

Legislative Council.

Wednesday, 23rd October, 1940.

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

QUESTION—NORSEMAN STATE BATTERY.

Hon. J. CORNELL asked the Chief Secretary: 1, Is it a fact that prospectors using the Norseman State Battery for crushing purposes have made repeated complaints to the Mines Department about the dented and holey condition of the battery plate in use there, and have asked for a new plate? 2, If so, why have these complaints, and the request made, been ignored?

The CHIEF SECRETARY replied: 1, Complaint has been received from one prospector in Norseman *re* the battery copper plate. 2, Whilst this plate is old, it is still serviceable. Its condition is carefully watched and it will be replaced when necessary.

QUESTION—TROLLEY BUSES.

As to Relieving Traffic Congestion.

Hon. J. A. DIMMITT asked the Chief Secretary: 1, What is the form of the Railway administration's effort to cope with the problem of increased passenger traffic on trolley bus routes? 2, When will the effort referred to give the travelling public the relief the present unsatisfactory situation demands?

The CHIEF SECRETARY replied: 1, Six road buses now being built will be available in December; these will be used pending receipt of six trolley buses on order. 2, Answered by No. (1).

QUESTION—TRAFFIC OFFENCES.

Hon. C. F. BAXTER asked the Chief Secretary: 1, How many persons were fined for breaches of the Traffic Act from the 1st July, 1939, to the 30th June, 1940? 2, What was the total amount of the fines inflicted on such offenders?

The CHIEF SECRETARY replied: 1, 8,793. 2, Fines £8,771 12s. 6d. and costs £1,717 9s. 11d. These figures apply to the metropolitan traffic area only. Those relating to other areas are not available.

MOTION—JETTIES ACT.

To Disallow Regulation.

HON. G. W. MILES (North) [4.35]: I move—

That Regulation No. 10 made under the Jetties Act, 1926, as published in the "Government Gazette" on the 6th September, 1940, and laid on the Table of the House on the 10th September, 1940, be and is hereby disallowed.

For the benefit of members I will read the regulation, which is as follows:—

Wharfage dues, etc., to be paid:—Except where otherwise provided, wharfage dues and handling and haulage charges, as prescribed in Appendix I of these regulations, shall be paid on all cargo landed from or shipped into any vessel. Such wharfage dues and handling and haulage charges shall, except where otherwise provided, be levied on the measurement or weight (at the option of the officer in charge) of the goods as declared on the vessel's manifest.

A perusal of the appendix referred to discloses increases in charges on commodities that the people of the North require. At this juncture when the Government has taken the opportunity to appoint a Royal Commission to inquire into the disabilities of the people engaged in the pastoral industry in the North, the time is not opportune to increase charges that have to be borne by the producers in that part of the State. I think the House should agree that it is advisable to disallow the regulations pending the receipt of the Royal Commissioner's report. I find that the new regulations, while consolidating those that have been made from time to time, also provide for increases in the charges for handling cargo and in certain of the wharfage rates payable at North-West ports. In a few instances reductions have been made presumably for the purpose of achieving uniformity. Justification for the increase

will no doubt be claimed on the ground that the cost of working the jetties has increased since the old charges were imposed. This method represents another example of passing on costs. As I have remarked on many previous occasions, this is a system in which Governments as well as practically all other sections of the community are able to indulge. The exception is the unfortunate primary producer whose products are sold at world prices or, in the case of wool under present conditions, at a fixed price, which makes no provision for increased cost of production. Australia's wool clip has been sold to the British Government for the duration of the war and for one clip thereafter, at an average price equivalent, at the present rate of exchange, to 13-7/16d. That does not mean that every grower will receive that return for each lb. of wool he produces. The price represents an average for the whole of Australia, and for the first year of the scheme will average less than 13d. per lb., including the end-of-season dividend. Wool from the districts served by our North-West ports does not equal in value the Western Australian average. I should say that the North-West average would be from 1d. to 2d. per lb. below the State average. It should be unnecessary for me to tell the House that, with the disastrous drought conditions which have afflicted a large portion of our pastoral areas for some years past, and the consequent serious decline in the volume

of production, the present price for wool is not profitable. I have no doubt that my statement will be confirmed by the report of the Royal Commissioner who has inquired into the conditions of the pastoral industry. Since our wool clip was purchased by the British Government at the fixed price mentioned, producers' costs have advanced in a number of directions, including shipping freights on the North-West coast, and the new charges under the Jetties Act regulations will add to the costs of the already overburdened producers. The amount involved may not seem of very great moment, but the aggregation of numerous relatively small increases in costs has done much harm to our primary industries in the past. Consequently it behoves the Government to call a halt in the imposition of added costs for its services. In view of the fact that the report of the Royal Commission on the Pastoral Industry is nearing completion, a more inopportune time for the Government to impose further burdens on the industry can hardly be imagined. If, as I believe, the Government intended, in appointing the Royal Commission, to have some method devised to assist the industry, its object would be more likely to be achieved if means of reducing costs were sought. The principal alterations in the wharfage, handling and haulage charges prescribed by the regulations are as follows:—

