

Hon. E. H. ANGELO: The stations have gardens with irrigation plants.

Hon. T. Moore: They would afford some proof.

Hon. E. H. ANGELO: I hope the Government will give prompt consideration to this offer and give the Jewish people a favourable answer as soon as possible. Time is the essence of the contract. If we are going to save the North-West, we must populate it. The sooner Dr. Steinberg is informed that he has the support of our Government, the sooner will he be able to go to Canberra and secure the approval of the Commonwealth Government. Then, probably at the end of the next wet season, when cooler conditions arrive, a start might be made on this scheme. There are other matters that I intended to deal with, but I shall defer them until another occasion. I content myself by supporting the motion.

On motion by Hon. V. Hamersley, debate adjourned.

House adjourned at 6.11 p.m.

Legislative Assembly,

Tuesday, 22nd August, 1939.

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

QUESTION—RAILWAYS, NARROGIN STOCKYARDS.

Mr. DONEY asked the Minister for Railways: What was the lowest price quoted to the Commissioner for Railways by any Western Australian foundry or by the Midland Junction Workshops for the pump and

electric motor recently purchased from Castlemaine, Victoria, for £139 and installed at the Narrogin stockyards?

The MINISTER FOR RAILWAYS replied: No price was obtained, as the order was based on tenders called three months before for a similar plant, in which case the lowest local quote for suitable plant was approximately 40 per cent. above the Victorian tender.

QUESTION—AGRICULTURE, WHEAT STABILISATION CONFERENCE.

As to Basis for Payment.

Mr. SEWARD asked the Premier: In the report upon the recent wheat stabilisation conference it is stated that the proposed assistance to wheatgrowers will be given on the amount of wheat marketed. Does that mean all wheat the farmer sells, including wheat sold for home consumption, and to poultry-growers, etc.? Assuming that a sum of £3,500,000 is provided, and it is paid on 140,000,000 bushels, what amount would the farmer receive per bushel at a siding with a rail freight of 4d. per bushel, excluding handling charges, world price, and home consumption payments?

The PREMIER replied: No definite decision has yet been reached in regard to any of these matters. It is hoped that finality will be obtained at a further conference to be held this month.

ADDRESS-IN-REPLY.

Eighth Day—Amendment.

Debate resumed from the 17th August.

MR. ABBOTT (North Perth) [4.35]: I wish to express my appreciation to all members for the kindness and assistance they have extended to me as a new member. Particularly do I wish to thank members on the Government bench for suggesting that my name should be included with the names of other new members in the welcome that was given them by the member for West Perth (Mr. McDonald). This was a little hard upon the hon. member, since in the first place, I was thrust upon him by the electors of North Perth, and, secondly, because members of the Government insisted that he should welcome me here. I trust I

may always rely upon like support from members opposite.

The first matter to which I wish to refer relates to the North Perth electorate. The fare sections for passengers on trams proceeding north are not reasonable. When people desire to go west from the Town Hall, they may proceed for a mile and a half to Thomas street for 2d., but when they go north, starting also from the Town Hall, a similar distance costs them 3d. I understand the explanation is that people who go north may board the trams at the Barrack street jetty and proceed north for the distance of a mile and a half for 2d. The fare section should not straddle the city but should commence at a central point. I feel sure that if the Minister for Railways will consider this modest request from North Perth, in conjunction with the far less modest requests that have been made by the member for Canning (Mr. Cross) and the member for Nedlands (Hon. N. Keenan), and will bear in mind the justice of this one, he will have no difficulty in granting it.

The Government proposes to bring down amendments to the Industrial Arbitration Act. This statute is of vital importance to the economic life of the community. When the Act was first passed some 37 years ago, it was passed with a view to providing machinery for the settlement of industrial disputes. The decisions of the court seriously affect the community, but the community as such is not represented during the hearing of any plaint. The Act should be amended so that the community may be heard. Very often the community is affected by some industrial agreement that has been registered. An employer may have a monopoly, and may say, "It does not matter what wages I pay because I can pass them on." The agreement may be registered without the community being heard in the matter. The Act, therefore, should be amended so that the people may be represented in the court.

Hon. C. G. Latham: Why not include industries as well? Eventually they have to carry the burden.

Mr. ABBOTT: Of course, but the community itself should be represented. Again, I consider it would be beneficial if the constitution of the court were altered. At present the court comprises three members, a president who must have the qualifications of a Supreme Court Judge and two ordin-

ary members. One of the latter has to be appointed on the nomination of the union of employers and the other on the nomination of the unions of employees. I do not approve of the appointment of the two ordinary members in the manner indicated. Members of a court so appointed are likely to be imbued with the views of the parties recommending them, and are unlikely to have that impartiality of mind that is usual with persons appointed under the British system of jurisprudence to act in a judicial capacity. That the ordinary members are unnecessary is proved by the fact that their services are seldom availed of in arbitration cases dealt with before the Federal court. Before that tribunal, any party may demand that assessors be appointed, but that course is seldom adopted. There have been, with justification I believe, many complaints about delays in the hearing of cases before the Arbitration Court. Mr. Mann, the chairman of the Fremantle Disputes Committee, when speaking regarding the dispute at Mills & Ware's factory, was reported in the "West Australian" as saying that the "objection from the employees' point of view to having the dispute referred to arbitration was the delay likely to occur in having the matter heard." I think employees are fully justified in objecting to their cases being heard before the Arbitration Court if they are required to wait for a considerable time to have their plaints disposed of. In my opinion, all members of the court should be appointed under conditions similar to those applying to the president. If that were so, it would obviate the delay that now exists in the court procedure. Provision could then be made that evidence on a plaint could be heard before a single judge, and then, if thought fit, the whole of the evidence and addresses could be considered by the full Arbitration Court bench and the decision of the court issued. Under the provisions of the Federal Arbitration Act, although a single judge has power to hear the evidence on a plaint, he can, should he think fit, require other judges to sit with him. As there is no appeal from a decision of the Arbitration Court, it would be as well, before an award or a decision of the court was delivered, that the full Arbitration Court bench should review the evidence. Such a system would be somewhat similar to the method adopted in the hearing of civil cases that go to appeal. In such instances, the whole

of the evidence is taken at the outset by a single judge and that evidence is then considered by the court of appeal, and the decision finally given. This course would, I think, overcome much of the delay that at present exists in the Arbitration Court procedure and could be accomplished at very little extra cost to the Government.

No one doubts that Western Australia has entered upon a new economic phase. The wealth and prosperity of the State in the past have been founded on the annual returns derived from the large export trade developed from the growth of its great primary industries, particularly those of wheat and wool. On the other hand, the intense nationalism that is being practised by the nations of the world, with the supplementary policy of self-sufficiency, has severely restricted our trade in relation to our primary products. Germany and Italy were large importers of our wheat before the war, but now they have imposed restrictive tariffs against our wheat and have themselves largely increased areas under cultivation for the production of this cereal. Staple fibre is being produced in increasing quantities. The German Institute of Business Research published the statement that in 1938 the world's production of staple fibre was 367,000 tons, an increase of 20,000 tons over that of the previous year. Germany, Italy and Japan are producing 90 per cent. of the total production of this commodity. In the past both Germany and Japan have been large purchasers of our wool. Britain has found it necessary to reduce the quota of mutton that may be imported into the Motherland. The reduction on Australian mutton for that purpose is 3 per cent. These facts make it clear to my mind that Western Australia is facing an era of new economic policies, which will bear particularly hard upon this State, which depends, as in the past, mainly upon its primary industries to provide work for its people. In support of that statement, I would draw the attention of members to the fact that in 1937 the value of Western Australia's industrial output was £18,313,000, while our imports were valued at £18,028,000. Imports from the Eastern States alone represented a value of £11,857,000, while we exported in return during that year only £3,000,000 worth of goods to the Eastern States. A very large proportion of the imported goods consisted of manufactured

articles. As we can no longer depend upon the sale of our primary products overseas to liquidate our adverse trade balance with the Eastern States, we must reduce that balance by manufacturing within the State more of the goods that our people require, and by this means provide employment for those who have in the past depended, directly or indirectly, on our primary production. Our industrial output per head is much lower than that of four of the other States of Australia. For the year 1937 the industrial output of New South Wales represented a value of £28.63 per head; that of Victoria, £31.7 per head; that of South Australia, £20.86; while that of Western Australia was only £17.59 per head.

Every member in this House must appreciate that the Minister for Industrial Development has done a good deal to overcome the difficulty with which this State is faced in not having its secondary industries developed. Our economic conditions must, to a large extent, be reorganised and the State should have the very best advice to enable it to be safely guided through this difficult period. Consequently, although the Minister has done far more in this direction than have past Governments, he has not, in my view, gone far enough. We should have an economic adviser. The Bank of New South Wales has had such an adviser for some years and in that capacity some of the ablest brains and best economists in Australia have been employed. If that institution requires economic advice, surely the State of Western Australia is entitled to the best counsel that can be obtained. Such an adviser should be above the control of party government and party politics. He should be a servant of and under the control of Parliament with a status similar to that of the Auditor-General. The people of the State have a right to know what is a wise and a just economic policy for them, and this House should have the responsibility of ensuring the implementation of such a policy.

I venture to advance to the Minister for Industrial Development a few suggestions whereby perhaps certain new secondary industries might become established in this State. They could be known as protected industries and would be such as in the opinion

of the Minister warranted introduction to this State. I suggest that industries of this kind might for a period of, say, five years be free from all rates and taxes and that the State Insurance Office should cover the insurance charges in connection with workers' compensation at a rate not higher than would be required to cover workers' compensation in the manufacturing industries of the Eastern States. I submit that we already have certain industries that almost come within this category. For instance, the Wyndham Meat Works has paid no rates and taxes and, I suggest, no insurance. I think I am correct in asserting that the State Brickworks might also be classified as a protected industry as it, too, pays no rates or taxes and has contributed little indeed to the coffers of the State. That Western Australia is one economic unit with the Eastern States has to be admitted. So long as we cannot manufacture goods that can be retailed to compete with those of the Eastern States, the people of Western Australia will naturally continue as Australians to buy goods in the cheapest Australian market.

I think that every member of this House believes in the general principle of democracy, namely, that we should do the best we can for the majority. At the same time I consider that our civilisation has progressed far enough to enable us to modify that principle in some degree. Where it clashes with our duty to a minority, that minority is at least entitled to justice. There is one minority in this State that is not receiving justice from the Government and it consists of men that depend on sustenance. We might classify them as the permanent sustenance workers. Surely every human being in Western Australia is entitled to sufficient to enable him to feed, clothe and provide shelter for himself and dependants, but I venture to suggest that no man will contend that 7s. per week for each person will do all that. I think every member must constantly have men or women coming to him with tales of great hardship on this account. One man came to me the other day. He was the sole support of his aged mother and he was totally deaf. He said, "I cannot get unemployment relief because I am so deaf that they will not employ me. I cannot support my mother and myself on 14s. a week." I therefore urge upon the Government—and I am sure I shall have the

support of every member—that it should try to increase the allowance to this unfortunate minority. I support the motion for the adoption of the Address-in-Reply.

THE MINISTER FOR LANDS (Hon.

F. J. S. Wise—Gascoyne) [4.58]: I desire to add my congratulations to those already extended to you, Sir, on your elevation to the office of Speaker. I am sure that all those who have been associated with you in this House in past sessions fully appreciate not only your capacity to fill your present position with credit, but also that they need have no fear of your judgment. I should also like to extend congratulations to the member for Murchison (Mr. Marshall) on his appointment to the position of Chairman of Committees. To the new members of this House I desire to offer my felicitations. That we have some excellent talent in the newcomers is obvious. As one who is also a young member, I wish to express the hope that they are not early disappointed in what they expected of Parliament. All of us, at some time or other, have been amongst the newcomers, and, I am sure, judging from my own experience, have passed through certain stages of disappointment in our initial days in Parliament. I feel that as the interest of the new members in the work of Parliament increases, so will they become better and more useful members.

On this occasion it is not my desire to reply to any criticism that has been raised in the course of this debate. It may be unusual that at this stage I should make a fairly lengthy speech—for I am afraid it will be lengthy—and that it should yet not be in reply to complaints or criticisms. There were perhaps speeches that called for some reply, but since on this occasion my intention is to be informative rather than provocative, I will leave comment in that connection until some other time.

I desire to deal primarily with the position of wheat and the position of wool in this State. It has been my privilege in recent months and during last year to have access to many documents of a highly informative character, particulars of which will be very interesting to the House and will be valuable at other times for reference. I desire to deal fully with these subjects, appreciating that the prospect is not very cheerful, but the time is opportune to make

a complete review, particularly of the wheat industry. I propose to deal progressively with the causes of the present crisis and show just how serious the outlook for wheat is.

In dealing with the causes progressively mention must be made of the initial circumstances of international trade that contribute largely to the present position. The conditions of international trade are vastly different from those of pre-depression or even pre-war years. Although the volume of trade made significant gains in 1937, it is obvious that since 1937 there has been a general recession. The decline in the world movement of trade has been accompanied by a tremendous accumulation of world products, particularly foodstuffs. With all nations, because of the policies they have seen fit to adopt, there has been a daily aggravation of the position. Restrictions in the form of quotas, exchange controls and internal self-sufficiency policies have made the position fairly desperate, and every little hindrance to allowing trade to enter from without has made its contribution to the clogging of trade channels.

That these circumstances are controlled more by political considerations than by any other factor is unfortunate. To-day we find that instead of trade following its natural course and being on a competitive basis between the nations, or on the flow of gold or movement of credit between nations, it is usually governed by internal considerations and political practices. Another unfortunate feature is that very few trade relationships are considered to-day unless in terms of armaments. We read all too frequently of consideration being given by Great Britain to some country, and immediately following we are informed of some reciprocity in trade between Great Britain and that country. Great Britain is such an important market to all her dominions that we are vitally interested in any trade movement in that connection. Since the days of self-adjustment of trade have gone, we find that such a commodity as wheat, which depends entirely upon free-flowing through international channels, has almost ceased to be an article of importance in international spheres.

