

Commissioner contributed to the collapse in prices at the previous sale. This measure, as I have said, does not propose to deprive the Commissioner of his power to protect the consumer but only seeks to take from him the right to do again that which he has done in the past to the detriment of the primary producer, who—struggling against a most adverse season when there was only a limited number of producers able to put on the market prime stock for the purpose of human consumption—found himself losing money which he was entitled to have, as referred to in the letter from Mr. Ferguson, without any inquiry having been made of him as to what it had cost him to produce this article for sale or what was a reasonable price. I venture to say that in no circumstances whatever would similar action, or action with a similar result, have been taken in regard to the product of a manufacturer or goods sold by a retailer that had been acquired from a manufacturer without the fullest inquiry as to what his costs were and the reason why such a price should be fixed by the Commissioner. In those circumstances it appears to me that the House will have little difficulty in agreeing with another place that this measure is reasonable and should receive favourable consideration. I have much pleasure in moving—

That the Bill be now read a second time.

On motion by Minister for Lands, debate adjourned.

House adjourned at 10.15 p.m.

Legislative Council,

Thursday, 17th October, 1940.

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

QUESTION—TROLLEY BUSES.

Restrictions on Privately-owned Vehicles.

Hon. J. A. DIMMITT asked the Chief Secretary: In view of the inability of the trolley bus services to cater adequately for the increased passenger traffic brought about by petrol restrictions, will the Government immediately remove the transport restrictions which prevent privately-owned and operated buses and parlour cars from picking up and setting down passengers on trolley bus routes?

The CHIEF SECRETARY replied: No. It is not the intention of the Transport Board to relax the conditions relating to the taking up and setting down of passengers along the trolley bus route as the Railway administration is making efforts to cope with the problem of increased traffic.

QUESTION—PUBLIC BUILDINGS, SITE.

As to Proposed New Road.

Hon. H. S. W. PARKER asked the Chief Secretary: As regards the proposed public road on the west side of the Christian Brothers' College,

- 1, What is the estimated cost?
- 2, What purpose is it intended to serve?
- 3, When is it proposed to build the road?
- 4, What authority will build the road?
- 5, What authority will pay for the road?

The CHIEF SECRETARY replied: 1, As it is very unlikely that this road will be constructed in the near future, an estimate has not been prepared. 2 (a), To provide access to the public buildings at

the eastern end of the group. (b), To create a frontage on the western boundary of Christian Brothers' College block to obviate the possibility of the unsightly rear of premises facing the public buildings group. 3, 4 and 5, Answered by No. 1.

BILL—SUPPLY (No. 2), £1,200,000.

Read a third time and *passed*.

MOTION—RURAL RELIEF.

To Inquire by Joint Committee.

Debate resumed from the previous day on the following motion by Hon. A. Thomson (South-East):—

That a message be transmitted to the Legislative Assembly requesting concurrence in a proposal that a joint committee consisting of three members of each House be appointed to inquire into and report upon such measures as may be necessary and/or desirable to relieve people engaged in the rural industry of their present financial handicaps and problems.

HON. W. J. MANN (South-West) [4.36]: I did not speak on the Rural Relief Fund Act Amendment Bill from which this motion originated; neither did I address myself to a similar measure that was brought before the House last year. I abstained from speaking because I have never been quite clear in my mind just how far any attempt to deal with secured debts would relieve the primary producers who, we all realise, are in such a parlous position. I have said outside the House that I would be inclined to move for or support the appointment of a select committee to investigate certain phases of the question, but more particularly I desire an opportunity to make clear the imputations in some of the statements made in this House regarding the voluntary assistance that has been extended by financial institutions to farmers in distress. Time and again members have told us that financial institutions are doing quite a lot in the matter of protecting their clients and helping them to carry on, but when we endeavour to obtain some authentic information on the point, we do not seem to get very far. I do not refer to the banks in any spirit of antagonism; I recognise that they are a very useful and very important feature of our life, but the

idea has been conveyed that the banks are doing all that is possible and all that is requisite to enable their farmer clients to carry on. If that is so, I cannot refrain from asking why those people are still in the doldrums, if not in a worse position, and why, if they have received all the help we are told they are getting, they are still in a position as bad as or worse than ever before. That is one of the reasons at the back of my mind for supporting the appointment of a select committee.