Class of Goods.	Carnarvon.		Onslow.		Pt. Samson.		Broome.		Derby.		Wyndham.	
	Rate per ton.		Rate per ton.		Rate per ton.		Rate per ton.		Rate per ton.		Rate per ton.	
	Old.	New.	Old.	New.	Old.	New.	Old.	New.	Old.	New.	Old.	New.
Flour, Bran, Pollard, Tobacco, Cigarettes and Sugar Fodder (in bales) Inflamable Liquids.....	} Handling Charge											
	3 6	4 0	3 0	4 6	3 6	4 0	4 0	5 0	4 0	5 0	7 6	8 8
Explosives— Wharfage Handling Minimum Charge per consignment: Wharfage Handling Haulage	2 6	6 0	2 6	6 0	2 6	6 0	2 6	6 0	2 6	6 0	2 6	6 0
	3 6	10 0	3 6	10 0	4 3	10 0	4 0	10 0	4 6	10 0	5 0	10 0
	2 6	3 0	2 6	3 0	2 6	3 0	0 6	3 0	0 6	3 0	0 6	3 0
	2 0	4 6	2 0	4 6	2 0	4 6	0 9	4 6	0 9	4 6	0 9	5 0
	1 0	2 0	1 0	2 0	1 0	2 0	0 3	2 0	0 3	2 0	1 0	0 6
Skins— In bales (per bale handling)..... In bundles (per bundle handling).....	0 8	1 0	0 8	1 0	0 9	1 0	1 0	1 0	1 0	1 6	1 9	1 9
	0 8	0 9	0 8	0 9	0 9	0 9	1 0	0 9	1 0	0 9	1 0	1 0
Other Goods—(not included elsewhere)	4 0	4 0	4 0	4 0	4 0	4 0	4 0	5 0	4 0	5 0	7 6	8 8
Wool— Handling (per bale) Haulage (per bale)	0 8	0 9	1 0	0 9	0 9	0 9	1 0	1 0	1 0	1 0	1 6	1 6
	0 4	0 4	0 4	0 4	0 4	0 4	0 3	0 4	0 3	0 4	.....	.....
All Goods—Minimum Haulage Charge per Consignment	0 3	0 6	0 3	0 6	0 3	0 6	0 3	0 6	0 3	0 6	1 0	0 6

The increased charges in respect of these goods are as follows:—

Class of Goods.	Carnarvon.	Onslow.	Pt. Samson.	Broome.	Derby.	Wyndham.
	Increased Rate per Ton.	Increased Rate per Ton.	Increased Rate per Ton.	Increased Rate per Ton.	Increased Rate per Ton.	Increased Rate per Ton.
Flour, Bran, Pollard, Tobacco, Cigarettes and Sugar	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Fodder (in bales) } Handling Inflammable Liquids.... } Charge	1 0	1 0	1 0	1 0	1 0	0 10*
Explosives—						
Wharfage	3 6	3 6	3 6	3 6	3 6	3 6
Handling	6 6	6 6	6 9	6 9	5 6	5 0
Minimum Charge per consign- ment:						
Wharfage	0 6	0 6	0 6	2 6	2 6	2 6
Handling	2 6	2 6	2 0	3 9	3 0	4 3
Haulage	1 0	1 0	1 0	1 9	1 9	0 6*
Skins—						
In bales (per bale handling) ...	0 4	0 4	0 3	0 6	0 6	....
In bundles (per bundle handling)	0 1	0 1	....	0 3*	0 3*	....
Other Goods—(not included else- where) ....	....	....	....	1 0	1 0	0 10*
Wool—						
Handling (per bale)	0 1	0 3*	....	....	....	....
Haulage (per bale) ....	....	....	....	0 1	0 1	....
All Goods—Minimum Haulage Charge per Consignment	0 3	0 3	0 3	0 3	0 3	1 6*

Note.—* represents Reduction.

As I have said, the present is not an opportune time to impose these increases on a community which has no possible chance of passing on the charges. Consequently I hope the House will agree to disallow the regulations so that we may await the report of the Royal Commissioner concerning the disabilities facing people in the North.

On motion by the Chief Secretary, debate adjourned.

BILL—ELECTORAL ACT AMENDMENT (No. 1).

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the Council's amendments.

BILLS (3)—FIRST READING.

- 1, Bush Fires Act Amendment.
- 2, Road Closure.
- 3, City of Perth (Rating Appeals).
Received from the Assembly.

BILL—POLICE ACT AMENDMENT.

Returned from the Assembly without amendment.

BILLS (3)—THIRD READING.

- 1, Feeding Stuffs Act Amendment.
- 2, McNess Housing Trust Act Amendment.
- 3, Mine Workers' Relief Act Amendment.

Passed.

BILL—RURAL RELIEF FUND ACT AMENDMENT.

Second Reading—Defeated.

Debate resumed from 2nd October.