I was interested in the remarks of the member for Nedlands (Hon. N. Keenan) on the report of the Commission of 1914. He said—

Our hope is gone to develop this State by its two main primary industries.

That hope is gone in almost every country of the world, and the problem with which we are faced is that of the maintenance of these two industries in their proper positions in the internal economy of Australia. We are dependent upon the proper maintenance of those two great industries if this country of such vast spaces and small population is to keep its place in the standards of the world.

The suggestion to form a long-range policy is not a new one, but I respectfully submit to all who make free use of the phrase that to arrange long-term policies, in view of all the considerations that enter into world trade to-day, is most difficult because of the impossibility of anticipating not only future needs but also future developments. Those considerations are governed by attitudes of aggression and internal economies in all countries. This position is intensified by the fact that very few countries that once traded with each other will permit trade with a foreign country unless there is a credit balance in that country. Consequently, unless we owe Japan some money, there is very little chance of a passage for goods between Japan and Australia. That is the position to which all nations are contracting, and they are finding that markets are disappearing.

The effect of these world trade movements has led to a very serious repercussion in connection with wheat. For example, the world net exports of wheat for the five years 1927-31 was 818 million bushels, and for the five years 1934-1938 the figure had shrunk to 550 million bushels. The 1939 anticipations are that the world's requirements of export wheat may even be below 500 million bushels. An all-time record of production has intensified the position. We have had throughout the world good yields from increased acreages. In 1938 world production reached the tremendous total of 4,443 million bushels, which was an increase of 605 million bushels over the production of the previous year. Thus in one year the total increase in wheat production exceeded one year's world export requirements. The world record acreage has been reached at 286 million acres. That excludes Russia and China, which are rarely considered in world wheat figures, but between them they aggregate 140 million acres. It is interesting to note that, in addition to the increased acreages, the world average yield increased

from 13.5 bushels in 1937 to 15.5 bushels in 1938.

European wheat production in 1938 showed an increase of 150 million bushels, and Asiatic countries including Turkey and India also had larger crops. France, which at one time was almost dependent upon imports from Russia, has so arranged her wheat production that this year she has an excess over requirements. This follows an important and authoritative statement made before the close of the 1938 harvest, namely, that one pleasing feature of the wheat position of the world was that the considerable surpluses of former years had almost entirely disappeared. The world's visible wheat available about the 1st August, 1938, had risen in five years from 527 million bushels to 1,200 million bushels.

Mr. Patrick: That was after four years of drought in North America.

The MINISTER FOR LANDS: Quite so, but we must accept the fact that with every country of the world producing wheat, the effect of drought is almost counter-balanced in any one year. Regarding the figures of production, a position has been reached when the countries that formerly were the importing countries are producing more than 50 per cent. of the world's wheat. China and Russia between them produce one-third of the world's wheat, the United States of America accounts for 11.9 per cent., India 6.8 per cent., Argentine 4.7 per cent., and Australia 2.8 per cent. In the 25 years from 1913 to 1938 importing countries have increased their production by 430 million bushels, and in the same period exporting countries have increased their production by 1,000 million bushels. On the one hand we have the disappearing market of the previously importing countries, because of their tremendous increase amounting to 430 million bushels within that period, and at the same time acreages and yields have increased in the producing and exporting countries. If we couple those figures with the import figures, the seriousness of the position is exposed.

Before the war the net annual imports totalled 650 million bushels. In 1928 this figure rose to nearly 890 million bushels. Now we have world stocks—these were the figures on the 1st August—of 1,100 million bushels, with prospective heavy harvests in many countries and an export possibility of under 500 million bushels. So the prob-

lem is an intense one if we view it merely from the production side. Since wheat, as I said before, has almost ceased to be an article of international trade, this is a matter of much greater consequence than the finding of £3,000,000 or £13,000,000 to tide us over this season in Australia. Certainly it is obvious why the price of wheat to-day, which is in the vicinity of 1s. 9d. a bushel f.o.b., has reached that low level. During the 25 years referred to, wheat production increased by 30 per cent. and world production by 24 per cent., while the per capita consumption of wheat throughout the world declined by 10 per cent.

I regret that the story is a doleful one, but does it not show not only that the problem has become very difficult, but also that the possibility of a long-range policy is full of very serious implications? The suggestion made that we should at this stage devise a long-range policy would, if we correctly interpret those words, certainly and definitely mean that 50 per cent. of the wheat-growers of this country should immediately go out of production. If we accept it at its true worth, that we should immediately bridge the gap and stop the serious drift, we shall be confronted with trouble of that magnitude. On this point the Prime Minister recently said—

In planning our immediate policy regarding wheat, we should maintain, as part of it, constant vigilance for the increase of consumption, principally by the extension of human consumption, but also by the increased use of wheat for animal feed and industrial purposes.

If I may digress for a moment, I would like to give the House some information which has recently been furnished to me by Sir David Rivett in connection with the possibilities of the use of wheat for industrial purposes. Although America has endeavoured to increase the consumption of wheat by shifting the type of products being manufactured from wheat, it has been found that the total actual consumption of wheat has not been increased by those methods. It has simply meant the shifting of consumption from one particular commodity to another. The Council of Scientific and Industrial Research, in investigating this matter within Australia, is definite upon the point that insofar as starch supplies are concerned, maize is a

much better proposition than wheat for the production of starch. The council has investigated the possibilities of glucose, dextrose and also of petrol, and holds out no hope whatever of the possibility of economically manufacturing motor spirit from the surplus of wheat. The council draws attention to the fact that quite recently in America—America, which recognises the seriousness of its agricultural position—Congress has voted one million dollars a year for the erection of four new regional laboratories to investigate the possibilities of utilisation of surpluses in agriculture. These tremendous contributions to scientific investigation of the problem will continue year by year, and the investigation is to deal not only with surplus products. Congress has specified the crops to be investigated, and the districts wherein the laboratories are to be erected, and has voted one million dollars a year to carry out this research work. It may be that in the future, as a result of this huge expenditure, America may be able to discover some new use for wheat; but the views of the Council for Scientific and Industrial Research are that, bearing in mind the intensive work in that direction to be shortly carried out by the United States of America, the results of which will be made available generally, there is no reason for Australia to embark on expenditure for supplementing the work in this direction of the United States. It is hoped that we shall profit by the enormous investment of American money in the furtherance of the idea of finding new uses for wheat. We arrive, therefore, quickly at the stage that it is obvious we cannot find further uses for wheat by human consumption of it. If increased consumption is impossible, what are the possibilities and virtues of decreased production? We are forced by circumstances to study that unsavoury subject. What are we to say in regard to it? Mr. Dunstan, the Premier of Victoria, has strongly declared that it is a policy of despair and that he will have nothing to do with it. Well, if it is a policy of despair we are not facing up to facts, and it matters not how we view the import of the international position regarding wheat supplies, but we must in every country readily admit that consideration must be given to a contraction of production. In connection

with the international agreement which was suggested last year, and in connection with which negotiations have been proceeding until recently, all of these things have been considered.

Hon. C. G. Latham: Have the negotiations been abandoned?

The MINISTER FOR LANDS: No. I will mention the position regarding that in a few minutes. However, it is obvious that the exporting countries in any international agreement must be expected to bear the brunt. From the importing countries that might like to get out of the position they find themselves in because of the necessity for maintenance of those industries which they have encouraged, it is not likely that there will be any relief. I consider the most unlikely possibility of all to be a contraction of production by the countries which have adopted the policy of providing their own requirements. We find that even in Great Britain, where wheat production has been guaranteed at 5s. 7½d. per bushel up to 67,000,000 bushels, high duties on foreign imports prevail. And Britain's policy is not an isolated one. In countries like France and Germany there is not a shadow of doubt that in view of the very high tariff policy regarding wheat, coupled with the subsidisation of the industry, there is no possibility of much less wheat being produced now than has been produced there in recent years. In addition to internal subsidies, we find that France has imposed a minimum duty of 47.1 pence on Australian wheat and Germany a basic rate duty of 19s. 4d. It will easily be recognised how impossible it is to get wheat into those countries from countries of production.

Mr. Patrick: If those countries have a surplus, they sell it at throw-away prices.

The MINISTER FOR LANDS: England's market available for oversea trade for 190,000,000 bushels annually is a matter of great concern to us. In the negotiations for an international agreement it was hoped that such an agreement could be reached between the four great producing nations even before an approach was made to those countries now not importing wheat. However, at this stage it seems that any international agreement is highly unlikely. Australia was asked to agree to a 90,000,000-bushel quota, which would have allowed, at a price of 4s. per bushel f.o.b., an opportunity for West-

ern Australia to do very little in the way of retracting from its present acreage position. Several suggestions were made, and Canada insisted that Australia should assent to a 74,000,000-bushel quota. Whereas the 90,000,000-bushel quota would have meant at least 22,000,000 bushels export for Western Australia, a production basis of 74,000,000 bushels would have seriously affected our internal economy if the price f.o.b. were 4s. per bushel. I have here some details extracted in connection with the proposed international agreement. The suggestion was that Australia would have a quota of 90,000,000 bushels at 4s. f.o.b. ports. It was desired that there should be a search for extended lower-price markets, subject to suitable international safeguards against infringement of the general principles of the agreement. It was also provided that there should be no new wheat-growing areas—that no State should increase its acreage on any consideration: that legislation should be adopted unanimously throughout the Commonwealth to insist on the registration of wheat farms and on the licensing of production. Referring to an interjection by the member for Greenough (Mr. Patrick), I may say that because drought in the past four years in some of the major producing countries did not restrict the world's surplus, we have got to the position that seasonal conditions in the future will have less and less effect upon the total of the wheat supply of the world.

I have mentioned that in any international agreement, on the basis of 90,000,000 bushels Western Australia would expect an annual export of 22,000,000 bushels. We usually produce about 21 per cent. of the Commonwealth production, and export about 25 per cent. of Australia's total export. I have prepared material which I shall quote, and which I hope may be completely utilised in "Hansard" for future reference, in relation to total acreages, total production, and average production and export of all the States. Table A deals with the averages of all States and the total acreages of all States. New South Wales produces 12.69 bushels per acre, Victoria 12.22, Queensland 14.73. South Australia 9.12, Western Australia 11.28, and Tasmania 21.93. The ten-year average of Australia's total acreage is 14,286,000 acres. The mean average of each State is vastly different from its maximum and minimum. For example, New South

Wales varied from 5,137,000 acres down to 3,984,000 acres. It has gone down by about 1,200,000 acres from its maximum to its minimum year. Western Australia is fairly static. Its average for ten years of planting is 3,146,000 acres, our best being in 1931, when we had 3,956,000 acres. We have made a serious natural contraction upon that figure because of the seasonal circumstances and including some cases of unsuitability of personnel, in which connection I intend later to refer to the planning of the Agricultural Bank's activities.

As regards production for 10 years, we find that New South Wales's annual production averaged 55,900,000 bushels, Victoria's 38,400,000 bushels, Queensland's 4,100,000 bushels, Western Australia's 35,800,000 bushels, South Australia's 34,700,000 bushels, whilst Tasmania produced an average of about 400,000 bushels.

With respect to wheat for export we find that Western Australia, which exports 25 per cent. of the total Commonwealth export, exports an average of 28,840,000 bushels per annum. That is the average for the past 10 seasons. Victoria has averaged 30,180,000 and New South Wales 29,410,000.

During the consideration of these figures at recent conferences our Premier forcibly pointed out that the basis of consideration of any allocation of acreages, if acreages have to be reduced throughout Australia, should be not merely production. It is obvious that as against States where wheat is represented by a small proportion of the total production, the States in which it is a maximum proportion should receive very serious and most favourable consideration in the adjustment of acreages available.

To illustrate Western Australia's case, a table has been prepared from the Commonwealth Year Book—the latest available—in order to show just how important wheat is to Western Australia relatively to its total production. I submit the table, which is marked C. I intend to make comparisons with Victoria, so will use this figure: Victoria's total revenue from production for 1936-37 is 207.33 million pounds, whilst Western Australia's is 43.11 million pounds. Of Victoria's total, only 5 per cent. is represented by wheat; whereas of Western Australia's total, 13.9 per cent. is represented by wheat. If we compare Victoria's output with ours, we find our figure is little more

than half that of Victoria. Our national income, by comparison with that of the Eastern States, is certainly small. The total primary production of Victoria is 64.70 million pounds; and in New South Wales it is 98.31 million pounds, whilst in Western Australia it is only 24.80 millions. Although the income from primary production in the former States is but a small percentage of their total income, in our case it is almost our total income. Obviously, therefore, the other States are in a favourable position compared with ours. I have mentioned that, in an endeavour to arrive at a basis of fair apportionment of quotas, whether it be for export, or whether it be on an acreage basis, if wheat production is to be restricted, then Western Australia and South Australia are entitled to much greater consideration than are the States of New South Wales and Victoria. That point of view was put forward very strongly when presenting our State's case at the conferences. It should not be a case of the survival of the fittest; if it is to be an open go, if there is to be no restriction, then the States will be in the same position as are the nations of the world to-day. An interesting figure, taken from an international trade report, shows that wheat represents to Australia 5 per cent. to 10 per cent. of her total production; to Canada, 4 per cent. to 6 per cent.; and to the United States of America, 2 per cent. to 3 per cent. As in Victoria, the wheatgrowers in the United States are in minority.

Hon. C. G. Latham: That is different from Canada and Argentine.