Banks are carefully run institutions, and do not make many mistakes. Possibly they do make mistakes from the point of view of bankers, but from my knowledge of banks that are of any moment at all I am aware that most of them have large reserves. Those large reserves are held, amongst other reasons, for the purposes of offsetting any losses that might occur. I will not subscribe to the doctrine of repudiation. I am sufficiently old-fashioned to believe that if a contract is made in good faith, with full knowledge of all conditions, and equitably, it should be respected. But there is nothing static in the world at the present time. Indeed, there never has been anything static. Banks recognise that fact. While a contract may be made to-day and be perfectly fair, even generous, it is possible that after the expiration of a brief period circumstances may have altered so much that revision of the contract becomes necessary. Last night Mr. Holmes said that the question of dealing with secured mortgages was one of absolute repudiation. If Mr. Holmes makes that claim, or accusation, many people who have conducted business on a very large scale have been guilty of repudiation. I do not know whether this is apropos of the question or not, but I would mention that recently I went to one of the principal banks in Perth and asked whether I might be shown the bank's ordinary mortgage form, the form that a man signs when he gets an overdraft. No member of this Chamber, I suppose, has an overdraft, so that my meaning may not be understood. However, I was shown a mortgage form, and after what I might almost call a prologue—to the effect that the bank agreed to lend and the other party to accept so much to be repaid in such a way—I looked at the conditions; and the very first condition was that the bank reserved the right to call up the mortgage at any time for any purpose

and without giving any reason. If hon. members will examine that condition, I think they must agree that there is nothing static in the bank. I do not complain of the condition being there. I see the force of it. Still, it is a provision that if the bank thinks fit at any time to call up the overdraft, it may do so without giving any reason whatever. I do not think the banks would claim that it was an unfair thing to have their case investigated when they could put up their side of the story. Then possibly there might be a revelation.

Hon. J. J. Holmes: No investigation would be allowed under those conditions.

Hon. W. J. MANN: Banks are no more static than any other institutions. They must move with the times. Either that, or they must see their assets wiped off ultimately. A bank exists only for dividends, and, as soon as dividends cease, then in ninety cases out of a hundred the bank ceases. These institutions must realise that they have something to protect and something to explain. I do not like the term repudiation in this regard. It is a very useful word, but an extremely severe word. It connotes something wrong and wicked, more or less criminal. The position as I see it is that a man goes into the marginal areas, for instance, and takes up a property, putting some of his own money into it and borrowing as much of other people's money as he can get, and then setting out to endeavour to make a competency for himself. For reasons that, in many cases, the man himself could not control, his investment proved a failure. While I will not argue that because it proved a failure he should expect the creditor to turn around and lose the whole of the money he has put in; but the creditor should be willing in that event to have the position fairly and openly examined, instead of leaving the decision to a mere whim. I think it would be a great advantage in such cases to have a full and open investigation. For that reason I have made up my mind to support a motion for a select committee to deal with that part of the Bill which refers to secured creditors.

I commend Mr. Thomson for the spirit and energy he has displayed in his endeavour to render assistance to the people for whose benefit this motion has been brought down. However, I fear the motion

goes far beyond what a select committee could do effectively. So I find myself more or less in a quandary; but I am led to the opinion which I hold by the barrage and smoke-screens that were put up in this Chamber yesterday the moment financial institutions were mentioned. Several members were quite warm in their defence of these institutions. It seems to me that we have got to the stage when we should speak of them only in whispers and that we should be rather careful what we say. I may be a little Bolshevik, but I cannot subscribe to that attitude, neither can I subscribe to the suggestion of repudiation. We have an excellent precedent for revision, writing down and freezing of debts. It comes from none other than the Mother of Parliaments. I invite hon. members to read the British Parliamentary debates for 1932 and 1933—I am sure they will enjoy doing so—and study the debate that took place in the House of Commons on the question of reparations and debts owing to the United States. Members will find that practically all the leading statesmen of Britain subscribed to this very doctrine, and subscribed to it substantially. I shall not weary the House by reading extracts, although I have marked one that is clear and convincing. It is a history of what happened. The Mother Country did make arrangements which, if some of the statements made in this House are correct, might be termed repudiation. But I am not going to term those arrangements repudiation at all; they were made in consequence of a change in circumstances over which Great Britain had no control. She was forced into the position, and the Government of the United States accepted it. We can go to no higher authorities than the Mother of Parliaments and the great Parliament of the democracy of the United States. They, in their wisdom, believed there were cases that should be dealt with in that way.