HON. A. THOMSON (South-East—in reply) [4.55]: I believe members desire that a vote should be taken on this measure, and also that we should know who are for us and who are against us. After giving the matter mature consideration, I have come to the conclusion that were I to withdraw the Bill I would be admitting that I had introduced something of which I did not approve. I take this opportunity to thank members who have offered genuine and constructive criticism. I also thank Mr. Cornell for the remarks he made when he referred to the motive behind the introduction of this Bill. I want members to realise our motive in bringing down the Bill. We desired to ascertain whether it was possible to arrive at

a satisfactory basis whereby those people who are so badly in need of assistance might be helped. I will be frank and say that when the Bill was first suggested some three years ago I was not at all enthusiastic about it. Had it been brought down then, I doubt whether I would have been able to give it the whole-hearted support that I have given it on the present occasion. Slowly but surely it has been brought home to me that something must be done for the people concerned. It was the considered opinion of those with whom I am associated that this proposed amendment to the Rural Relief Act was an honest endeavour to afford the requisite help. I point out that similar legislation is already in existence in other parts of the Commonwealth. Therefore we offer no apology for having placed this amending Bill before the House for its consideration. We have been taken to task because we have endeavoured to initiate this legislation in the Legislative Council. Ever since I have had the honour of being a member of this House, the first measure introduced by the Chief Secretary is a small Bill, called the privilege Bill, asserting that we have the right to initiate legislation in this Chamber. Some hon. members have said in effect that it is not the prerogative of this House to inaugurate legislation because we are only a House of review. We know of course that that is not so. A great deal of sympathy has been expressed by the Chief Secretary and other members who have opposed the Bill, and that is all we have been offered in the way of solving a problem as we have been trying to do by means of the Bill. I take this opportunity to express my resentment at the attacks made by some members on the honesty and integrity of the farming community. That section of the people can be regarded as being just as upright and honest and as good citizens as any other section of the people.

Hon. J. Nicholson: I do not think that what you say was ever suggested.

Hon. A. THOMSON: It was, and if the hon. member will read "Hansard" he will find that some members did make such a statement; so I feel I owe a duty to myself and to those who through adverse circumstances find themselves in financial difficulties which they are unable to overcome to refute those charges. The average person with whom I have

come in contact is just as keen and desirous of meeting his obligations as is any other honest person. Of course there may be one or two, and there are always exceptions, who may try to evade their responsibilities, as perhaps is a person who is driven by desperation to do so. Therefore when wholesale condemnation is offered I can only express regret that aspersions were cast on the reputation of farmers as a whole. One of the objections against the Bill was with regard to fixing the period of valuation on an eight years' acreage production. Frankly, I admit that if any member had moved an amendment in that respect, I might cheerfully have accepted it, assuming, of course, that the Bill had passed the second reading and reached the Committee stage. Criticism was offered because among the rural relief trustees there was not provision for the representation of the financial institutions. We must remember, however, that if we had attempted to alter the Act by making such a provision, which would have meant committing the Government to the expenditure of money, you, Mr. President, would have ruled the Bill out of order. The proposal would have meant placing a burden on the people, and so it could not have been accepted. If the Bill passes its second reading, an amendment of that nature could come from the Government provided of course it was sympathetically inclined.

I wrote to the Government Statistician and asked him to supply me with figures showing the value of production in the agricultural, dairying, poultry and bee-farming industries for eight years—1931-32 to the end of 1939—and also statistics relating to the eight preceding years—1923-24 to 1930-31. I intend to quote the information given me to show by comparison that the suggested method of valuation was unfair. When the Chief Secretary was speaking, I asked him if it would be possible for him to make available to us the basis upon which the Agricultural Bank had arrived at its valuations; and so that I might have that information before me, I asked a question. The reply, in effect, was that the Government was not prepared to place the information at my disposal. So we come to the question of what is the true valuation of a man's property upon which he may have a chance of succeeding. It is admitted that the last few years have not been as profit-

able as former years. The figures for the last eight years' productive value, however, do not show an alarming decrease, and even if the man's indebtedness had been frozen for a period of six years, I am satisfied that that method of arriving at a valuation would be far more equitable than that of estimating what the property would bring in the market. As we know, the value of a man's assets to-day, particularly in the farming industry, is certainly at a low ebb, and that would not be a fair basis upon which to fix values. Let me quote some figures showing the gross value of primary production in Western Australia. Between 1923-24 and 1930-31 the value was £86,696,202. For the same period the value of dairy, poultry and bee-farming products was £11,227,087, a total of £97,923,289. I do not intend to include the figures relating to the pastoral industry. Now we come to that to which so much objection has been raised by members in this House, and we find that there is a slight decrease in one and a considerable decrease in another section. The value of agricultural products declined from £86,696,202 in 1931-32 to £75,451,529 in 1938-39. On the other hand, produce from dairy, poultry and bee-farming over the period from 1931-32 to 1938-39 increased from £11,227,087 to £15,583,278. These figures aggregate £91,034,807, showing a decline of £6,888,482 in the value of production in the last eight years compared with the preceding eight years. That is one of the reasons why we are seeking to obtain some measure of relief. In the last eight years the total decline in the value of the production averaged over £861,060 per annum. Thus instead of offering wholesale condemnation, members should have been a little more sympathetic. That would have been their attitude if they had given more thought to the question. Again, if there were a better basis of valuation I would have been pleased to accept reasonable amendments that might have been submitted in the Committee stage. But we find that the basis of valuation has been taken on the eight years which have proved to be the worst in the history of Western Australia. That is what disappoints me. I am also disappointed at the remarks of some members that the time is not opportune for carrying out my proposals and that therefore nothing should be done. In effect, what members say, is that we should just wait and see whether something turns up. To quote Mr. Cornell's words, the motive we