The MINISTER FOR LANDS: Yes, very different. I am referring to the United States of America. The Leader of the Opposition mentioned Argentine, but perhaps Argentine is in the strongest position of all, because of the way in which it handles its internal currency. For example, Argentine has what is termed an export and import tax. Its coin is the peso, worth 1s. 6d., or, nominally, 12 to the pound. If a person has to purchase pesos to import goods, Argentine would only sell them at, say, 10 to the pound; but if he wanted pesos to finance exports, Argentine would sell the pesos at 12 to 14 to the pound. If the peso is to be used to assist internal industries, then a much greater rate is fixed for financing exports. By that means, Argentine has built up a very large amount of credit with which

to assist her industries. Argentine has been the stumbling block in an endeavour to arrive at finality with an international agreement, for the reason that she can finance her own industries for a long period.

Mr. Doney: And can grant export bonuses to a big extent.

The MINISTER FOR LANDS: Yes. Argentine also has a tremendous sum circulating within her own borders to assist her industries. While hopes of the realisation of an international agreement are but slim, one of the main causes is the attitude and the strong position of Argentine.

I have said that Australia's wheat export has been considerable during recent years. The value, including flour as wheat, is £26,959,000. Australian Governments, because of the importance of this industry, have—in spite of all contradictions and criticism—done a good deal to preserve the industry. The Commonwealth claims to have made grants available on production and on basis of acreage to the amount of £14,500,000. In the table which I have marked D, it is interesting to note just how far the Commonwealth Government has gone in paying bounties on wheat production when the price was far in excess of the price to-day. Following the Gepp report, in which Sir Herbert Gepp clearly stated that £151,000,000 was the debt structure of the industry—not including tremendous sums of private money—there has been considerable writing down, whilst large sums have been made available by Governments to assist the industry. Those sums are set out in the table, season by season. We find that in the year 1932-33, when there was the high production of 213,927,000 bushels, with an average yield of 13.57 bushels per acre, and when wheat was 2s. 9½d. per bushel f.o.r., Williamstown, a bonus of 2¼d. per bushel was granted. The previous year, when wheat was 3s. 1d., a bonus or bounty of 4½d. per bushel was granted.

Mr. Doney: We had no big defence problem then.

The MINISTER FOR LANDS: When, owing to drought, production fell to 133,393,000 bushels in 1934-35, and when wheat was 3s. 2d. a bushel, there was a bounty of 7¼d. a bushel paid by the Commonwealth Government. Those are tremendous amounts, at wheatlage rates, for wheat production within Australia.

Mr. Boyle: Was that amount of 7¼d. paid on wheat?

The MINISTER FOR LANDS: Yes, when the price f.o.r., Williamstown, was 3s. 2d.

Mr. Stubbs: Now the Commonwealth is offering £2,000,000.

The MINISTER FOR LANDS: There are reasons for that, too. The average price for the past 10 seasons is 3s. 6½d., the average bounty for the period being 2d. a bushel. Those figures have been made available to me by the Commonwealth Statistician; as to their accuracy, I can but vouch for the source of the information.

Mr. Boyle: I hope they are more accurate than Mr. Menzies' figures.

The MINISTER FOR LANDS: I have not had reason, so far, to question many of his figures. In regard to farmers' debt adjustment, Table E sets out the details available to date of the moneys advanced by the Commonwealth to the States. The Commonwealth's advances to the States to the 31st May last amounted to £6,317,000, of which New South Wales received £1,733,000; Victoria, £1,972,000; Queensland, £545,000; South Australia, £700,000; and Western Australia, £1,064,000. Nearly all the States have disbursed these sums. The position in Western Australia is that we have adjusted the debts of a large number of farmers, but are awaiting payment of further sums by the Commonwealth to finalise the adjustments. The value of the debts adjusted are clearly set out in the table. The value of debts on approved claims prior to adjustment is 30½ million pounds; and amounts written off approved claims exceed £7,637,000. The finalisation of claims has progressed more rapidly in Western Australia than in any other State. Of the total claims approved, namely, 6,947, Western Australia has approved of 3,159, so that we certainly have been active in adjusting debt claims.

Mr. Boyle: Do those figures show the secured debt adjustment in this State?

The MINISTER FOR LANDS: No. In addition to these tremendous sums that have been made available, the flour tax has been operating in recent years. The Prime Minister is expecting that the disbursements to be made from this source will be nearly £4,000,000; and it was proposed to add to this amount another £3,500,000, of which the Commonwealth proposed to find half. It asked the States to contribute to the

amount on a 50 per cent. basis. Finally, the Commonwealth offered to make available £2,000,000 of the amount, the States to contribute £1,500,000. Including the amount to be paid from the flour tax, there would consequently be available £7,500,000, which the Commonwealth considered to be the maximum assistance possible to the wheat industry. The bases of the proposals should, I think, be put on record, so that no question may arise at a later stage about what the Commonwealth actually offered. I therefore propose to read to members what the Commonwealth proposals were:—

The Commonwealth Government is prepared to share with the States on a pound for pound basis the cost of affording further financial assistance to the wheat industry, subject to the following conditions and limitations:

1. If the States fully co-operate, the plan will commence with the 1939-40 season and will continue to apply till cancelled.

2. An annual advance per bushel will be paid to wheat growers sufficient to bring the total average realisation for the season, on the basis f.o.r. ports, to 3s. 4d. per bushel, subject to two limitations:—

(a) That the supplementary finance to be provided by the Governments, Commonwealth and State, in addition to the flour tax, shall not exceed £3,500,000 per annum.

(b) That the annual advance will not operate so as to bring the total realisation beyond 3s. 4d. per bushel for a marketed crop of 140 million bushels. As the volume of the marketable surplus exceeds 140 million bushels, so will the maximum average return per bushel be reduced. (The average marketed crop during the last five years has been 140 million bushels.)

3. The flour tax at present operating will not be used to bring the average realisations beyond 3s. 6d. per bushel f.o.r. ports. For example, if the market return were 3s. 5d. per bushel, the flour tax would be used to supplement the market return by 1d. per bushel.

4. The supplementary finance required to make this additional annual payment will be provided in equal parts by the Commonwealth and the States.

5. An export tax on wheat will operate when the price f.o.r. ports exceeds 3s. 6d. per bushel. The rate of tax will be half of the amount by which the market price exceeds 3s. 6d. per bushel.

6. The proceeds of the export tax and the excess from the flour tax fund will be used to repay the advances made in accordance with this proposal.

7. Subject to the agreement of the States, it is proposed that the first payment under

the plan will be made in May, 1940, and the final payment for the season 1939-40 will be made in December, 1940. Thereafter payments would be made in May and December of each year.

S. The Commonwealth will require the States to institute satisfactory measures for control of production before this plan for supplementary advances comes into operation.

Hon. C. G. Latham: They limit it to 140,000,000 bushels.

The MINISTER FOR LANDS: Yes.

Mr. Patrick: There is no possibility of increasing the amount?

The MINISTER FOR LANDS: There is no possibility of increasing it above 2s. 10d.; so that we find in this proposal, not a proposal to raise the price of wheat to a given figure or to stabilise it at that figure, but rather to lift the price by so much per bushel according to the f.o.r. price for the season and the quantity of wheat produced. The total marketed crop will be divisible by £7,500,000, the total amount available from the flour tax and the £3,500,000 of new money which is to be considered the maximum amount of assistance that can be given by the Commonwealth and the States this year. The responsibility of finance in this matter definitely rests with the Commonwealth; but because the position is as it is, and not as it was, the Commonwealth Government is committed to a tremendous defence programme and the total loan raising by the States, already agreed to by the Loan Council exceeds 22½ millions, exclusive of defence, it will have been seen that the Commonwealth opinion is very definite that the maximum amount it is possible to raise by the Commonwealth and the States combined, is around £3,500,000. If we are to consider a definite lift from the present price or one of the suggested prices—3s. 10d. at the siding—there will be required about £16,000,000. I intend to show the House just how outside the scope of possibility that figure is if Western Australia has to accept responsibility on the basis of production on that figure or any similar figure. For example, on a basis of production on the past ten years' average, Western Australia would be expected, if we were committed to 3s. 10d. at the siding, to raise £3,392,000 for the industry.

Mr. Cross: That would be impossible.

The MINISTER FOR LANDS: I have an idea that it would be impossible. If we consider it in the light of that figure and

on a production basis, Western Australia would be responsible for £2,500,000. If we endeavour to lift the price to a fantastic figure it will be much more impossible.

Mr. Marshall: What do you mean by a fantastic figure?

The MINISTER FOR LANDS: As I have said, it would cost £16,000,000 and the cost to Western Australia would be £3,000,000. On the same basis Victoria's cost would be £3,316,000, but Victoria's figures differ very much from those of Western Australia if we take the 3½ millions on a production basis. If, however, we take it on a population basis an entirely different story is told, and that was one of the reasons of the discord between our Premier and the others at the conference held recently, a discord that is likely to continue at the next conference to be held. Victoria with a population of 1,873,000 on the £16,000,000 basis would be responsible for 4.6 millions of money. Western Australia on a population basis would be responsible for 1.067 millions which, I think the Premier can assure the House, would be quite impossible for Western Australia to raise. So I am reaching the point of showing how impossible it is for either the Commonwealth or the States to say that wheat can be lifted from 1s. 9d. f.o.b. to 3s. 10d. at the siding. On analysis it would seem that the maximum lift on a bushel basis will be 1s. 2d. a bushel. We have got beyond the stage when we should insist that the responsibility belongs to this one or that one. In the words of our Premier at the conference, whilst the position is not very acceptable to us, at the same time it cannot lightly be turned down. We have also to consider the responsibility of the Government to other industries. Is the wheat industry to take precedence over all other industries and over all Government projects of the present and the future? In that connection I should like to quote the words of a very eminent Dane, Anders Nielsen by name, who said on the subject of abolishing subsidies to agriculture, that all protection must aim at making itself unnecessary, and if that did not obtain, support would be a failure. That is the position we are approaching in connection with the wheat industry. Unless we can, within the capacity of the States, lift the price sufficiently to keep the people on the land, over a period of years, then most of our efforts will be in vain. It is most unfortunate that only part of the

problem is due to natural causes, that much of the present difficulty is man-made and man-imposed. Other considerations had to be faced at the recent conferences quite apart from the different interests of the States, and the different attitudes of the various leaders. I wish to say that I was proud to be associated with the ample presentation of the case by our Premier. All of us have heard of many of the schemes that have been submitted prior to and since the international agreement was projected. We have heard of the Wilson-Uphill and other schemes based on proposals to create a fund when wheat is above say 3s. 8d. f.o.r. It was said that the scheme could finance itself with a margin above that price. It has been questioned, constitutionally, whether such a scheme could successfully be operated, and there is a very definite doubt that although it may have been actuarially sound on past results, the international position of to-day would make it impossible for anyone to formulate a plan on which to base an anticipated price or anticipated demands. We have had references to the shifting of production and the shifting of people from one industry to another. It was not long since there was a definite suggestion that many group settlers should be transferred to the wheat districts.

Mr. Patrick: Not of very recent date.

The MINISTER FOR LANDS: Yes, in recent years. We are now faced with the spectacle that many people would welcome a wholesale exodus from the wheat districts to the South-West. Each State Government is very seriously concerned in that question. The responsibility of costs, and they are very large, would rest with the States affected. I mentioned earlier that by a process of evolution through natural causes many acres had gone out of production in recent years. I wish to show that the Government, through its instrumentality, the Agricultural Bank, has greatly assisted in the transference of settlers, in the reduction of acreages, and in the diversification of the production of settlers. The number of wheatgrowers in the whole State in 1931 was 10,970; in 1933-34 it was 9,921; in 1937-38 it was 9,142; and this year it is approximately 9,000. The decrease in the area cropped last year compared with 1930-31 was 543,979 acres. There was a slight increase last year over the previous year, chiefly in consequence of the policy of

breaking up Agricultural Bank holdings in the endeavour to cope with grasshoppers. This accounted for a considerable increase.

Mr. Patrick: There was a drop of a million and a half acres in one year.

The MINISTER FOR LANDS: Yes. There has been a progressively gradual decrease in more recent years. Last year, 438 leases of Agricultural Bank reverted holdings were arranged and on these 117,999 acres were cropped. More sales would be induced if only the prospects were better. The reduction in the area cropped in the outer wheat districts, the marginal areas, is a matter vitally concerning some members. The figures show that the number of wheatgrowers in the outer districts in 1930-31 was 3,866, but last year the number had dropped to 3,650. The area cropped has been reduced by 345,000 acres. In some districts where it has been possible because of water facilities, or water being made available from dams and wells, large numbers of sheep have been introduced by the Bank. One district in particular, where practically no sheep existed in 1931-32, last year was running 32,823 sheep. In all these districts, wherever it is possible effectively to occupy the areas with sheep or cattle, encouragement is given to the settlers within the limits of the capacity of the Bank to do so.

Mr. Boyle: You are referring to an Agricultural Bank district?

The MINISTER FOR LANDS: Yes. Although we have 9,000 wheat farmers, there are not 9,000 insolvent wheat farmers.

Hon. C. G. Latham: I said there were 8,000.

The MINISTER FOR LANDS: I am giving the figures supplied by the Agricultural Bank. Of the 9,000 wheatgrowers 4,931 are Agricultural Bank clients. Of the 4,931 35 per cent. are deemed to be sufficiently good to be exempt from supervision, and their accounts are looked upon as solvent.

Hon. C. G. Latham: I do not agree with the Bank.

The MINISTER FOR LANDS: This is information supplied at my request by the manager of the Bank yesterday. The figures are, therefore, up to date. In connection with second mortgages, an examination a few years ago showed that there were 1,541 Agricultural Bank securities, upon which the sum of £4,032,379 was owing on second

mortgage. The point I desire to make is that because of the low prices, and bad seasons, following up the general plan of reconstruction that is in vogue on the part of the Agricultural Bank, there has been a forced reduction of acreages, and that policy is being continued. Wherever it is possible to carry sheep they have been introduced.

I reached the point of discussing what may be expected from the conference at present being held in Canberra.

Hon. C. G. Latham: May I ask whether it is intended to increase the price of wheat to the poultry-farmers and the pig-raisers? Do you intend to subsidise that wheat or will the price be increased naturally because of the export price?