Hon. J. J. Holmes: It was a mutual agreement between the two parties.

Hon. W. J. MANN: It was put up by the Mother of Parliaments and accepted by the United States. My friend who has just interjected might carry his remark a little further and say that the banks should mutually arrange with their creditors to go into the question of writing down debts. I think that would meet the position.

I am not going to follow the question further.

Hon. J. J. Holmes: You had better not.

Hon. W. J. MANN: Oh, well, if the hon. member wants to hear some extracts, I will read one or two.

Hon. J. J. Holmes: Yes.

Hon. W. J. MANN: After Mr. Lloyd George, Mr. Baldwin and Mr. Churchill had all spoken strongly in favour of approaching the United States for a writing down of the debt, Sir J. Wardlaw-Milne said —

There are no means by which we can continue indefinitely paying these instalments of war debts on the present scale. . . .

There are no means by which these farmers can continue to pay interest on the present scale.

Hon. H. L. Roche: Quite right.

Hon. W. J. MANN: The extract continues—

. . . . and there is therefore no object whatever in our refusing to face that fact and making it perfectly plain to the United States of America.

There is no reason why the farmers should not confer with the banks on this matter. The extract continues—

They (that is, the United States) know it, at any rate those who are experts on the subject, as well as we do. They know that these payments cannot go on.

I could continue quoting cases where all the principles that are involved in this question of writing down debts are dealt with. I could mention the precedent of our own group settlements. There was a period in my life when I was brought face to face with the realities of poverty, such poverty that I thought never could exist. Since I have been a member of this Chamber, there have been times when I almost hesitated to return home because of what I knew would happen immediately I alighted from the train. I would be met by desperate group settlers, who had no outlook or opportunities. Had those conditions been allowed to continue, not 3 per cent. of the group settlement blocks would be occupied to-day. But what happened? There was a revision. A careful examination was made and the Agricultural Bank was forced to do something. It wrote down the debts; the blocks that were occupied by settlers who had no chance of making a success were given to adjoining settlers, with the result that to-day that district is the most prosperous one

in the State. Where formerly no interest was being paid, to-day the greater part of it is being paid, and paid regularly. There is reason for this move on the part of my friend on the right. Those who have opposed the motion apparently do not quite realise the justice of the claim. I support the motion.

HON. G. FRASER (West) [4.58]: I do not desire to debate the motion, but the question is one on which I consider I should at least announce my attitude. I am in the happy position of not being attached to any financial institution, nor do I represent any of the primary producers. I can therefore look at this question in the way Mr. E. H. H. Hall suggested yesterday, in a judicial capacity. I can weigh the pros and cons of the debate and give what, to me at any rate, appears to be a sound decision. The position reminds one of the old saying, "If you want to lose a friend, lend him some money." Two friends have fallen out—the financial institutions which have advanced the money and the farmers who have borrowed it. Some effort should be made to bring these two factions together, and by that means endeavour to arrive at a solution of the problem. In this way I think some suggestion might be brought forward that would help to guide us over a difficult position, which, shall I say, both sides find themselves in to-day. Everyone wants to stand by his obligations but there are times when people are unable to do so, and it appears to me that farmers are in that position to-day. There is a possibility that the suggested inquiry may do some good, but I think that even if it should succeed in bringing both factions together and making each recognise the rights of the other, the select committee will achieve some good. I know that financial institutions have lent money in all good faith, and those who took it did so in good faith also; but the position is that circumstances have arisen rendering it impossible for many of the farmers to stand up to their obligations. I feel sure that no financial institution in this State wants its pound of flesh from the individual, recognising that by taking it an injury will follow to the State. As matters stand to-day, unless an adjustment is made in some direction, the State will seriously impede an industry that is of value to it. Holding these

views, I can see that no harm can be done by the appointment of a select committee, because, all said and done, it can only carry out an investigation and make recommendations. If those recommendations are not acceptable to Parliament, no damage will have been done; on the other hand, there is a possibility, as I have already said, that something may eventuate from the appointment of the committee. My desire is to give everyone concerned the opportunity to state his case, and also that some recommendation might be made that will be of guidance to this Chamber. Therefore I shall vote for the motion.