have behind this amendment is what should have been considered. Instead, wholesale condemnation has been poured upon my head and on the Bill itself. To the wealth produced in the last 16 years amounting to £189,000,000 we can place beside it the additional burden put upon primary industry, and it has been acknowledged by prominent members of this House that the high protective tariff and awards of the Arbitration Court have proved a heavy burden. I am not taking any exception to the awards, because they are the result of the considered policy of Australia and as such we must accept them. But we cannot deny that the industry is suffering as the result of the laws that have been brought into force. The position of the manufacturer is very different. He has been operating for the past 16 years under a highly protected tariff which, of course, enables him to compete with the goods imported from overseas. Then the Arbitration Court fixes the amount of the basic wage and the margins to be paid for skilled labour. That in turn affects the cost of manufacture. To-day, although we are at war and although we have a Price Fixing Commissioner, the price at which manufactured goods shall be sold is based upon the cost of raw material and the increased cost of manufacture. All industries, with the exception of the agricultural industry, are in the happy position of being able to "pass the buck," as some people say. Increased costs are passed on to the public, who pay them without demur. No objection is raised. But when a move is made to improve the condition of the primary producer, we are told that the time is not opportune, that we should wait a little longer. If we bring forward some such measure as this, we are told we are trying to wreck the financial stability of the State. Much objection has been taken to the Bill. I was amazed to learn that I was being accused of trying to bring about a crash of the financial system of Western Australia and to make people dishonest. I do not desire to raise anything of a controversial nature; my sole thought is the position of the farmer to-day. He has to accept a fixed price for his product; yet he cannot pass on his increased costs. Mr. Miles to-day raised objection—and rightly so—to the increased imposts which have been placed upon the producers in his electorate. The primary producer has to accept a fixed

price for his wool, wheat, meat, butter and eggs. Contrast all this with what is happening in the Eastern States at the present time. A hospital ship is held up for months, although the men were offered wages at the rate of £89 per month, which they refused. We did not hear any wild howls of opposition to the action taken by coalminers, who went on strike and held up the industry. Recently a man lost his boots and in consequence many of his fellow-workers refused to continue work. I have quoted these instances to show that when one section of the community insists upon bettering its position, the Federal Arbitration Court and all people in high places who are concerned try in every way to assist. Yet members of this House are met with opposition when they raise their voices in an endeavour to draw public attention to the serious position the farmers are facing. An enormous sum of money has been expended by the Government on railways and other works with a view to developing our country districts. When representatives of the primary producers try to protect that which every Government claims is one of the planks of its platform, when they try to prevent centralisation and encourage people to settle in the country, what encouragement do they get? I regret indeed the tone which the debate took. It is suggested that we shall break a contract if we pass this measure. I propose to quote correspondence from the Eastern States which goes to show that legislation of a character similar to this has not proved detrimental to farmers' credit in the Eastern States.

Recently I saw a farmer's balance sheet which had been prepared by a reputable firm of accountants. For the year 1938-39 that farmer paid by way of interest on his overdraft an amount equal to 33 1-3 per cent. of the total value of the production of his farm. Last year the interest payment absorbed 20 per cent. of the production. What are we asking for in this measure? It is that some tribunal shall be set up which will be empowered to call before it the representatives of financial institutions and say, "We would like to discuss with you the position of Mr. Jones or Mr. Smith. We have gone into his case and find to-day that he is paying interest at the rate of 6 per cent. on an overdraft of £4,000. He is not earning enough to pay

the interest; we therefore think that you should for a period, say, six years, allow £1,500 to stand on one side. We are not asking you to lose it, but to freeze it, thus affording the farmer relief from finding £90 per year interest which he is not able to pay." If the farmer cannot pay that interest, then automatically it is added to his debt, which keeps mounting up. In my opinion, that suggestion to assist the farmer is a practical one. I do not say that some institutions are not adopting such a course. Personally, I have not attacked banks or financial institutions. I have endeavoured to deal with the Bill as a piece of legislation and not to pass reflections on anyone. That attitude was imported into the debate by the opponents of the measure. One could imagine the relief a farmer would feel when he knew that for a period of six years he would not have to pay that £90 per year interest. He would see some daylight, he would become hopeful, he would have something to work for. Any honest reputable man will meet his obligations. I admit frankly there is another mistake in the Bill. Provision should be made that at the end of the period there should be a revaluation. That was referred to by Mr. Craig. Further, if a farmer had had portion of his debt frozen for a period of six years and he is then apparently not in a better position and has had his debt written down by the amount frozen, I am sure it is the wish of every colleague of mine that, should the farmer be fortunate enough to sell his property for a substantial price, he ought not to benefit by the amount so written off. If members would approach the measure in the spirit in which I have approached it, we might possibly arrive at some solution of the problem and place on the statute-book an Act which will help not only the financial institutions but also the farmers.