The MINISTER FOR LANDS: The increase in price will affect the fixed proportion of the total wheat marketed.

Hon. C. G. Latham: Whether sold locally or not?

The MINISTER FOR LANDS: Yes. If it is used for home consumption it will be affected by the flour tax.

Hon. C. G. Latham: That is for flour only. What about breakfast foods, etc.?

The MINISTER FOR LANDS: If the normal price at sidings is 1s. 0½d. per bushel the price will be 1s. 0½d. plus whatever amount is available from the composite funds of the Commonwealth and the States. I was going to discuss on what basis the officers of the State are considering the question at the moment. They are considering what may be the basis of acreages to be apportioned to each State, the other aspects which affect production and population, and the production basis. We have two very efficient officers attending the conference. Prior to their departure they were advised by me they could make it very clear that this State, in this case, stood behind the proposal for a limitation and licensing of production. It was made clear to them that we had very strong views with respect to the cutting of hay this year. By and large farmers in this State have neglected to make provision for their hay requirements, even for one year. The practice of doing so is not followed by many of them. We are prepared on this occasion to say that we will force them, by legislation if necessary, to make provision for a natural reserve of hay in this State whilst wheat is at such a low price. Common sense demands that at least a two-years

supply of hay should be made available on this occasion. When we consider the action of the Agricultural Bank, during the past three years, in having to purchase 19,000 tons of hay for its own clients, some of it from outside the State, because it was unprocurable within it, we realise how negligent have been those who were able to cut hay.

Hon. C. G. Latham: It was not possible for them to do it in the marginal areas?

The MINISTER FOR LANDS: I am referring to the State as a whole. I must show the Leader of the Opposition how very negligent the farmers in his district were in this particular.

Hon. C. G. Latham: I know a little more about them than you do.

The MINISTER FOR LANDS: That may be so. I submit that the average acreage cut for hay in this State was 404,321 acres, the total yield being slightly over one ton to the acre. In 1938-39 the production of hay was 100,000 tons below what it was in the year before. The quantity of hay cut in this State last year was 374,949 tons. The figures I have here were submitted at my request during the last week-end by the Department of Agriculture. They show definitely that very few farmers, it is doubtful whether 60 per cent. of them did so, made provision for more than 75 per cent. of their requirements.

Hon. C. G. Latham: You cannot cut hay if it is only a foot high.

The MINISTER FOR LANDS: It can be cut if it is 2 feet high. I should be surprised if, as the outcome of the unseemly interjections of the Leader of the Opposition, I found he was supporting the idea that we should not have a national reserve of hay.

Hon. C. G. Latham: I was not doing so.

The MINISTER FOR LANDS: Then we agree. Far too many of our farmers cut insufficient hay for their own requirements. I now wish to refer to farmers' economy. This point will be raised by Western Australia at the conference. I refer to horse and tractor farming. The subject is a debatable one.

Mr. Warner: Very!

The MINISTER FOR LANDS: The matter is one in connection with which some very important facts have been disclosed, analysing the financial structure of the wheat industry. I may be permitted to quote from a Victorian authority who, in

commenting on "power versus horse-farming," stated recently that power-farming upsets the balance of farming economy. He said that agricultural economies were under appalling conditions, and were not helped by power farming. The depreciation costs associated with a £900 tractor were £2 a week, and the interest £1 a week. He said that the subsidising of the tractor industry in Victoria—something from which Mr. Dunstan benefits—was sounding the death knell to the horse breeding industry. He submitted that we should subsidise the horse industry in Australia, and we would then get out of much of our farming problems.

Mr. Patrick: The horse has disappeared from the city.

The MINISTER FOR LANDS: Yes. I wish to refer to current newspaper comments on the subject, and to direct attention to statements appearing in this morning's paper. These seem to show that farmers' associations—these may be made up of Country Party interests—are supporting the opposition to the plan in Commonwealth spheres.

Hon. C. G. Latham: You are not justified in saying that.

The MINISTER FOR LANDS: I am.

Hon. C. G. Latham: Let us hear about it.

The MINISTER FOR LANDS: I have here a press statement attributed to Mr. Cullen of the Wheatgrowers' Association of Victoria.

Hon. C. G. Latham: Whom does he represent?

The MINISTER FOR LANDS: Presumably the wheatgrowers in Victoria. He said that Western Australians had told him they were prepared to take direct action if necessary.

Hon. C. G. Latham: Who gave him that information?

The MINISTER FOR LANDS: I do not know.

Hon. C. G. Latham: I assure you we did not.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR LANDS: Immediately prior to the tea adjournment I was trying to get some light shed on what I may term a spectacular statement in the newspapers, the statement being attributed to the Country Party of Western Australia by newspaper correspondents and people in

other States. There is a definite assertion in the "Sun-Pictorial" that Western Australia is unanimously supporting the stand taken by the Victorian Premier.

Hon. C. G. Latham: I do not know where those people got their information.

The MINISTER FOR LANDS: Where they got their information does not matter. What does matter is just how seriously that statement is to be regarded. It matters to this extent, that if the organisations of primary producers in Western Australia which are allied with the Country Party of Western Australia are responsible, or can make us responsible, for such people as Mr. Cullen, the president of the Wheatgrowers' Association of Victoria, who asserts that a Country Party and its organisations outside Victoria are behind the methods suggested in regard to non-prescription of acreages and the responsibility of the Commonwealth, which involves the responsibility of the States, it is just as well to let us get a clear understanding.

Hon. C. G. Latham: I give you the assurance that the man does not speak on behalf of the Country Party or the Primary Producers' Association of Western Australia.

Mr. Doney: The Minister knows very well where they got the information from.

The MINISTER FOR LANDS: I have no idea. In this morning's newspaper there is a comment that wheat stabilisation is a Federal responsibility, and that Victorian growers—

Mr. Patrick: I agree with that first statement.

The MINISTER FOR LANDS: —and that Victorian growers want 3s. 10½d. per bushel, and that Western Australia, the Riverina and other districts in New South Wales are unanimously in favour of the Victorian demand.

Hon. C. G. Latham: We want 3s. 10½d. There is no doubt about that. Whether we can get it is another matter.

Mr. Patrick: We are not behind restriction.

The MINISTER FOR LANDS: There certainly is a most difficult job ahead of the Government if such statements, which are easy to make without any responsibility, are to be accredited to responsible people in this State, even though those people may be opponents of the Government.

Hon. C. G. Latham: I tell you that man does not speak for either the Country Party

or the Primary Producers' Association of Western Australia.

The MINISTER FOR LANDS: It is most interesting to have that assurance, because I do submit that it is easy to put forward such demands and produce schemes, but that to carry those schemes to successful fruition in the light of all the circumstances is an entirely different matter. There is great necessity for some responsibility in connection with this subject, and not only the responsibility of the Government but the responsibility of those who should be responsible citizens in this State.

Mr. Doney: You know there are some Senators representing Western Australia who go about saying—

The MINISTER FOR LANDS: I am not concerned with those Senators. I am concerned when I find in this morning's paper a statement that the Country Party of Western Australia and the organisations behind it support the demand of the Victorian Premier—

Mr. Doney: You do not believe that, do you?

The MINISTER FOR LANDS: There it is.

Mr. Doney: You do not believe it merely because it has been printed?

The MINISTER FOR LANDS: I am not aware of any vigorous opposition to my suggestion that such a statement is supported by the primary producers of this State, whose representatives in Parliament are the Country Party.

Mr. Thorn: Follow it up and see where it came from.

The MINISTER FOR LANDS: It came from Mr. Cullen, president of the Wheat-growers' Association of Victoria. Evidently someone of responsibility in this State has provided Mr. Cullen with that information.

Several members interjected.

The MINISTER FOR LANDS: I say definitely that if Mr. Cullen, or anybody else, whether it be a private person or a member of Parliament, is prepared to split straws on a question of principle in this matter and prepared to treat the whole subject politically, it is a bad thing indeed. I assure the House that I have had several approaches to make the subject a political matter and have most definitely refused to do so.

Members: Hear, hear!

Hon. C. G. Latham: We do not want to make this a political matter.

The MINISTER FOR LANDS: Statements such as these require a deal of explanation. When half a page in the "Sun Pictorial" is devoted to the subject and carries the statement concerning a definite assurance that Western Australia is unanimously behind the Victorian proposal, we need some more explanation than we have had so far.

Mr. Doney: You have no right to fasten that on to this party, anyhow.

Hon. C. G. Latham: Surely the Minister will accept our word in preference to a printed assertion in an Eastern States paper!

The MINISTER FOR LANDS: We have found it in three or four papers that Mr. Cullen made that statement, and I would like to know where they got their information from.

Mr. Doney: Well, you do know!

Mr. Thorn: The Minister is not as dumb as all that.

The MINISTER FOR LANDS: I say definitely that it would be a very bad thing indeed for anybody to make this a political question.

Mr. Doney: At the same time, we regard 3s. 10½d. per bushel as being a fair economic value for wheat.

The MINISTER FOR LANDS: Who is "we"? You and Mr. Cullen? Further, it is sad to reflect upon the position realising that if there is a breakdown in the proposals submitted by the Commonwealth, that breakdown will be due to politics and not to principle. When the Leader of the Opposition and those who sit with him make the suggestion that 3s. 10½d. is a desirable price for wheat to reach and make a further suggestion that therefore 3s. 10½d. is the price that should be reached, I can only assert that those who consider it an insult to be offered £7,500,000 for one industry in one year are utterly unreasonable. It has been freely stated in the Press that £7,500,000 for the wheat industry in one year represents an insult. Well, if it is considered an insult, I suggest that it is necessary for many people to grow a much thicker epidermis, because if they are to be offended by what will be a severe tax on many other industries, when the Prime Minister states—and I am not prepared to doubt his word—that the maximum sum available is the sum mentioned, their attitude is entirely unreasonable. I contend that we should endeavour

not to create a panic, not to create dissension, but to get a leavening of opinion so as to obtain the most serious consideration of the offer by all interested, who will then realise that a lift of 1s. per bushel from any given price is undoubtedly a most important contribution.

Hon. C. G. Latham: I do not say that it is not important.

The MINISTER FOR LANDS: From that point of view the desire to shift responsibility from States to Commonwealth is no more satisfactory than many attempts to shift production from one industry to another. Then again, other avenues that offer very definite scope for expansion relate to the keeping of pigs, poultry and many other such sidelines. From the standpoint of the disposal of last season's crop, the Trustees of the Wheat Pool of Western Australia have made earnest and valuable endeavours to clear the way for the coming harvest. I am assured that the position to-day is that in spite of world prices, which provide 1s. 9½d. a bushel f.o.b.—

Mr. Patrick: That is for the Bulk Handling Co.'s wheat.

The MINISTER FOR LANDS: Yes.

Mr. Patrick: The Wheat Pool has sold out already.

The MINISTER FOR LANDS: No, not entirely.

Hon. C. G. Latham: It has only 100,000 bushels or so to dispose of.

The MINISTER FOR LANDS: The Trustees have arranged for several cargoes of futures, and they have carried out an excellent job. With members generally, I hope the maximum assistance possible for the financial structure of Australia to cope with will not be regarded as an insult by those who are to receive help. I hope the amount made available will be accepted with good grace by the recipients. There is one bright spot, which is that it has been possible for the tremendous world carry-over of wheat to be absorbed. It was absorbed during the period 1927 to 1935, and at the end of the latter year there was the minimum world carry-over, but again in 1937 the carry-over rose to a maximum. There is the prospect that the contraction of prices may induce people, whose staple diet is not wheat—I refer to those who usually eat rice—to buy the product and so relieve the situation.

Hon. C. G. Latham: But their credits are very limited.

The MINISTER FOR LANDS: They are. In spite of this doleful story, there is no need for panic. We will get nowhere if there is a panic, or if we, by our actions, lead farmers to believe that their situation, dreadful as it may be, is really worse than it actually is.

At the tea adjournment I was questioned as to whether all production was to be benefited by the amount available. That is so. Whatever the marketed crop may be, that will be the quantity affected by any sums available for increasing the price per bushel. It will not only affect the anticipated export quantity.

The Premier: We do not know whether the plan will be rejected.

The MINISTER FOR LANDS: I think the Commonwealth's offer cannot be rejected. Without disclosing anything that the Government may know, I consider the attitude that must be adopted by the Government's representatives is that, if an amount of money is made available, although perhaps insufficient, still not unreasonable, the offer cannot possibly be rejected. The States must draw upon their resources, whether their major interests be secondary or primary, in an endeavour to reach an equitable solution of the contributions to be paid by the States. I feel I can answer for the Premier when I say that the State Government of Western Australia will work towards that end, and will endeavour to secure the maximum amount possible for alleviation of distress in the wheatgrowing industry. I know this has been a very doleful story, but wheat production is not the only industry that is in difficulties.

A major problem of vast proportions confronts those engaged in the pastoral industry of Western Australia. While I have dealt at some length with the position of the wheat farmers, I hope I shall not be unduly tedious if I analyse the sheep and wool position in this State. In some districts those engaged in that form of production are in a very desperate situation. People do not generally recognise the fact that little less than one-sixth of the world's sheep and more than one-half of the number in the British Empire, are to be found in Australia. We produce one-quarter of the world's wool supplies. As

indicating the huge flocks in Australia compared with those of other countries, the following details for the year 1937-38 are of interest:—

Australia	114,000,000 head.
Russia	69,000,000 "
U.S.A.	53,000,000 "
United Kingdom	25,500,000 "
New Zealand	30,000,000 "

During the past eight years no serious fluctuations in those figures have been recorded, apart from a drop of 4,000,000 head in Australia as the result of the drought in 1934.

Hon. C. G. Latham: There was a reduction in Russia, too.