HON. SIR HAL COLEBATCH (Metropolitan) [5.5]: I am afraid I cannot support the motion just because there is an off-chance of the committee doing some good, that it may find out something and throw some light on what is suggested is an obscure object. But we want a more definite prospect of good results before we ask another Chamber to join with us in appointing a select committee. We are confronted at the present time with two problems, the one immediate and the other of a more general character. The immediate problem is how can we continue and, indeed, increase production from the soil in the face of the widespread and exceptionally severe drought which has overtaken us? That is a problem not merely for the farmer but for all sections of the community. We are fully alive to the trouble we experienced in 1929, when the destruction of the purchasing power of the man on the land ushered in the great depression. Similarly now if people are driven off their farms there is no prospect of their profitable employment in any other industry. They will swell the ranks of the unemployed and we shall be losing the value of their production. This is a problem that I think can best be tackled by those people immediately interested—the Commonwealth Government, the State Government, the pastoralists, the farmers and the financial and commercial institutions. I see no reason why they should not get together, as I believe they are anxious to do, in a spirit of co-operation, and a willingness to sacrifice with the full knowledge of the problem and a full appreciation of the urgency and the necessity for solving it quickly. That seems to me to be the right course to take, and so I

ask myself whether the motion will assist. We must remember that Mr. Thomson, when introducing it, coupled it up with the Bill which follows it on the notice paper. Will the course the hon. member suggests—the carrying of this motion and the passing of the second reading of the Bill—facilitate a settlement of the immediate problem? It will not do the least bit of good. An investigation, no matter how prompt it may be, cannot possibly arrive at a solution in time. Then I ask, is the hon. member's proposal likely to do any harm? I intend to vote against the motion simply because it will do no good, and also because I think there is some danger of its doing harm. The best thing we can do is to wipe both off the notice paper and leave the sheet clean and be prepared to pass any legislation the necessity for which may be revealed by the conference to be held by the interested parties.

When we come to the more general problem, I am prepared to admit that there is necessity for close investigation, but I do not think a select committee is likely to arrive at any satisfactory result. That second problem is to restore to the man on the land something of the economic stability and the general wellbeing he enjoyed in years gone by. In Australia as in every civilised country, there are three distinct classes of industry—primary industry, covering agriculture, timber, fishing, etc.; secondary industries, covering manufactures, mining, and building; and tertiary industries, embracing commerce, transport and services of all kinds. Until comparatively recent times, in this State and throughout Australia primary industries enjoyed a higher standard of prosperity than either of the other groups. Now the position has greatly deteriorated until it has become entirely intolerable, and it is worthy of consideration that during the period of increasingly acute depression the secondary and tertiary industries very materially improved their position and enjoyed a higher standard of prosperity than they did before. I would be inclined to express pleasure at that prosperity if it had been obtained by those industries on their own merits; but so far as Australia is concerned, and indeed other countries as well, that is not the case. Secondary and tertiary industries have been subsidised by the primary industries over n