I indicated last night that we might possibly be faced with wholesale bankruptcy. I repeat that statement. Unless some measure of relief is afforded to our farmers, I am afraid we shall be faced with a serious position in the agricultural districts. Numbers of farmers have said to me, "What have I to work for? Why do I stay here? I have given 20 or 30 years of my life to this property." I shall give members some instances of such cases. A man settled in portion of the district which I once represented in the Legislative Assembly. He and his family were a tower of strength to the people of the

district, including newcomers. Like many other farmers, he has fallen on evil days. His sons have said to him, "We are not going to stay on the farm; you can have it, if you like, but what have you got to show for the 20 or 30 years you have been on it?" Two of his sons left and came to the city, where life is much more pleasant. His other son has enlisted and his daughter has taken up nursing as a profession. The father and mother are left on a property that they took up over 30 years ago with the idea of providing a competency for themselves and their children, but the position to-day is that not one of their children will remain on the farm.

Member: That has occurred many times.

Hon. A. THOMSON: In another case, the husband unfortunately died. I begged his widow to leave the farm and reside in Kataning under more comfortable conditions for herself and her children. She said, "No. He (calling her husband by name) asked me to carry on the farm because he wanted his boy to get it when he attained 21 years of age." I met the young fellow recently in the city and pleaded with him to comply with his father's wish. He said, "What has mother got for all her years of sacrifice? I am joining the Army; at least we will be sure of decent food and clothing, which is more than I have had for years. I am fed up." The widow is nevertheless remaining on the farm, which she intends to work until her son returns from the war. I told another young man who was leaving a farm that his father had trained him and that he had a duty to his mother and the younger members of the family. He replied, "I have done my duty ever since I can remember. I have worked on the farm, but what have we got? What are the prospects? I am joining the Army!" Many such young men are joining the Army because it gives them at least some temporary hope. I am not drawing a long bow, but am directing the attention of members to what is a prevalent idea in many of our country districts. The farmers are asking that something should be done, yet members say what the financial institutions will do, or will not do, until this measure is wiped off the notice paper.

I am telling the House what hundreds of farmers are thinking. What will become of the asset that has been created by them? We are all asking for decentralisation. We want to encourage people to go out into the country. What encouragement are we giving them to do so? Is it any wonder

that they are leaving the country and coming to the city? Those who have put their all into developing the land are beginning to ask themselves whether it is worth while to hang on any longer. The hon. member who sits behind me desired to draw attention to the seriousness of the position prior to the war and he was laughed at. I and my colleagues have been laughed at because we are drawing attention to the serious position in the country areas. The object of introducing the Bill was to get something done. The Chief Secretary stated that the Government had no money with which to meet the difficulty. Other members say that the Government must find the money. I do not know what will be the position of the men who are asking for assistance if both sections of Parliament simply say, "Nothing can be done; let us wait." Some members have said, "Let the farmers go off the land." I again quote the hon. member who sits behind me; he said there is no hope for them and asked what would become of them if they left the land. It would place an additional burden on the Government and necessitate the finding of more money for relief work. I wish to emphasise that it is in the interests of the Government and the financial institutions that these men and women should be kept on their farms. A policy that does not recognise this fact would be indeed short-sighted.

We have been told that the measure amounts to repudiation. I regret that that word has been used so freely during this debate. The measure does not represent repudiation. All I ask is that the interested parties should come together and discuss the matter. Some members have replied that that is what the financial institutions are doing. I believe many of them are, but as regards the companies handling trust and other funds, if their actions were legalised, they could undertake a strict scrutiny of a creditor's position and thus the measure would prove helpful instead of detrimental. Some members have declared that the effect of the Bill would be to injure the credit of the farmers. I dealt with that aspect last night and will not repeat the arguments beyond saying that the attitude of merchants to the farmers is, "No cash, no machinery." "No cash, no super." The farmers can get nothing without cash. This being so, how can members say that the credit of farmers will be in any way affected by the passing

of the Bill? I realise that there is a defect in the Bill. In the event of a certain amount of debt being frozen, any further advance to assist the farmer to carry on would not be affected by that freezing or suspension. One member said that further advances to clients would not be considered by one man until this measure had been disposed of. When interest rates were compulsorily reduced by the Commonwealth, the banks opened a No. 2 account and left the old account standing. No one can convince me that if the financial institutions are sincere—I believe they are sincere in their desire to protect their own interests—there would be nothing to prevent their consulting the legal fraternity—we have three legal members in this House—and getting an agreement framed to protect them under the additional mortgage. This could be done irrespective of whether the Bill became law. So I repeat that advances for current credit would not be affected. Nobody knows that better than do the legal members of this House, but there seems to be no desire to assist an industry so sadly in need of sympathetic help.

The statement has been made that the equity in the agricultural industry has disappeared. Is that due to any fault of the farming community as a whole, or is it due to low prices, increased costs imposed upon the industry by Commonwealth and State Governments, and to the fact that much of the land taken up in good faith on the recommendation of Government officials has not responded to cultivation in the manner expected? Sir Hal Colebatch said what puzzled him was that one farmer should get a crop averaging 20 or 30 bushels while another got only 9 or 10 bushels. I am pleased that the scientific section of the Department of Agriculture is grappling with this problem. A large sum of money has been written off group settlement, but was that solely due to faults of the settlers? In the Denmark area settlers' stock suffered from wasting disease. Farmers cultivated their land and observed the improved methods and, despite all their efforts, their stock was dying. Thanks to scientific investigation, it was discovered that cobalt was missing from the soil, and that by giving cobalt in a lick to the cattle, the problem could be solved. Would members hold those farmers responsible for lack of success? Science has also discovered that