The MINISTER for LANDS: New South Wales has a large proportion of the Australian sheep flocks, having 45 per cent. of the aggregate number, while Queensland has 20 per cent. To give members an idea of the magnitude of the pastoral industry of Australia, I intend to deal with the position in each State, but before reaching that point, I wish to say very definitely that, without doubt, Australia is the leading wool-growing country of the world. Half the world's production of fine merino wool comes from Australia, and there is perhaps no commodity in which Australia can so successfully compete with other countries as in wool. Our product is without peer in the world's production of quality wool. The trend of world production of wool is largely influenced by the export output of five chief primary producing countries, which are Australia, Argentine, New Zealand, South Africa and Uruguay. Those countries, in the aggregate, produce 55 per cent. of the world's wool. The production movements of those five countries influence the world situation very seriously. Whereas all other producers use their domestic supplies for home consumption, the major proportion of the production of the five countries I have named is exported. In 1937-38 the Australian woolclip was 1,015,000,000 lbs. weight, which was far in excess of the United States of America, the next important producing country, where the yield was 455,000,000 lbs. A point of importance to be noted is that America uses all her production of wool for domestic consumption. Apart from the five countries I have mentioned, all the other countries use their wool for local consumption. Australia is by far the largest producing and exporting country. When I mention that in 1933, which was a peak year, 957,000,000 lbs.

were exported, members can appreciate what an important factor Australia is in the markets of the world. In 1937, our wool exports had shrunk to 766,000,000 lbs. The Empire produces 72 per cent. of the world's total exports, and 40 per cent. of that Empire production is drawn from Australia. Half our total exports are sent to the United Kingdom, and 55 per cent of England's imports are derived from Australia. France is the second largest buyer, and during 1937-38 she bought 132,000,000 lbs. of wool. From time to time, part of our clip has been purchased by the United States of America, but the variations in her purchases are very striking. In 1937, America purchased 75,000,000 lbs. of our wool, whereas in 1938 she purchased only 5,000,000 lbs. That serves to indicate the tremendous variation in her purchases. The importance of wool production to Australia's internal economy is very simply indicated in figures I have taken from the Commonwealth Year Book, in which a comparison is drawn between the wool exports and the total exports. In 1937, which can be taken as an average year, the total Australian exports were valued at £162,000,000 in Australian currency. In that year the value of wool exports was £62,500,000, or 40 per cent of the total exports. In 1938, the total Australian exports were valued at £157,600,000, while wool exports represented a value of £50,000,000, or 30 per cent. of the total exports.

In order to show members the importance of the wool industry in relation to the goldmining industry, I might state that whereas in 1937 wool represented 40 per cent. of Australia's total exports, amounting to £162,000,000, in the same year gold represented 14.6 million pounds, and in 1938, 16.9 million pounds. Of the latter amount 10.7 million pounds came from Western Australia. That is another story, which I will mention later. It is of extreme importance to get a perspective of the total value of the wool industry, when it is represented by such huge figures. Any commodity which brings to a country £60,000,000 of new money per annum, as wool does to Australia, is certainly of major importance. The sheep population of Australia last year exceeded 114¼ millions. Of that total, 52.8 millions were in New South Wales; 18.86 millions in Victoria; 22.5 millions in Queensland; and 8.9

millions in South Australia. In Western Australia the number had fallen to 8.7 millions. In Tasmania the number was 2.2 millions. Western Australia fell from her peak of 11,197,000 sheep in 1934 to 8,717,000 last year. The enormous size of the flocks in the Eastern States can readily be gauged when I point out that only 7.7 per cent. of Australia's total sheep are in Western Australia. Although, as I indicated earlier in the evening, Western Australia exported 25 per cent. of Australia's export wheat, we have within our borders only 7.7 per cent. of the total number of Australia's sheep. The total number of bales exported by us last year was 177,820. The total for Australia was 2,833,000. This year we hope to market 232,000 bales of wool. That is an early estimate made, I think, by Dalgety & Co., Ltd. Of the 232,000 bales, only 70,000 will come from the pastoral districts. I desire to deal with that particular phase, in order to show how rapidly our wool production has shifted from one part of the State to another. The increase in the South-West Land Division has not only been rapid, but progressively rapid. In 1928, when Western Australia had only 9,000,000 sheep, 50 per cent. were in the southern districts and 50 per cent. in the pastoral districts. In 1938 the agricultural districts had 6,100,000 sheep, while the number in the pastoral districts had lessened by 3,000,000. There was an increase of 40 per cent. in the agricultural districts, and a decrease of 45 per cent. in the pastoral districts. The value of our wool yield last year was £2,293,996. Greasy wool averaged about 10½d. per lb., whereas in 1936-37, it was 16.7d. per lb. The depression price—in 1932-33—was about 8½d.

Mr. Patrick: It is 10d. now.

The MINISTER FOR LANDS: A little over 10d. I desire members to realise how important that fluctuation has been to our all-production figures within Australia. The total sheep shorn in 1934 in Western Australia was 5,593,718. The total shorn last year was 2,883,000. Although we have taken it for granted that the worst years in the history of the State were the depression years, when we considered things could not have been much worse than they were—I refer to 1931-32—the figures I

have quoted respecting our pastoral areas speak volumes.

Hon. C. G. Latham: Yes. Of course, they would have been worse if we had had a drought to contend with then.

The MINISTER FOR LANDS: In 1931 the income from wool from our pastoral districts was £1,393,000, and in 1932 it was £1,373,000, but last year it fell to £907,000. Therefore, during the depression years we enjoyed a much more buoyant time, so far as wool from the pastoral districts was concerned, than we did in the past two years. A serious phase is that the areas in which the terrific decrease has been experienced are suited solely to the production of wool and sheep, so far as relates to surplus sheep. Our pastoral division comprises most of our land outside the South-West Land Division. The districts where most sheep are carried—the Ashburton, the Gascoyne and the Murchison—are still suffering from drought. Those who reside in the city and whose interests are solely in the city will find it hard to appreciate that 600 miles from Perth there is a huge area, with big properties, still in the throes of the drought. There are many stations, in my own district, which have not had two inches of rain this year. There are very many stations conjoined which have had not more than 10 inches of rain in the last five years, and they are still passing through a very serious time. No rain has fallen in those parts, the recent beneficial falls having occurred in the southern part of the State.

Referring to the effects of the drought, the Pastoralists' Association prepared a statement for the States' Grants Commission, in which the following passage appears—

It is impossible to state definitely the full monetary toll taken of the industry by reason of this drought, and in any case the cost of reconstructing the depleted flocks renders a financial problem of the first magnitude, as in most cases reserves had been encroached upon by the years of low prices which preceded the drought.

These terrific losses can be summarised under three heads—

- (a) depleted flocks,
 - (b) lower yield from surviving sheep,
 - (c) deterioration in the quality of the clip.
- Included in the stock losses is, of course, the loss of lambs. The natural increase

would, in normal times, be about three-quarters of a million per annum. There have been no lambs. Increased expenditure has been incurred for fodder and agistment, where it has been possible to obtain it, and in endeavours to find water on the outskirts and rougher parts of runs, also by increased interest charges on increased overdrafts. The loss in cash earnings affect both country and city, and in consequence less money has been circulated in the city. In the three districts of Roebourne, Gascoyne and Murchison, shearers and shed-hands have lost in wages a sum of £135,000 per year. It is quite safe to say that in the Ashburton, Gascoyne and Murchison districts this year, shearers' earnings are down £100,000, and that, of course, has had serious repercussions. The member for Roebourne (Mr. Rodoreda) has had considerable experience of transport matters and he is aware of the tremendous losses that have been occasioned to transport companies. Those losses have, in fact, been so serious as almost to drive well-established firms out of business. The pre-drought sheep population (1934) was 5,500,000. Figures disclose that the shearing for 1937-38 was down by 2,710,000. Those unacquainted with that country may have some idea of the dreadful position that still obtains when I point out that there is no railway nearer than hundreds of miles to many of the properties. Some of the stations are 250 miles and more from the ports. There are no stock routes open and no agistment to which sheep may be sent. The great distances to be covered add considerably to the charges involved when an attempt has to be made to save the stud sheep and valuable rams and ewes. A case is on record in which the cost of fodder used and other attempts made in an endeavour to keep alive the nucleus of a future flock amounted to 27s. 10d. per head.

So the State decline in the number of sheep from 11,200,000 in 1934 to 8,717,000 in 1937 is almost entirely represented by losses in the pastoral areas. One of the most regrettable features of the whole business is the loss of well-bred flocks. There are many flock masters who have devoted a lifetime to breeding, culling and improving the flocks in order to bring them to a high standard, and some of the best wools produced in Australia have been the products of the flocks of those masters. Yet in some instances

almost the entire flock, almost all the strain the man has been working on for a generation, has disappeared, and the replacement of sheep of that quality is almost impracticable.

Mr. Patrick: That is the tragedy.

The MINISTER FOR LANDS: It is one of the tragedies. I may mention that the increase of lambs is usually nearly 750,000 per annum, but another bad feature of the drought has been that no elimination of older sheep and their replacement by younger ones have taken place on some properties for three years. In some instances the youngest sheep to-day is over four years old. Consequently, even if relief were to come before the summer, the position would still be very serious indeed. When it is realised that under normal price conditions to-day these losses could not be replaced under £1 per head, some idea of the loss incurred will be understood. The wool loss amounts to 27,000,000 lbs., an increase of nearly 60 per cent. since 1934. The loss in wool at current prices amounts to £2,000,000. This loss of national income will continue even if seasonal conditions improve. Apart from the actual losses, another serious effect of the drought has to be borne in mind. I think the member for Murchison (Mr. Marshall), who has been well acquainted with his district for a number of years, will bear me out when I suggest that it is very doubtful whether the productive capacity of some of that country will ever be restored.

Mr. Marshall: It is utterly impossible.

The MINISTER FOR LANDS: The tremendous expenditure necessary to replace the depleted flocks presents a problem of serious magnitude to those engaged in the industry. The loss in round figures—that is the actual loss of sheep and of wool—is well in excess of £5,000,000. The loss in national income is an indication of the seriousness of the situation. I have had an officer attached to the Treasury, Mr. Goodes, draw up a statement that clearly indicates the cost to the State through the reduction of income owing to the drought of the past few years. He points out that the total loss to the State exceeded, in some years, £4 per head of the community. There was a total loss of £1,800,000 in 1936, the same amount in 1937, and £1,300,000 in 1938. He considers that the actual loss in taxation re-

ceipts has amounted to over £315,000 in the past four years. In addition, of course, there has been a corresponding reduction in the earnings of public utilities.

Hon. C. G. Latham: He has included those losses in his figures.

The MINISTER FOR LANDS: No, he has not; the losses experienced by public utilities have not been included in the figures I have given. He has a separate comment to the effect that the loss on public utilities has been very serious indeed. The interest charges on wool produced, as can well be imagined, have soared tremendously. On some properties those figures amount to nearly 4d. a lb. of wool produced. One sad feature of the whole situation is that even if 1,000,000 ewes were available as replacements, they would all have to be purchased from borrowed money. In spite of any statements that may be made to the contrary, the Government has shown practical sympathy to pastoralists and has made some big concessions to the industry during its time of stress. We anticipate that the pastoral rents waived—that is, up to the end of December last year, and not counting the current year—will exceed £200,000. In addition, rebates of freight have been made in respect to the transport of fodder and developmental material. After agistment, sheep have been returned free of cost to properties that are accessible by rail, and the amounts allowed for restocking and fodder rebates also reach a considerable sum. The position in regard to the waiving of land rents is still very serious from the Treasury standpoint. It is difficult to suggest whether a halt may be called under the legislation introduced by this Government to give relief in that particular direction. The figures indicating individual losses are in some instances considerable. There are flocks in the Gascoyne that have decreased from 30,000 sheep to 5,000, and the debt per head on some stations is over £8. There are groups of stations, particularly in one district in the State where the debt per head on the remaining sheep exceeds £7. When that position is appreciated I am sure members must realise the need for giving consideration to an industry that has meant so much in our national economy. More than that, it has proved to be an industry capable of profitable occupation of

that tremendous area of Western Australia in which the rainfall is less than 10 inches per annum. Forty-nine per cent. of Western Australia has a rainfall of 10 inches or less per annum so that the occupation of that territory by an industry that can be made profitable is necessary. It cannot grow fat lambs; it cannot grow very many other commodities in competition with the more populous and favoured southern districts. Therefore I ask members to give some consideration to the very important aspect raised by the member for Nedlands the other evening—the necessity for the continued maintenance at least of that very important part of the State.

This area has been responsible for the production of a tremendous amount of wealth, and the point raised by the Leader of the Opposition—I read his speech—about the saving of ewes and the prohibition of the killing of ewes of suitable types has much to commend it. Whilst there is not a large proportion of south-western sheep suited to north-western conditions, we certainly should take stock and save those that might at least form the nucleus of future valuable production in the North-West. Effective occupation of this territory, even with its low rainfall, is of vital moment to everyone. Its future depends upon wool, and its problems are separate and distinct from those of districts sufficiently well-endowed by Nature to grow other commodities.

I have suggested that the Government has clearly shown its desires. It has supported plans and taken action to afford practical relief to the industry. It is prepared to support re-construction as far as is legitimately possible with due regard to all its responsibilities in other directions. That is an attitude of mind I would commend to other industries in this State. That is where the Government stands in relation to all industries. It is prepared to accept its responsibility to any and all industries in the light of its responsibility to all.

In so far as the pastoral industry is concerned, before the Government can do much more, it must know more of the actual position. This means that the debt position is fundamental. Obviously money is required for future stocking and to enable pastoralists to carry on. Undoubtedly it is very necessary at this stage that mutual confid-

ence should be encouraged between those who have had the financing of the industry and the people they have financed. The financial institutions, which have been built up and have prospered on this industry, have within their own resources the ability and the capacity to rectify much of the trouble. The possibilities within the reserves of the banks and financial institutions offer the opportunity if they have the will. I am not referring to hidden reserves which have been made possible by writing down or by valuations of city properties, but I am referring to the reserves represented in what is known as sound business—considerable writing down amounting to millions which has taken place in the banks' private accounts and books.

