been done by contract or any other way. It should be an easy matter to arrive at the cost of fencing, implements, etc. When everything is boiled down, I dare say that in very few instances will the value exceed £1,200 or £1,500. Dozens of men have left the groups. After five or six years they have become disheartened, and their future is obscure. We should be in a position to say to those men, "The capitalisation of your block is £1,500," or whatever the value may be assessed at. There will then be no more heartburning. These blocks must be valued individually, and care must be taken to see that they are not over-capitalised. The only thing to do is to arrive at the value of the work done on each holding. If the present occupant does not then make good, the man who follows him will be able to do so. He will not be over-capitalised. We want to be certain about that, and to make no more blunders. I am afraid the House will get a surprise when the writing down has been done. Perhaps we were wrong in departing from the original system of clearing. The contract system has undoubtedly built up the cost. Many people have been living on group

settlement contracts and making as much as £21 a month.

The Premier: More than that.

Mr. J. H. SMITH : I know of cases where between £70 and £80 a month has been made. That was stopped when a limitation was placed upon the men's earnings. Many people earned up to the limit for a long time. That is what we have to avoid. It is one explanation of the present high costs. No doubt those settlers who have been earning wages in this way will leave. When the official is appointed, the work of valuation should be done quickly. If he visited every block it would take at least 12 months, at the rate of six or seven blocks a week. One officer could go into a particular district, and have the right to select two practical local men, who have made a success of their own farms and know how to assess values. That is the only way to get the work done well and quickly. There will be no need to appoint another board. I object to boards, because a great many have been appointed and have not done much good. I anticipated, when the present board was appointed, that one of its first duties would be to value the blocks. The Minister said they would go into the question of the suitability of the land, and when they had ascertained whether the land was suitable or otherwise they would link up certain blocks if they thought it necessary to do so. They could at the same time have arrived at somewhere near the valuation of each property. I have not discussed this matter with the board, but the Minister told me the board had said that the settlers could not make good on a £4,000 valuation in the case of some of the groups. There will have to be some writing down. I think every member of the House should view this matter impartially. We shall all get a shock when we find what capital has to be written down. Let us make no mistake this time, but place the whole business on a proper basis. Let the capitalisation be such that the settlers will have an opportunity to make good and bring up their families under comfortable conditions.

MR. STUBBS (Wagin) [9.36] : I am sure every member regrets the necessity for the Bill. The old adage is as true to-day as when it was first uttered, namely, "the mill will never grind with the water that has passed." To endeavour to apportion the blame for the circumstances which have led up to the introduction of this Bill would be

like beating the air, and serve no good purpose. In a long speech the Leader of the Opposition endeavoured to point out that he was not responsible for a large amount of the expenditure that had been incurred since he left office.

Mr. J. H. Smith: He also said that the system was wrong.

Mr. STUBBS: Who was responsible for that, and for the losses? Was it the gentlemen who now occupy the Treasury Bench, and who were responsible for the alteration in the system?

Mr. J. H. Smith: For the alteration, yes.

Mr. STUBBS: For the alteration that was the cause of all this loss?

Mr. J. H. Smith: Yes.

Mr. STUBBS: No doubt members sitting opposite will be able effectually to answer that question. I have yet to learn that the expenditure incurred since the present Government took office was not partly forced upon them. I dare say if the truth were known many of the commitments consequent upon the policy inaugurated by the previous Government were involved in contracts that had been honoured by the present Government, after having been honourably entered into by their predecessors. Possibly mistakes are inseparable from a scheme of such magnitude. Many of the mistakes may have been brought about by circumstances over which the persons connected with the scheme had no control. We do not desire to whip the cat now. My reason for rising is to urge upon the Government, who will have the control of the administration of the new Act, that we must not have a repetition of past mistakes, and that whatever writing down is done must be well done. I say that in all seriousness. One has only to visit some of the blocks not far from Perth to see the number of abandoned holdings. The Leader of the Opposition said to-night that all these holdings should be thrown open at once. That is all very well. Would any Government be justified in throwing open the abandoned holdings on the Peel Estate, or in any other group, and allowing people to walk in for nothing? The Government are responsible to the House and to the country for the administration of this scheme as it now is. They cannot be held responsible for the mistakes of the previous Administration, but they must be responsible for mistakes made during their term of office. It is deplorable that two or three million pounds should have been wasted on one big

mistake, and that the country should have so little to show for the expenditure. Can any member blame me, as a unit of the Parliamentary life of this State, for having been one who was sitting behind the Government that purchased the Peel Estate? Whenever I made inquiries about that matter I was told by prominent Government officials that there was more money made out of the sale of firewood than the estate had cost the Government.