certain soils, given a percentage of sulphate of copper, yield better returns. Thus science is assisting the farmer. If the State has incurred considerable loss on the agricultural industry in certain districts, the whole of that loss has not been the fault of the farmers. When I first entered Parliament my electorate of Katanning included the Ongerup district. Great hopes were entertained for that district, but it became the grave of the hopes and aspirations of many settlers. Since then, after it had been cultivated for quite a number of years, Ongerup in normal seasons is one of the best producing districts in the State. But the early settlers paid the penalty; many of them walked off their holdings with nothing. Therefore people should hesitate before condemning the farmers for failure or for the losses incurred by the State. If those members who condemned the farmers as dishonest or incompetent only analysed the position, they would appreciate that the percentage of failures in the farming industry is no greater than that in other industries.

One solution I offer has, in effect, been recommended by other members. It is time we reviewed the fiscal policy of Australia and the restrictions imposed upon the farming community. The farmers have to accept overseas parity for all the commodities they produce. For this reason they are unable, as are manufacturers, to pass on increased costs to consumers. Farmers also have to bear all the transport and handling charges. Manufacturers, when fixing the price of their goods, include all their costs. The farmer who purchases agricultural machinery has to pay those costs and has also to pay freight from the city to the farm. For production in the agricultural industry, however, the boot is on the other foot. The price of wheat is fixed for the farmers, and from the price are deducted the various charges—handling charges at the siding, railway freight, handling charges at the port, freight overseas and insurance costs. Primary producers are the only ones from the proceeds of whose commodities the whole of the handling charges are deducted. Therefore I say that something should be done to compensate the industry for the load of disabilities with which it is burdened. We have been told that the State cannot do anything. Yet the Government of Queensland has made available £50,000 to assist the farmers in

the drought-stricken areas of that State. But the State of Western Australia says, "We have no money; we are not able to do anything; assistance must be obtained from the Federal Government." My feeling is that if the joint select committee materialises, it might be able to put up a practical suggestion as from Parliament itself, not from a Minister, that the Federal Government do in this case as it has done relatively to other secondary industries—give a bonus and make the whole of the people of Australia pay their share, as the primary producer pays, and more than pays, his fair share in the production of his staples. The fate of the Bill has been predicted. We have been told it is lost.

Hon. C. B. Williams: It will be if my vote can do it.

Hon. A. THOMSON: I have attended in this House fairly regularly in the discharge of my duty to my constituents. When a member comes here and puts up a case—

Hon. C. B. Williams: You have been putting it up for three weeks.

The PRESIDENT: Order!

Hon. A. THOMSON: If the hon. member had been here, he would have had an opportunity to say something. I am sorry to have been obliged to make that observation.

The PRESIDENT: Order!

Hon. A. THOMSON: I have brought this measure forward because I firmly believe that something has to be done. After careful thought, I am unable to see any better way of assisting our primary producers than the way proposed in the Bill. This House cheerfully passed a measure enabling the Rural Relief Trustees to say to the country storekeeper, and to unsecured debtors of the farmer, "You shall take half-a-crown or three shillings, as the case may be, in the pound, and you will give the farmer a clean receipt."

Hon. J. J. Holmes: That was wrong.

Hon. A. THOMSON: I did not say it was wrong. On the contrary, I regard it as an excellent gesture by the Commonwealth Government to meet a difficult position and assist the farmer. The majority of unsecured creditors, I believe, accepted the solution as the best obtainable in view of the position of their debtors.

Hon. H. V. Piessé: It forced many business men into bankruptcy.

Hon. A. THOMSON: Possibly it had that effect as well. The Bill does not ask financial institutions to accept 2s. 6d. or 3s. in

the pound, but asks them to allow a farmer's property to be valued on its productive capacity as compared with farms run by efficient farmers, thus giving a little breathing space, and then to set on one side portion of the debt—not wiping it out, but setting it aside for a period of six years which has been suggested. If those proposals were agreed to, financial stability would result. I know that I am speaking somewhat lengthily, but the subject is worthy of full deliberation. I have here a resolution by a road board in my electorate—

At a meeting of my board held recently, the position of the primary producer was discussed at great length, it being pointed out that under the present system of financing the farmer, it becomes almost impossible for him to carry on successfully. Consequently the following motion was carried:—"That until the Government formulates some policy of stability for the primary industries, it is considered that a moratorium be placed on farmers' debts."

I am not advocating a moratorium at the present time. However, that resolution comes from a rural road board. Now I wish to place on record a letter from Victoria, obtained at my request by the secretary of the Primary Producers' Association of Western Australia. It is dated the 20th September, and reads—

The Debts Adjustment Act, 1935, which I presume is similar to your Rural Relief Act, deals with secured debts as follows:—If the secured creditor refuses to accept a plan of adjustment of the principal sum when the farmer applies for protection under the Act, the Debts Adjustment Board may postpone proceedings for a period not exceeding five years. During this period the board may determine what payments shall be made to the secured creditor by the farmer, and may fix the rate of interest, such rate not to exceed 4 per cent. per annum. At the end of the period of five years the farmer's assets shall be re-valued by an independent valuer appointed by the board, and both creditor and debtor may also submit their respective valuations. The board may then determine the value of the security at that time, and write down the debt to that amount.