There are many properties in my district that have debts exceeding £25,000, some exceeding £50,000. The client so written down has no knowledge of his true position. The bank assesses the account according to what it is considered to be worth. The banks have red ink accounts, and the writing down has protected the banks. A client does not know that position. He has submitted to him a statement of the complete account showing the extent of his whole indebtedness and so we reach this position: a man may have other assets; possibly he owes the bank £40,000 and he finds that the amount is £40,000, but where a man owing £40,000 has no other assets, the account is written down, but the client knows nothing of it.

Hon. C. G. Latham; Suspended, really.

The MINISTER FOR LANDS: Surely at a time such as this it is no revolutionary proposal to suggest that those who have built up their assets and reserves from the industry should be the first ones to ensure that the industry does not languish. There is nothing savouring of repudiation in that suggestion, and I think one of the first steps towards reconstruction and the restoration of confidence in the industry would be a move, not by the Government, not an inquiry by Royal Commission, but a move by the financial institutions to consider each account in the light of the possibilities of the future. Nothing I could think of would do more to restore a feeling of confidence and security in the future than approaching the problem in this way.

In its methods of finance the pastoral industry is very different from the wheat in-

dustry and very different from any other of our industries. It has not been financed with Government money. There are very few unsecured creditors; in fact, it might almost be said there are no unsecured creditors. All the business passes through one channel; the banker is the merchant and the store-keeper. While I can say that to my knowledge no application for sustenance has ever been turned down, it is all very well to keep the property alive by those means, but a much greater gesture of compassion is necessary if people who have invested £20,000 of their own money are not to walk off many of the properties. Recently I travelled on the train in company with the Premier and spoke to people who had pastoral interests. One man informed me that he had put into his property £16,000 of his own cash. He owes the bank many thousands of pounds and the bank is seeking further security from him. The asset is now regarded as insufficient to carry the whole of the amount loaned and the client is simply adopting the attitude—"I am prepared to lose my £16,000; you can take the property." The main assets of the industry are the men reared in the industry, the men who have produced considerable wealth in the activity in which they have been trained. I have quoted the Pastoralists' Association as saying—

Reconstruction involves a financial problem. of the first magnitude and reserves have been encroached upon.

I presume that the reference is to private reserves, and therefore I think that the first step in reconstruction should be at least some consideration of the accounts which have been transferred as book entries to make the position of the firm and not the position of the client more secure. We have lent to the Pastoralists' Association the services of two highly qualified men to discuss with that body what might be the basis for the reconstruction of the industry. The officers to whom I refer are the Surveyor-General, Mr. Fyfe, and the manager of the Agricultural Bank, Mr. Abey. I hope that the discussions they have with the leading representatives of the Pastoralists' Association will bring forth some adequate solution that will not carry even a suggestion of Government interference.

I am afraid I have told a very dismal story in connection with wheat, and not a

much brighter one in connection with wool. Whilst we must consider these matters with grave concern, we should not view them with fear. Both industries, and others of which I have made no mention but which are in a serious plight to-day, need some inspiration and some approach to confidence on the part of those engaged in them, and the material assistance of all citizens. The policy of self-sufficiency on the part of nations outside the Empire could perhaps be described as poison gases slowly destroying all possibility of international trade and international security. That seems to me to be the beginning, and possibly the end, of many of our rural problems, in addition to our industrial problems. The marketing of eggs, for example, offers very little better prospect in the future than does the marketing of wheat. Pork, as stated by the member for Canning (Mr. Cross), does offer some hope—.

Hon. C. G. Latham: The supply will reach the demand there, perhaps.

The MINISTER FOR LANDS: The dairying industry of the country, which last year produced £1,087,000 worth of products, is very buoyant. There is still a possibility, by making a survey, by taking stock of all Australia's rural industries, of finding other industries which can be developed and to which encouragement should be given. That is the attitude of the Federal Minister for Commerce to-day. He has set forth proposals which in essence mean that we are taking stock. Although no common rule can be applied to any one industry, it is essential and urgent that we should know where we stand in these particulars.

I should like to make some further comments on the policy of self-sufficiency as it has affected the producing and exporting nations, as well as those which have their own internal desires in that regard. The policy of self-sufficiency is possible only to countries of tremendous population and great natural resources. If, as in the case of Australia with only a few million people, we have a preponderance of one production, whether of wheat or wool, we must be faced with one of two things; either to reduce that production to our domestic requirements or to find some person outside our country who is willing to enter into reciprocal trade with regard to these and some other commodities.

There is no other alternative. It is obvious that in Australia, which is so largely dependent upon her internal economy for her income from exports, whilst we have no demand for some of our commodities we must endeavour to create a demand for others which we still have to sell. Fortunately, Australia is in the happy position of having many commodities the world is anxious to buy. Gold is the bright spot in Western Australia's economic structure, for with us gold production is stable. There is this to be feared and this to be faced. If America were to cease buying gold, the industry in Western Australia would soon be in a serious position. We can only hope that the nations now using gold as a commodity will continue their demand for it. We have before us the very obvious fact that gold has provided the balance for other industries in this State. The industry has been so buoyant that we should be very grateful for what it has done for this State, and for what it has contributed to industry. The increase in the production of gold represented in value last year the equivalent of the decrease in the value of wheat exported. That teaches us a lesson, namely, that we should take advantage of the position and realise that this State with its enormous compass, and the many industries constituted within it, is likely at some time to suffer a serious setback. By taking stock, in an endeavour to promote all other industries that are languishing, or are of minor importance at present, we as a Government are endeavouring to play our part in bringing about a proper balance. I am afraid I have tended to become tedious in my remarks. I should like strongly to support the sentiment which the member for Nedlands (Hon. N. Keenan) voiced in reference to the remark of the member for Mt. Magnet (Mr. Triat), that this is not a one-man job. It is not the job of any one section. The inherent idea in most Australians, that when they have elected people to Parliament, those people, and they only, have the responsibility, is one we should do our utmost to dispel. In these times we require co-operation between individuals. It is the responsibility of all industries and individuals, no matter whether they be bankers or what they may be, to seek by co-operation to overcome the ills which they desire Governments only to cure.

TABLE A.
WHEAT ACREAGE—AUSTRALIAN STATES.
1,000 Acres.

Season.	New South Wales, Including A.C.T.	Victoria.	South Australia.	Western Australia.	Total—Four Exporting States.	Queensland.	Tasmania.	Total, Commonwealth.
1929-30	3·975	3·566	3·646	3·568	14·755	204	17	14·976
1930-31	5·137	4·600	4·181	3·956	17·874	272	19	18·165
1931-32	3·685	3·566	4·071	3·159	14·481	249	12	14·742
1932-33	4·808	3·231	4·067	3·389	15·493	250	21	15·764
1933-34	4·587	3·053	3·822	3·183	14·645	232	24	14·901
1934-35	3·895	2·459	3·188	2·764	12·306	222	17	12·545
1935-36	3·853	2·324	2·990	2·641	11·708	240	10	11·958
1936-37	3·984	2·394	3·053	2·575	12·011	284	21	12·316
1937-38	4·467	2·686	3·162	3·026	13·341	373	21	13·735
1938-39	4·218	2·748	3·084	3·298	13·348	400	10	13·758
Average 10 years	4·260	3·063	3·527	3·146	13·996	273	17	14·286
Average 5 years, 1929-30 to 1933-34	4·438	3·603	3·957	3·451	15·449	241	18	15·708
Average 5 years, 1934-35 to 1938-39	4·083	2·522	3·096	2·841	12·542	304	16	12·862

AVERAGE STATE ACREAGE AS PERCENTAGE OF AVERAGE COMMONWEALTH ACREAGE.

Average 10 years	29·8	21·4	24·7	22·0	97·9	1·9	0·2	100·0
Average 5 years, 1929-30 to 1933-34	28·3	22·9	25·2	22·0	98·4	1·5	0·1	100·0
Average 5 years, 1934-35 to 1938-39	31·7	19·6	24·1	22·1	97·5	2·4	0·1	100·0
State's average yield per acre (in bushels)	12·60	12·22	14·73	9·12	11·28	21·93	....	....

TABLE B.
WHEAT PRODUCTION—AUSTRALIAN STATES.
(Million Bushels)

Season.	New South Wales.	Victoria.	South Australia.	Western Australia.	Total Exporting States.	Queensland.	Tasmania.	Total, Commonwealth.
1929-30	34·4	25·4	23·3	39·1	122·2	4·3	0·4	126·9
1930-31	65·9	53·3	34·9	53·5	208·1	5·1	0·4	213·6
1931-32	55·0	42·0	48·1	41·5	186·6	3·7	0·2	190·5
1932-33	78·9	47·8	42·4	41·8	210·9	2·5	0·4	213·8
1933-34	57·1	42·6	35·4	37·3	172·4	4·4	0·6	177·4
1934-35	48·7	25·9	27·5	27·0	129·1	4·1	0·3	133·5
1935-36	48·8	37·6	31·6	23·8	141·3	2·7	0·2	144·2
1936-37	55·7	42·8	28·7	21·5	148·7	2·0	0·6	151·3
1937-38	55·1	48·2	43·4	36·1	182·8	3·7	0·5	187·0
1938-39	59·1	18·1	31·7	36·0	145·8	8·5	0·2	154·5
Average 10 Seasons	55·9	38·4	34·7	35·8	164·8	4·1	0·4	169·3
Average 5 Seasons, 1929-30 to 1933-34	53·3	42·3	36·8	42·6	180·0	4·0	0·4	184·4
Average 5 Seasons, 1934-35 to 1938-39	53·3	34·5	32·6	28·9	149·5	4·2	0·4	154·1

AVERAGE STATE PRODUCTION AS PERCENTAGE OF AVERAGE COMMONWEALTH PRODUCTION.

Average 10 Seasons, 1929-30 to 1938-39	33·0	22·6	20·5	21·2	97·3	2·4	0·3	100
Average 5 Seasons, 1929-30 to 1933-34	31·6	22·9	20·0	23·1	97·6	2·2	0·2	100
Average 5 Seasons, 1934-35 to 1938-39	34·0	22·4	21·2	18·8	97·0	2·7	0·3	100

TABLE C.
 VALUE OF PRODUCTION—ALL INDUSTRIES—1936-37.
 (Last available and complete figures for all States.)

	New South Wales.	Victoria.	Queensland.	South Australia.	Tasmania.	Western Australia.	Total.
	£ (millions)	£ (millions)	£ (millions)	£ (millions)	£ (millions)	£ (millions)	£ (millions)
1. Pastoral, including Wool, Lambs, Wheat, etc.	43.76	21.95	16.15	6.16	1.91	5.51	95.44
2. Agricultural, including Wheat, Potatoes, Fruit, Cane, and all crops	28.08	24.04	13.56	13.02	3.17	9.44	91.31
3. Dairying, including Pigs, Poultry, Bees, etc.	16.33	17.09	6.98	2.97	1.34	2.07	46.76
4. Total, all Branches of Agriculture	88.17	63.08	36.67	22.15	6.42	17.02	233.61
5. Mining, including Coal, etc.*	10.14	1.62	3.62	2.51	1.62	7.78	27.29
6. Total, Primary Production	98.31	64.70	40.29	24.66	8.04	24.80	260.80
7. Factory Output, including Costs of Manufacture	192.81	142.69	53.02	34.53	10.46	18.81	451.82
8. Total Revenue from Production	291.12	207.39	93.31	59.19	18.50	43.11	712.62
9. Value of Wheat Production	14.60	11.70	0.60	7.50	0.10	6.00	40.50
10. Percentage of 4 represented by Wheat	16.6%	18.6%	1.6%	33.9%	1.6%	35.3%	17.3%
11. Percentage of 8 represented by Wheat	5.0%	5.6%	0.6%	12.6%	0.5%	13.9%	5.7%
12. Value per Head of Factory Output	£28.63	£31.70	£17.46	£20.86	£20.74	£17.59	£26.11

* In Western Australia 94 per cent is from gold.

TABLE D.
 WHEAT—AUSTRALIA.

The following statement sets out the Acreage, Yields, Prices and Bounties per bushel for the past 10 years:—

Season.	Acreage.	Production.	Yield per acre.	Price.	Bounties.	Total Amount Received.
	1,000 acres.	1,000 bushels.	Bushels.	F.O.R. Williams-town.	Per bushel.	Per bushel.
1923-29	14.840	150.679	10.76	s. d. 4 10½	....	s. d. 4 10½
1929-30	14.977	126.885	8.47	3 10½	....	3 10½
1930-31	18.105	213.594	11.76	2 5½	....	2 5½
1931-32	14.741	100.612	12.93	3 1	4½	3 5½
1932-33	16.766	213.927	13.57	2 9½	2½	3 0
1933-34	14.901	177.338	11.90	2 7½	4½	2 11½
1934-35	12.544	133.383	10.63	3 2	7½	8 9½
1935-36	11.957	144.280	12.06	4 0½	3½	4 3½
1936-37	12.316	151.390	12.29	5 0½	....	5 0½
1937-38	13.785	187.255	13.63	3 5½	....	3 5½
Average—10 Seasons	14.389	169.904	11.81	3 6½	2	3 8½
1938-39	14.110	154.543	10.95	....	....	....

TABLE E.
 FARMERS' DEBT ADJUSTMENT.