Hon. G. Taylor: Something must have gone wrong with the works.

Mr. STUBBS: I will leave that to the good sense of members. The Government are charged with the administration of the group settlement scheme, and they should do their best to overcome the consequences of past mistakes and errors of judgment, and the unfortunate circumstances that have arisen through the personnel of many of the settlers. I agree with the Leader of the Opposition that certain men on very poor land outside Busselton are making good. All the mistakes and failures of the scheme are not due to any particular Government or person. When this Bill is passed I would urge the Government to see that the new capitalisation of the blocks is arrived at with due regard to the future of the settlers themselves. If a block has cost £2,000 it is no use writing off £500 and asking the settler to carry the burden of interest on £1,500. On a 100-acre block a man would need to carry a great many cows and pigs before he could pay interest on £1,500 and keep his family, let alone establish a sinking fund which would wipe off the capital involved. The writing down should be on such a basis that each settler will feel that he will ultimately become the proprietor of his block. It would be far better to write down the £2,000 to £500. That would provide a great incentive to the man who was working the block. He would say, "Here is a block on which someone has failed to make good. I am told that £2,000 has been expended on it. It has been sold to me for £500. We are going to wipe off that £500 and produce a lot of wealth." The main object in starting group settlement was to prevent the drift of money to the Eastern States for butter and other commodities. Yesterday I had a chat with Sir Benjamin Morgan, who is touring the world on behalf of a London organisation with which he is connected. He said that the high tariff of Australia struck him as

amusing in view of the fact that large quantities of New Zealand butter were coming to Australia despite the duty of 6d. per lb. To some hon. members it may be news that Australia regularly imports considerable quantities of New Zealand butter, not withstanding the high duty on it. As the Leader of the Opposition has pointed out, the writing-off of millions of pounds spent on group settlement must be a bad advertisement for Western Australia. The news is bound to leak out, seeing that the Government have brought in a Bill to authorise the writing-down of overhead charges.

The Premier: The public had a right to know.

Mr. STUBBS: Certainly. I would like to mention that some years ago, when the question of group settlement was being discussed, I suggested from my seat on the other side of the Chamber that it would not be well to put all our eggs in one basket and that we ought to develop mixed farming in the wheat belt side by side with the establishment of groups in the South-West. The then Premier said by way of interjection that the settlement of the wheat belt would stand on its own bottom, and that everything would be all right with regard to it. But if one-half of the money that has been thrown away on the Peel Estate and other south-western properties had been expended in the manner I suggested on unalienated Crown lands in the wheat belt, areas now in course of alienation, if the voice of a humble unit had been listened to at that time, this Bill would not now be under discussion. With all respect to those who differ from me, I still say that the present Government are to be sympathised with, seeing that they did not inaugurate the group settlement system. Large amounts of money have been frittered away, in my opinion wrongfully. For the money frittered away during the time I supported the previous Government, I must take my share of responsibility. The present Premier and his colleagues will have to shoulder the responsibility for any further moneys frittered away. The mistakes of the past cannot be made good, but we can prevent a recurrence of them. I trust the Government will take note of the few humble words of advice I have tendered with regard to writing down. It is no use making two bites at a cherry. If the average debit of £2,000 per block is written down to possibly £500 by one stroke of the pen, it

will be by far the better course. Thus an incentive for the production of more wealth will be given to people taking up abandoned blocks. The course I suggest is infinitely preferable to putting a millstone around the necks of group settlers by writing off only a few hundred pounds from the debits. I support the second reading of the Bill.