Under the Farmers' Protection Act which was recently passed in Victoria, a limited moratorium is provided; but no provision is made for any adjustment of debts. A farmer may obtain a stay order from the Debts Adjustment Board, which is appointed to administer the Act, against any number of his creditors who give notice in writing of taking adverse action against him.

I cannot believe that the provisions of our Debts Adjustment Act mentioned above and applied only in certain circumstances have affected the credit of other farmers more

fortunately placed. It is generally recognised by the banks—or at least by their managers—that in such cases there is no possibility of such principal sums ever being liquidated. Whilst these sums still remain a debt against the farmer, he has no feeling of security, he loses his morale and becomes dispirited.

Farm credit is very restricted at the present time, because so many growers are mortgaged to the full present-day value of their security, and also because there is apparently no future for the industry, more especially as far as the coming year is concerned. But it would be incorrect to say that any adjustment of secured debts as mentioned by you would further accentuate the position.

That is from a gentleman in Victoria who is president of a large association there. I have also a letter from New South Wales, much to the same effect. I shall read merely a portion of it—

I have handled many cases of debt adjustment, and I am pleased to say I have always found the Associated Banks and other creditors, especially the unsecured creditors, prepared to reduce their debts. When the debts are adjusted the farmer then does not pass out of control of the Farmers' Relief Board immediately, as arrangements are made, usually through the Rural Bank, which is a Government institution, for the necessary mortgage and carry-on. Of course we have other Government organisations through which the farmer may get assistance if the bank cannot meet the whole of the obligations, but in most cases where debt adjustment has been completed and the farmer has struck a normal season, I am pleased to say that he is able to stand up to his obligations. Of course, loans in these cases are long-term loans.

In introducing the measure which I have had the honour to place before this Chamber I said that if the Bill were passed it would enable farmers to stand up to their obligations, as every one of them desires to do. But if the farmers are not given some Government assistance such as I have suggested, we are facing a desperate position in the agricultural industry and in the country districts generally. This will have severe repercussions on our country towns, and in its turn on the city as well. Therefore I ask the House to pass the second reading of the Bill. If hon. members refuse to do so, the responsibility will be theirs—not mine. I have done my duty.

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

Ayes	..	..	..	8
Noes	..	..	..	13
				—
Majority against	..	..	..	5
				—

AYES.	
Hon. C. F. Baxter	Hon. V. Hamersley
Hon. J. Cornell	Hon. H. L. Roche
Hon. J. M. Draw	Hon. A. Thomson
Hon. E. H. H. Hall	Hon. H. V. Plesse
	(Teller.)

NOES.	
Hon. L. B. Bolton	Hon. J. M. Macfarlane
Hon. Sir Hal Colebatch	Hon. G. W. Miles
Hon. L. Craig	Hon. J. Nicholson
Hon. G. Frazer	Hon. H. Tuckey
Hon. E. H. Gray	Hon. C. B. Williams
Hon. J. J. Holmes	Hon. H. S. W. Parker
Hon. W. H. Kitson	(Teller.)

AYES.		NOES.	
Hon. W. R. Hall	Hon. H. Seddon	Hon. E. M. Heenan	Hon. F. R. Welsh
Hon. T. Moore	Hon. G. B. Wood	Hon. J. A. Dimmitt	
Hon. W. J. Mann			

Question thus negatived; Bill defeated.

BILL—FREMANTLE GAS AND COKE COMPANY'S ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E.

H. Gray—West) [6.0] in moving the second reading said: The Bill is introduced to grant authority to the Fremantle Gas and Coke Company Limited to increase its share capital from £60,000 to £120,000. In a nutshell, that is all the Bill seeks to achieve. With the object of shortening the discussion on the measure, I may inform the House that there was a long debate in another place regarding the propriety of granting permission for the proposed increase in the capital of the company. Objection was taken on the ground that the undertaking should be a public utility. We all have our individual ideas on that question. The fact remains that to-day the company is operating under its charter and has certain rights. The interests of the people of the Fremantle district are involved in this legislation, and it is necessary to approve of additional capital so that the residents in the areas affected will be able to enjoy an improved and efficient gas supply. Members will be aware that some years ago a controversy arose regarding the company and an attempt was made at Fremantle to authorise the local municipal council to take over the concern. The move came to nothing, and the company has carried on ever since. From the company's point of view, the undertaking is well managed, but is handicapped in that at peak periods it cannot provide the consumers with the service to which they are entitled. The Bill has the support of the several local

authorities in the Fremantle districts and there is no division of opinion among the people who require the improved service.

Section 11 of the principal Act reads as follows:—

In addition to the powers of borrowing before contained, and notwithstanding anything contained in the general Act or in the Articles of Association registered thereunder the Company with the sanction of a special resolution passed at a general meeting to be convened for the purpose may from time to time increase the capital of the Company by the creation of new shares of such amount as may be deemed expedient so, nevertheless, that the whole capital of the Company shall not exceed the sum of sixty thousand pounds.