The following statement sets out the details of the operation of the scheme since commencement:—

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
Commonwealth Advances to States to 31st May, 1939	£1,733,000	£1,972,000	£545,000	£790,000	£1,064,000	£213,000	£6,317,000
Disbursements by States to 31st May, 1939	£1,359,000	£1,968,000	£492,777	£690,000	£1,031,743	£203,073	£5,745,285
Value of debts on approved claims prior to adjustment (at 31st March, 1939)....	£3,537,645	£7,033,076	£1,158,235	£4,948,438a	£13,113,096	£790,838a	£30,581,828
Amounts written off approved claims (at 31st March, 1939)	£705,489	£2,111,027	£803,477	£1,632,609a	£2,761,770	£123,244a	£7,697,616
Number of claims lodged (at 31st March, 1939)	2,627a	4,422	1,044	2,707a	3,864	670a	15,334
Number of claims approved (at 31st March, 1939)	583	1,382	528	915a	3,159	380a	6,947

a As at 31st December, 1938.

MR. SEWARD (Pingelly) [8.27]: With other members I tender you, Sir, my congratulations upon your elevation to the Speaker's Chair, and express the hope that your period of office will be an enjoyable one. From our experience of you as Chairman of Committees we are able to form the opinion that you will be equally successful in the higher office. I also congratulate the member for Murchison (Mr. Marshall) upon his election as Chairman of Committees. To the new Ministers I extend hearty congratulations. Without detracting from them in any way I regret that we have lost as Minister a member who occupied a seat on the Government bench last year. From that hon. member we always received the greatest consideration and assistance during his term of office. I congratulate the new members upon their election, and say without fear of contradiction that their advent to the House has considerably strengthened its debating forces. I shall not to-night deal with much beyond the question of wheat. Before turning to that subject, however, I desire to allude to one or two other items. The first of them, unfortunately, is one that has been mentioned by all those who have held the position of member for Pingelly over a great number of years. It is the question of the Pingelly water scheme. We had hoped that that scheme would have been disposed of long ago, but the hopes have not been realised. However, during the last year or two new forms of catchment have been adopted by the Water Supply Department. One of them is the bituminising of catchment areas. Consequently we are hopeful that that system may be applied to Pingelly with successful results. It is of course well known that Pingelly has an ample rainfall to meet its requirements, but the particular difficulty in that area has been the impossibility of conserving water in an earthen reservoir. The ground throughout that part of the State is porous. We have rocks which might form a catchment within about 10 miles on either side of the town; but there again is a difficulty—the cost of piping the water into the town. The expenditure on pipes brings up the total cost of the scheme to a figure rather high for the population to bear. Still, I am hopeful that the Minister and his officers may be able to get this bituminised catchment area, and put down a cement dam somewhere close to the town, and thereby reduce the cost of piping.

Thus would be solved a problem which has been highly troublesome over a number of years. We have the spectacle of residents of the town of Pingelly bearing summonses which notify that unless they pay within seven days they will be taken to court. That is rather an awkward position for the Government to take up, and, I have no doubt, painful to the Government as well as to the individual. The present scheme is almost useless. True, the water can be used for sewerage tanks and flushing purposes. It is also true that Pingelly cannot get on without a scheme. Yet the Government is faced with an expenditure of £1,000 a year for pumping the water, while the annual revenue is approximately £500. The system is especially unsatisfactory because the people are naturally reluctant to pay for water which really they cannot use. The position is unpleasant for all parties; and I hope the Minister and his officers will concentrate on a bitumen catchment, so that the trouble may be overcome within the next twelve months.

During the past year there has been inaugurated in the 3,500-farms area a new system of transport. The system has given satisfaction in some areas, but unfortunately not in that part of the 3,500-farms scheme, which is situated towards the eastern end of the Pingelly electorate. The main cause of trouble is that under the bulk-handling system that portion of the electorate is too far removed from the railway to permit of expeditious transport. Consequently the farmers there had their wheat all stacked up in the paddocks, being unable to get it away. Rain came, and caused a great deal of damage. The Government has had under consideration a request of the settlers for a scheme of erecting bulk bins in that area, and I am firmly convinced that that is the only solution of the problem. However, as we are all aware, the Government has ample avenues for the expenditure of any money that comes into its possession. Consequently I desire to suggest to the Minister concerned an amendment of the Bulk Handling of Wheat Act, which would give the Bulk Handling Company power to erect bins at places other than railway sidings.

The Premier: If we have to restrict the production of wheat, how will we get on?

MR. SEWARD: If we have restriction of the production of wheat it will not apply to this district, for there is nothing else the

district can grow, by reason of its undeveloped nature, and also because the district is too good to surrender from a wheat-growing standpoint. Owing to its undeveloped state, it cannot readily turn to sheep or oats.

The Premier: There is the cost of transport.

Mr. SEWARD: That is a matter which will have to be gone into.

The Premier: It is a serious matter.

Mr. SEWARD: The point I want to make is that other parts of the State can be turned more easily than that part from wheat-farming to sheep-farming. That part of the State should be the last to be taken out of that particular vocation.

The Premier: What does it cost the farmers there to transport their wheat?

Mr. SEWARD: The distance is about 300 or 400 miles.

Hon. C. G. Latham: Not for all those farmers.

The Premier: And then there is motor transport, and after that there is bulk handling.

Mr. SEWARD: That is not my point. The point I am at is that in order to relieve the Government of the necessity of finding extra money for the erection of bulk bins, it should bring down a Bill to amend the Act as I have suggested. The company would be willing to erect the bins, and could find the money.

The Premier: But can wheat be profitably produced in that district in view of the heavy transport charges?

Mr. SEWARD: I am not going to say that it can be done with wheat at 1s. 9d. per bushel. However, if it is to continue at 1s. 9d., the whole question of wheat-growing will have to be reconsidered. So long as wheat-growing continues in that district the people will desire this better method of handling their wheat. It will be done better and more expeditiously by bulk bins erected in the locality than by the present system of carting 40 or 60 miles to the railway.

The Premier: It does not pay.

Mr. SEWARD: Passing from those two matters, I wish to refer briefly to another disability of the farming community. That is the question of houses. It was mentioned by the member for Katanning (Mr. Watts) a few evenings ago that a need existed for a housing scheme in our farming areas. We are all agreed as to the neces-

sity for providing houses for the workers, and there is no reason why the scheme should not be extended to the farming community. I venture to say that the farming community of this State is as badly housed as any farming community in any part of Australia; and that is easily explained. The settlers went on to the properties, in many cases taking up virgin country without any capital, the funds being provided by the Government. The settlers immediately set about making improvements in the shape of fencing, water supply, and so forth, giving, as is customary with settlers, the least consideration to their homes. A settler would put up any kind of house at the outset, naturally hoping in time to improve it. That hope, however, has been deferred, with the result that when one goes through the country one sees many houses which would not be permitted in any part of the metropolitan area, or in any country town either. The Agricultural Bank is empowered to borrow if it requires funds.

Hon. C. G. Latham: And if it can raise loans.

Mr. SEWARD: We have also given the Bank power to make advances for building houses on those securities. One section of the Act empowers the Bank to advance up to 70 per cent. of the cost. The State's timber industry is, at all events, not enjoying as good times as might be wished. Accordingly it seems to me that there is a highly desirable outlet for timber in building houses on farms at reasonable cost. If a man desired a better home and had capital with which to supplement the amount set aside by the bank of, say, up to £400, then he could build a cement house, and he should be permitted to do so. I do not think there would be any objection to that. A definite statement is required of the Government's intention to amend the Agricultural Bank Act so that a certain amount of money may be made available for the building of houses. If that were done, and farmers made use of the provision, the value of their properties would be improved and the better housing would certainly contribute to the greater happiness and comfort of the farmer and his family. Many people suggest that a house is not a revenue-producing asset, but I do not agree with that contention. Anything that tends to add to the comfort

of a man, his wife and family on his property represents a decided asset. However, I make the suggestion to the Government, and I trust it will be found possible to amend the Agricultural Bank Act so that a specific sum may be provided to enable farmers to erect decent homes in which to live.

Next I shall refer to the wheat-growing industry, which is a burning question among the farming community to-day. Before doing so, I desire to tender my congratulations to the Minister for Lands upon his long, informative and painstaking speech to the House to-day. His utterance showed the close attention he has paid to the problem during the last few weeks. While I congratulate him from that standpoint, I am not deterred from remarking that he did not deal with the aspect that I and farmers generally wished him to discuss. In consequence, I must refer to that particular omission. I was particularly struck by a phrase he used in the concluding portion of his speech. He was dealing with the financial institutions, the banks and so forth, and said that a firm that had built its reserves through the industry should stand by that industry in the time of its need. I would substitute the word "State" for "firm." His remark would then read that a State that had built its reserves through an industry should stand by that industry in its time of need. Last week the Premier said that it was not necessary to make any further announcement regarding the proposals that emanated from the recent conference in Melbourne, on account of the statement he had made through the Press. Fortunately, it will not be necessary for me to deal with that utterance, because of the statement made by the Minister for Lands this evening. Had it not been for the Minister's speech, the Premier would have been called upon to give a great deal more information before the wheatgrowers would have been enlightened, if not satisfied, as to the meaning of the proposals or recommendations, if they were such, that emanated from the conference.

The Premier: They were merely suggestions.

Mr. SEWARD: Then the wheatgrowers are very anxious to know what exactly are those suggestions. They are not content to sit down and have some problem determined

for them unless they know what the proposals are and what they mean. They must understand the proposals before they can express satisfaction or dissatisfaction. On the basis of the remarks of the Minister for Lands to-night, we can take it that if the proposals, as suggested by the conference, were given effect to, and £3,500,000 were made available, the farmers would be paid on the basis of a 140,000,000 bushel crop, which would mean that they would receive 5d. a bushel on that particular quantity of wheat produced.

The Premier: Plus the flour tax.

Mr. SEWARD: Plus nothing; the farmer gets 5d. out of that amount.

The Premier: And the flour tax.

Mr. SEWARD: I will deal with that in a minute. During the last few days the Prime Minister made a statement in which he said that the Commonwealth Government had made available a sum of £7,000,000 to relieve the wheat-growing industry. That statement is not correct, and I want to deny it emphatically.

The Premier: Hear, hear!

Mr. SEWARD: The fact is that £3,500,000 was to be made available by the Governments, Commonwealth and State, and the balance was to be provided by the people of Australia, including the wheatgrowers themselves. How on earth the Prime Minister could make such a statement, I do not understand.

Mr. Rodoreda: The people of Australia will provide all the money.

Mr. SEWARD: The Commonwealth Government is to make available funds from the flour tax; but that is paid by the people of Australia, too.

Mr. J. Hegney: And that will be reflected in the price of bread, so that they will have to pay that as well.

Mr. SEWARD: No.

The Premier: That applies to all the people of Australia.

Mr. SEWARD: Yes, eventually; but not in the way the Prime Minister indicated in his statement. The Governments are to make available £3,500,000, but the people are to provide the balance of the money. According to last Thursday's "West Australian" the Premier stated that as the financial part of the scheme had been adopted, it was not necessary for him to go to the conference in the Eastern States at the end of this month, and that the Minister for Lands would attend.

The Premier: I did not say the financial scheme had been adopted, because, obviously, it has not been.

Mr. SEWARD: I took the quotation direct from the report in the Press, and the Premier can look it up for himself. I can only go on the statement that appeared in the "West Australian." However, dealing with the statement that it is not necessary for the Premier to go across to discuss the financial phase any further, I contend that that phase has not even been discussed, let alone adopted. I advance that contention because the proposals from the conference so far are totally inadequate to deal with the position. If I have read the transactions of the conference correctly, the Premiers, when the problem was discussed in Melbourne, tackled it from the wrong angle. Having ascertained the full financial extent to which assistance to the industry could be made available, the conference determined that the amount the Governments could supply was £3,500,000. To my mind that represented the wrong angle from which to approach the subject. In my opinion the first question to be tackled should be the cost of growing a bushel of wheat. Plenty of authoritative information on that point is available to Governments. Ministers should then have ascertained the gap between the cost of production and the price the farmer receives for his wheat when he markets it. The sum represented by that gap is the amount of money that should be made available to relieve the wheat-growing industry.

The Premier: And if you cannot find that amount of money?

Mr. SEWARD: It must be found.

The Premier: But it cannot be found, according to the Prime Minister.

Mr. SEWARD: There may be some difficulty, as the Prime Minister has indicated; but if that difficulty exists, it is of the Premiers' Conference's own making. I say that, because only a few months ago the Premiers met and arranged for the raising of not less than £41,000,000, but made no provision whatever for any attempt to stabilise the wheat industry. The various Governments knew that that problem stared them in the face. If the Prime Minister and the Premiers now find difficulty in providing the sum necessary to stabilise the wheat-growing industry, it is because they neglected their duty some

months ago, when they failed to take the matter into consideration at the time they allotted expenditure amounting to £41,000,000.

The Premier: But that money has not been spent; it is only now being obtained.

Mr. SEWARD: I must be particularly dense or I am expressing myself badly tonight. I did not intend to insinuate that the £41,000,000 had been spent. What I said, and I repeat it, is that the Premiers met and arranged to raise £41,000,000 for certain work, but did not include anything for the stabilisation of the wheat industry.

The Premier: Nor for anything at all. Each State was to get a certain sum of money.

Mr. SPEAKER: Order! I must ask the hon. member to address the Chair, and not the Premier.

Mr. SEWARD: Our wheatgrowers will not be content with treatment of that kind. They have put up with it for too many years. That has been the way in which most of the bounties have been made available to the wheatgrower; he has received so much per bushel, irrespective altogether of whether it will be sufficient to bring his receipts up to the level of his expenses, which is the only thing that counts to-day where he is concerned. It is no use coming along and saying to the wheatgrower, "We will give you 10d. a bushel above the world price for wheat," if that amount will only bring him a return of 1s. 10d. per bushel in all.

The Premier: We will give him all that we have; we can give no more than that.