MR. BARNARD (Sussex) [9.49]: I am in sympathy with the Bill, but do not consider it necessary to make an Address-in-reply speech on the subject, as has been done in some cases to-night. We all know that millions of pounds have been wasted in connection with the group settlements. I have said that before, and say it now. The time has come when we must look the matter squarely in the face. The Bill suggests the appointment of a board to value the blocks. I am not entirely in favour of a board. As the Agricultural Bank will have to assume the responsibility for these properties, it is only fair that officers of the bank should do the revaluation.

Mr. Angelo: Is that fair to the settlers? The suggestion is one-sided.

Mr. BARNARD: It is fair to the settlers. The hon. member knows full well that if one goes to the Associated Banks for a loan, they do not send an outsider to value the asset. They send along one of their own officers to do that.

Mr. Angelo: But they do not propose to take over the asset on that valuation. They propose to lend on the valuation. That is a different proposition altogether.

Mr. BARNARD: At any rate, I have expressed my opinion. I feel, moreover, that an Agricultural Bank Officer would know more about the valuation of the blocks than some of the people referred to by the hon. member interjecting. I agree with previous speakers that the capitalisations should not be too high, but should be such as to leave the settlers a chance. They have been handicapped for some considerable time through not knowing their position. It has always been a bugbear to the settler that he has no security of tenure. When the blocks have been taken over by the Agricultural Bank, the settlers on them will have the same security of tenure as is enjoyed by other settlers connected with the bank. Then the group settlers will be more contented, and will have a greater incentive to work for

themselves than they had in the past. Hitherto they have not known what period of time would be allowed them, or when they would be put off their blocks. The sooner this matter is attended to, the better. As I said in opening, it is not necessary to make long speeches on this short amending Bill.

Question put and passed.

Bill read a second time.

House adjourned at 9.53 p.m.

Legislative Council,

Tuesday, 25th September, 1928.

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

QUESTION—WINE INDUSTRY.

Interstate Competition.

Hon. C. F. BAXTER asked the Chief Secretary: 1, Are the Government desirous of fostering the local wine industry, seeing that it is an important adjunct to the operations of settlers who grow grapes mainly for purposes other than wine-making? 2, Are the Government aware that the advances made to settlers on vineyards are imperilled through the refusal to grant wine licenses to Western Australian wine-

makers? 3, Is there any officer empowered to report on wine being of a proper standard, and if so, has such officer power to condemn under-standard wine? 4, How many wine licenses are there in the Perth metropolitan district? 5, How many gallons of Western Australian wines are sold annually through existing wine licenses? 6, How many gallons of Eastern States' wines are sold annually by virtue of existing wine licenses? 7, Are there any restrictions under these licenses upon sales of Western Australian wines, as against imported wines, or vice versa? 8, Do the Government recognise that there are insufficient wine licenses in central positions to cope with the requirements of the business? 9, Do the Government realise that Eastern States wine producers are financing licensees in this State, and insisting on preference being given to the sale of their Eastern productions? If so, does not this constitute a breach of the Commonwealth Constitution Act? 10, As the grading of wine licenses here is this State's prerogative, are the Government prepared to restrict the sales in such a way that neither this State nor the Eastern States can obtain by this, or any other means, preference in the trade in respect of wine licenses?

The CHIEF SECRETARY replied: 1, Many statements have already been made announcing the Government's policy and frequent conferences have been held to endeavour to find ways and means of assisting the industry. 2, Whatever restrictions are placed on the sale of Western Australian wine are imposed by the licensees. 3, Yes, both under the Licensing Act and the Health Act. Liquor not complying with the proper standard is subject to the order of the court. 4, 46. 5 and 6, We have no information as to country of origin. Although we have no figures as to the quantities of wines sold annually by metropolitan wine licensees, the value approximately is—Western Australian wines, £7,360; imported wines, £38,090. The figures also disclose that in the majority of cases the wine licensees are selling a proportion of Western Australian wines. 7, No, the license is for sale of Australian wine. 8, This is a matter for the Licensing Magistrates. 9, Yes; but this is not a breach of the Commonwealth Constitution Act. 10, The matter is now being considered.