The company now desires to increase its share capital beyond the £60,000 mentioned in the Act to the amount provided for in the Bill, but before it can do so, Section 11 will have to be amended. The reason for the increase of the amount of the nominal capital of the company is to enable new shares to be issued, as more capital is needed to cope with the company's expanding business. The whole of its capital has been called up, and the directors find—their opinion is shared by all consumers in the Fremantle district—that it is totally inadequate to meet requirements. Any new capital will be raised by way of new shares, and the proceeds will be utilised solely for the purpose of additions and extensions of works, and also for the extension of mains into areas not yet reticulated. No bonus shares will be issued out of these new shares under any consideration whatever, and shares will be issued from time to time according to demands for the expansion of business.

A short history of the company's operations should be of interest to members. The company originally commenced operations with a nominal capital of £15,000, divided into 15,000 shares of £1 each, and was incorporated under the Joint Stock Companies Ordinance 1858. In 1886 the Government introduced, and Parliament passed, a measure entitled the Fremantle Gas and Coke Company's Act, 1886. Under Section 11 of that Act the company was authorised to increase its capital from £15,000 to £60,000, conditionally on any increase being sanctioned by the shareholders of the company at a special meeting convened for that purpose.

In its first year's operations the company's called-up capital amounted to £15,000, the gas production being 2,500,000 cubic

feet. Since then, the called-up capital and the gas production has been as follows:—

Year.	Called up capital. £	Gas produced. cub. ft.
1896	15,000	15,000,000
1906	30,000	22,000,000
1916	30,000	34,000,000
1919	30,000	44,000,000
1929	45,000	69,000,000
1939	60,000	90,000,000

The output of gas for the six months of this year has been 50,000,000 cubic feet, so hon. members will see that the operations of the company are expanding. It is unnecessary for me to say much more about the Bill. Briefly, the company wishes to expand its operations; the people desire an increased and more efficient service; and—

Hon. H. S. W. Parker: The House wishes to make the provision.

The HONORARY MINISTER: I move—
That the Bill be now read a second time.

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—ROYAL AGRICULTURAL SOCIETY ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [6.9] in moving the second reading said: This is a short and simple Bill, which provides for authority to be given to agricultural societies that are affiliated with the Royal Agricultural Society, to make their own by-laws on domestic matters of their own concern. Section 6 of the Act provides for uniform by-laws by which certain requirements are set out for all affiliated societies to comply with. It has been found in actual practice, however, that some domestic activities of affiliated bodies conflict to some extent with the uniform by-laws as provided for by the Act. For example, the uniform by-laws may provide that the secretary of a local society must not be the treasurer, but that provision must be made for both a secretary and a treasurer as separate persons. In such minor matters as this, it is considered that local societies should have the necessary authority to make their own by-laws.

Briefly, the effect of this Bill will be that all affiliated bodies will be empowered to make their own by-laws in connection with such matters as the election of officers and their own domestic finance, subject to approval by the parent body, namely, the Royal Agricultural Society, whose uniform by-laws will control all matters affecting shows, allocation of dates, etc. The Royal Agricultural Society has requested this amendment for the one reason that the uniform by-laws made under the Act are objectionable in that they have actually encroached on matters of domestic or local concern, which should have been dealt with by individual societies. I think members will agree that the amendment is necessary. I move—

That the Bill be now read a second time.

HON. L. CRAIG (South-West) [6.12]: The Bill deals with purely domestic matters. Affiliated societies have passed by-laws that are not consistent with those of the Royal Agricultural Society, and have infringed the Act to that extent. When the by-laws of the Royal Agricultural Society were framed, there was no intention to interfere with the domestic affairs of affiliated societies. The parent body's rules provided for instance for a certain number of vice-presidents, and it has been found that the affiliated societies have appointed more vice-presidents than the stipulated number. Similar small infringements have been disclosed, and the object of the Bill is to give the affiliated societies freedom in such matters so long as they do not act contrary to the constitution of the Royal Agricultural Society. I support the second reading of the Bill.

Question put and passed.

Bill read a second time.

In Committee.

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

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [6.14]: I move—

That the House at its rising adjourn till Tuesday next.

Question put and passed.

House adjourned at 6.15 p.m.

Legislative Assembly,

Wednesday, 23rd October, 1940.

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

QUESTION—ROAD CONSTRUCTION.

Cement and Bitumen Costs.

Hon. C. G. LATHAM asked the Minister for Works: In view of the necessity for economising in the use of petrol to save dollar exchange, and so that continuous employment may be provided for sustenance workers in the construction of roads, will he state, 1, Whether the Main Roads Department is in possession of information showing that in other parts of the world cement roads are superior or inferior to bitumen roads? 2, What would be the cost per chain or mile of roads constructed with locally made cement compared with the cost of bitumen-surfaced roads?

The MINISTER FOR WORKS replied: 1, The Department is in possession of information in regard to the merits of both classes of road; such information would not, however, justify a pronouncement of superiority of either class. 2, On comparable basis: Concrete, £7,000 per mile; bitumen, £4,000 per mile; generally, however, the Department's roads are built to design resulting in much cheaper costs.

QUESTION—EDUCATION.

First-Aid Instruction.

Mrs. CARDELL-OLIVER asked the Minister representing the Minister for Education: 1. Is the Government aware that first-