Mr. SEWARD: I mentioned at the outset the necessity for standing by an industry which has been of such great value to the State. During the five years from 1927-28 to 1931-32, our wheat exports amounted to no less a sum than £34,000,000, an average of nearly £7,000,000 per year. At that time our exports of wheat represented not less than 38 per cent. in value of our total exports. Unfortunately, owing to depression prices and restriction of production, production fell. In the subsequent five-year period, exports fell to £22,000,000, or an average of £4,500,000 per year. But that £4,500,000, although it is a return considerably lower than that which we received previously, is sufficient to pay our interest bill and leave a million pounds over. Our total exports of wheat up to the year 1937 amounted to the colossal sum of £101,000,000. Next

comes wool, which has contributed £99,000,000. An industry which has produced such an enormous sum as £101,000,000 for the State is worth making great sacrifices for; in any case, an industry which, in a declining period, alone brings to the State £1,000,000 above the interest bill of the State, surely deserves more support than a miserable maximum of £200,000, as was suggested by the conference recently. The Premier says that a greater sum cannot be found. Yet it is remarkable that for the two years ended 1938, this State was able to raise £2,500,000 of loan money for unemployment relief. Unemployment relief is absolutely necessary, but it should be provided out of revenue, not loan money, unless an asset is being created for the State. It has yet to be shown that the expenditure of that loan money has resulted in the creation of an asset. If we could find that £2,500,000 from loan money for unemployment relief, we are in duty bound to find more than £200,000 for the rescue of the wheat industry. The member for Toodyay (Mr. Thorn), when speaking a few nights ago, made some remarks on Government appointments. I desire to say a word or two on the same subject. When a conference of experts was called to prepare plans for the stabilisation of the wheat industry, the two experts sent from this State were Dr. Sutton and Dr. Samuels. I do not want it to be thought that I have anything against either of those gentlemen. As a matter of fact, I do not know Dr. Samuels. For Dr. Sutton I have the highest regard. If we required an expert to guide us on wheat breeding, on knowledge of the types of wheat suited to the various parts of the State, or on the milling qualities of wheat, then in Dr. Sutton we have an expert second to none in Australia. When it comes to marketing wheat, however, and to the troubles associated with world production of wheat, then I hold we have higher authorities than either Dr. Sutton or Dr. Samuels; and I refer to Mr. Teasdale and Mr. Bath. Why those gentlemen were passed over is beyond my comprehension. Even had the Government not been favourable to enlisting the services of Mr. Teasdale, I cannot understand why it did not avail itself of Mr. Bath's services. I venture to say that no better authority could be obtained in Australia to advise on that particular question.

But that is not the worst. The Premiers' Conference failed to come to a decision. The Premiers intend to meet again at the end of this month and experts have been summoned again to thrash the matter out further. For some extraordinary reason, the experts selected for this occasion are Mr. Donovan and Dr. Samuels. I have nothing to say against Mr. Donovan; I know him, and like and respect him. He carries out in an admirable manner his duties as Chairman of the Agricultural Bank Commissioners. He has gained considerable experience by reason of holding that position and having acted as a Royal Commissioner on the Agricultural Bank; but to employ him to continue the work already done by the other two gentlemen is unfair to him, and most distinctly unfair to our wheatgrowers. I do not know whether the Government was looking for someone to send for a holiday to the Eastern States, but I certainly think the Government has earned the censure of all our wheatgrowers by not getting the best available advice to assist in the work of the proposed conference.

The Minister for Lands: Did you say the Government was deserving of censure?

Mr. SEWARD: Yes, for sending officers—

The Minister for Lands: Why?

Mr. SEWARD: The Minister was not in his seat when I made the explanation.

The Minister for Lands: It will take more explanation than you can give to make a satisfactory statement.

Mr. SEWARD: The Government sought the advice of experts to assist the Premiers in evolving a plan for the stabilisation of the wheat industry; and I said the experts from this State were not the best available for the job.

The Minister for Lands: You are a very poor judge.

Mr. SEWARD: That is a matter of opinion. Others hold the same opinion as I do. Does the Minister think I am reflecting on those particular gentlemen?

The Minister for Lands: You certainly are.

Mr. SPEAKER: Order!

Mr. SEWARD: I explained that in other respects I held those gentlemen in great esteem; but higher authorities were available to assist with expert advice at the conference. What is extraordinary is that the Government should now appoint another ex-

pert to take the place of one of the two who have already attended conferences and given their assistance.

The Minister for Lands: It is obvious that you do not know much about the matter.

Mr. SEWARD: We can only judge by the Press reports. If I do not know and the wheatgrowers do not, at least they are entitled to be told. Consequently, I took the matter up in this House.

Mr. McLarty: It is a matter of opinion.

Mr. SEWARD: Another matter with which I wish to deal is the clause in the suggested proposals from the conference that payments should be made in May and December of each year. That is quite unsuited to the farmer, by reason of the fact—as anybody acquainted with farming knows—that when he gets his first few hundred bags off, he rushes them to the siding in order to get sufficient money to pay off some lien, or to enable him to carry on. He then harvests the remainder of his crop and markets it as quickly as possible. That is what the average farmer does to-day. It is necessary for him to do so, in order to obtain finance to complete his harvesting, pay his accounts and make arrangements for carrying on in the future. If he has to wait until May for a portion of that payment, it follows that somebody else will have to supply the money, because the farmer has not got it. I presume that that somebody else will be a financial institution. Has the Government made inquiries from financial institutions to discover whether they are willing to supply that amount? And if so, is the farmer to pay for it? That is a matter which is of vital concern to the farmers. I hope the Government will make arrangements with financial institutions, because I can assure Ministers that one particular financial institution, far from being prepared to make money available, proposes to put farmers off their holdings altogether. To farmers, payment in May and December is totally unacceptable. If to make the payment in one amount is impossible, I suggest that the first instalment be paid on the delivery of the wheat and the second not later than the end of June.

The Premier: We are not going to acquire all the wheat. It will be sold in the usual way.

Mr. SEWARD: I know that. The point is that if the money is to be paid in May and December, the farmers in some places

will be receiving part of the payment for this year's harvest after they have marketed next year's harvest. In the electorate of the member for Greenough (Mr. Patrick), for instance, farmers will be harvesting this year's crop in November. Consequently this year's harvest would be delivered and in the following month the farmers would receive payment for the proceeds of the previous year's harvest. As I have already pointed out, the farmers can only barely carry on, if at all, when they obtain all their proceeds, as at present. If they are to be denied receipts for 12 months, the banks will have to make money available, and they will charge interest for it, so that the amount being withheld from the farmers will to a large extent be dissipated in extra charges. However, if the money is to be paid in two instalments, I hope that the Minister for Lands, when he goes to this conference—and I hope the Premier will accompany him—will effect an arrangement whereby one sum will be paid on delivery and the second in June. I want to make another appeal to the Premier—to endeavour to obtain from the Commonwealth Government another payment from the flour tax to farmers this year. When Federal Ministers were here, it was stated that payment would be made before the end of September. Now the Prime Minister has made a statement that the payment will be made in December. That is decidedly unfair to farmers, who require this money. This morning I received an urgent letter from a farmer asking whether this statement is true, because farmers are incurring further expenditure in connection with fallowing operations and need this money to liquidate their liabilities. I appeal to the Premier to see whether something cannot be done to have that money made available before October. The only matter that is worrying the wheatgrower to-day is the necessity for bridging the gap between the cost of production and the amount he receives for his wheat. The price to-day at the siding is practically 1s. The added assistance he will obtain if this proposal is carried into effect will be 10d.—5d. out of the £3,500,000, and 5d. out of the flour tax, if something is not taken off the amount to help somebody else. That means the farmers will receive 1s. 10d. But we have it on the authority of the Wheat Commis-

sion that the cost of production is 3s. 8d. That gap must be bridged and the farmer cannot have it bridged in any other way except by special assistance. So that whether the amount comes to more than £200,000 or not, there is urgent need for it to be made available. Last Friday I received a letter from a wheat farmer who gave me figures to illustrate his position. He said his total expenses were £720. He has to make that amount per year from his farm. He expects to obtain 25 bales at £10 a bale, which would amount to £250. From the sale of sheep he hopes for £75. He will sell two horses for £25, and 2,000 bushels of wheat at 2s. which wants to amount to £200. The total revenue would be £550. So as his expenses were £720 and his revenue is estimated at £550, there would be a deficiency of £170, the small return being largely owing to the unfavourable season. He has been notified that no further financial assistance will be granted to him, and he will have to sell his farm by the end of the year. He wants to know how he is going to carry on unless the amount of 2s. a bushel is increased to a figure that approximates his cost of production. That is an absolute necessity, for he is now in a hopeless position. If he cannot obtain more than 2s. a bushel, he and his family will have to walk off the property at the end of the year.

I wish to refer to one or two matters mentioned by the Minister for Lands in his speech. The hon. gentleman said that the Agricultural Bank is going to insist on the farmer cutting more hay. Once again that is a matter of finance. If any farmer thinks for a moment that he has a crop from which he will derive a greater return by selling it as hay than from selling it as a grain crop, he will cut for hay. If, however, as someone suggested, the crop is 2 feet high, that crop is likely to be a better grain than hay crop, and consequently the farmer will strip it for grain. The fact has also to be borne in mind that when cutting a crop for hay the farmer knows the price of hay. I can tell the Minister that for years past—this year was an exception—if the farmer secured £1 a ton for his hay in the stack he was selling fairly well. Not many farmers are willing to cut hay for that return. Moreover, very often the farmer has not time to cart the hay, and it lies out in the summer sun and

is seriously affected by thunderstorms. Unless he can employ labour to do the hay carting while he harvests, the hay must remain out. I assure the Minister that hay cutting is a matter of finance. If it pays the farmer he will cut the crop for hay.

The Premier: He can be paid to cut it. If he does not use it, the State will take it over.

Mr. SEWARD: That is all very fine, but hay cannot be cut and stacked without effective measures being taken to preserve it. A stack has to be built and there has to be a cement bottom and a galvanised iron fence to keep out mice, if the hay has to be kept over the year. If the Premier is not aware of that, he should have a stack built without taking these precautions and then see what a beautiful collection of mice he would ultimately have. When he opened up the stack, the smell would be noticeable a mile away. There is definitely a financial problem attached to the cutting and keeping of hay. I have had too much experience of that not to know what I am talking about. In July, better prices than £1 a ton are available for hay; but when it is sent to market the farmer finds that he is crushed out and receives less than £1 a ton nett.

The Premier: We have not seen any rats up our way, or concrete floors for hay-stacks either.

Mr. SEWARD: I am speaking of mice, not rats. The Premier can go to any wheat-grower who crops for hay to any extent, and will discover that the man lays down concrete floors.

The Premier: Some of the more prosperous farmers do so.

Mr. SEWARD: They are not prosperous; they are sensible men who believe in protecting the hay. The Minister need not go beyond the Agricultural Bank authorities. If he spoke to the Chairman, Mr. Donovan, and ascertained what the Bank paid for hay last year, he would find there was not much profit to the farmer selling at that price, especially if he had to employ labour to cut and stack.

The Minister emphasised the amounts paid to the wheat-growing industry by way of bounties which, in one year, amounted to 7d. a bushel, but he did not emphasise the amounts that the wheat-growing industry had paid in obtaining for other people that which the farmer has not gained for himself,

namely, the Australian standard of living. The Prune Minister recently made an extraordinary statement that in his opinion protection had not increased the cost of production to the farmer. I should be interested to learn how the Prime Minister arrived at that conclusion. One has only to consider the present price of commodities to realise that the cost of production to the farmer has increased by 100 per cent. in the last few years. I have before me a list of the costs of various articles utilised in the wool industry, which is practically the same as for the wheat industry, although some of the items would not be required even by those farmers who have sheep. Here are some of the prices—

Shearing hand pieces, 1912-13, £2 10s. each; 1939, £5 17s. 6d. each. No. 8 galvanised wire, 1912-13, £8 5s. a ton; 1939, £17 a ton. Kerosene, 1912-13, 7s. 9d. a case; 1939, 17s. a case. Working men's boots, 1912-13, 5s. 6d. a pair; 1939, 16s. a pair.

So it continues right through the list. Those added costs have been brought about by the policy of protection and the policy of the Arbitration Court. Members are fully aware of that. The policy known as the new protection was introduced about 1903 under which the worker was given some of the protection afforded to the manufacturer. That was quite a right policy to adopt. Unfortunately it has continued ever since, and as protection has been increased, so wages have risen also, with the result that the price of everything the farmer has to buy has increased out of all knowledge. The party to which I belong has been stressing for years the fact that costs were piling up year after year while the price of the farmer's produce has not even remained stationary but has fallen. Wheat is bringing only one-third of the price that ruled in 1912, whereas the costs of all the articles required by the farmer have increased by 100 per cent. at the very least. The same statement applies to the pastoral industry. What my party has been telling the upholders of the protectionist policy would occur has occurred. The costs have been piling up over the years until the farmer cannot now profitably sell either his wheat or his wool at the ruling price. In 1913-14, 2s. 9d. to 3s. a bushel was the regular opening price for wheat, and with that price the farmer was able to carry on. He is now unable to carry on any longer. In the proposals that eman-

ated from the Wheat Conference recently held in Melbourne, the farmer can see no hope whatever. Consequently I deem it my duty to move an amendment to the motion for the adoption of the Address-in-reply, as follows:—

That the following words be added to the motion, "but this House regrets to advise Your Excellency that in its opinion the provision made by the Conference of Premiers for stabilising the wheat industry is inadequate."

On motion by Mr. Fox, debate adjourned.

House adjourned at 9.15 p.m.

Legislative Council,

Wednesday, 23rd August, 1939.

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

QUESTION—MILLS & WARE, LTD.

As to Sustenance to Strikers.

Hon. C. F. BAXTER asked the Honorary Minister: Are any of the employees of Mills and Ware, Ltd., now on strike, in receipt of sustenance from the Government?

The HONORARY MINISTER replied: No.

QUESTION—GOVERNMENT BUILDINGS, SCHOOLS, HOSPITALS, ETC.

Hon. A. THOMSON asked the Honorary Minister: What is the estimated cost of—1, Perth Technical School additions; 2,