long period, and therefore I consider that Mr. Holmes last night was hardly justified in making the charge that the primary industries have been spoonfed. It is true that they have received subsidies, but those subsidies began with the spoon-feeding of the secondary and tertiary industries and the whole of the costs fell on the primary producers. I admit that the stage we have now reached when practically all industries are unable to carry on without some form of subsidy, is one that eventually, unless checked, will be fatal to the economic stability of the country. I do not think the primary producer is in any way to blame for that. Further than this, I am satisfied that the people who a few years ago thought that great benefit would accrue to the State by placing more people on the land, had sound ground for their optimism. The necessity for offering people encouragement to go on the land arose out of the fact that at that stage the secondary and tertiary industries were being subsidised by primary production, and therefore if we wanted people to go on the land, the only way to get them there was to offer them some special inducement. It is an unfortunate fact that once we start subsidising any industry or giving special aid or assistance to any industry, it becomes difficult to stop it. I should like to emphasise a fact that has not always been recognised, that there were the very best of reasons for believing that only good could result from putting more people on the land even at the cost of a great deal of money. New Zealand and Australia stand right out amongst all the countries of the world in their natural capacity to produce cheaply from the soil. Recent exhaustive investigations show that the output per male worker in terms of international units is 2,244 in New Zealand, 1,526 in Australia and 1,233 in the Argentine. The United States and Denmark show less than one-half that productive capacity from the soil per worker employed, and all other countries are much lower. In view of those facts, it is not surprising that it was considered well worth while to offer special encouragement to people to go on the land. We know what has happened. This high production per man employed means, particularly in the case of Australia, that an enormous

percentage of the production has to be exported. In many countries of the world it is necessary for more than half the population to be employed in the production of food for the people of that country. In Australia one person can produce sufficient food for 25 people and when we remember that half of the total population is on the land, we realise how much we are dependent on export to other countries. I do not think that those who initiated the schemes for settling people on the land could have been expected to foresee the circumstances that have arisen to make export difficult. These circumstances arose out of the war and the adoption of the policy of economic nationalisation by various countries. The people of those countries wanted our wool and our wheat, but because those countries could not sell those things they produced they were unable to buy from us. Thus outside influences came in and completed the work of destruction that local political factors had commenced. I should say that the burden imposed upon primary industries by the secondary industries is well understood. I do not know that a sufficiently exhaustive survey has been made of the burdens imposed on primary industries by the tertiary industries. Let me take the question of transport. In Western Australia that resolves itself largely into a matter of railway transport. In 1936 the railway revenue was £3,446,000, and in 1940 it was £3,555,000, an increase of £109,000. The expenditure increased in those years from £2,488,000 to £2,828,000, an increase of £340,000. Under that one heading alone there was a drift of one quarter of a million of money.

Hon. T. Moore: But there was a big increase in the business. The railways shifted a lot more in that year.

Hon. Sir HAL COLEBATCH: I am coming to that. There was no increase in business, and we drifted to the extent of a quarter of a million pounds. There was an increase in revenue of £109,000, but the number of passengers carried decreased by 1,600,000, and the quantity of goods carried decreased by a quarter of a million tons. We, therefore, had a bigger revenue from a much lesser service, the inescapable inference being that we imposed upon primary industries greater burdens, and gave them less in return. By this morning's paper I

notice that the Railway Department pays for Collie coal at the pit's mouth 14s. 9½d. per ton. In New South Wales, however, the Railway Department has arranged for coal supplies of a better quality than those which come from Collie at contract prices ranging from 9s. 6d. to 13s. 6d. per ton. I have not the information to indicate the reason for the undue expenditure incurred for coal supplies in this State. Even if we compare the conditions of four years ago—they were had enough—we find a drift to leeward by our railways of a quarter of a million pounds, meaning increased taxation and higher charges and a larger revenue for considerably less service. That is not the whole picture. Let me take the question of petrol supplies to the country districts. In the metropolitan area the cost is 2s. 4d. per gallon. The price rises rapidly every 50 miles until it becomes 2s. 8d. in Northam, 2s. 10d. in Bridgetown, 3s. somewhere else and so on. If the users of the petrol were allowed the most economical methods of transport it would not mean an increase of more than 1d. or at the outside 2d. on the Perth prices. These are only one or two instances of hundreds of directions in which the tertiary industries have imposed increasing burdens upon the primary industries. If I thought the appointment of a committee would do anything to clean up matters of this kind, I would gladly support it.

Hon. A. Thomson: Why not give it a chance?

Hon. Sir HAL COLEBATCH: I am not taking chances. The seriousness of the matter to my mind is not fully appreciated. The constant drift from the country to the towns is the chief factor in bringing down our Australian birth rate to such a figure that we are now scarcely maintaining even our present population. We are destroying the economic fabric of Australia, and prejudicing to an alarming extent the future of the country as a British community. I do not think the appointment of a committee would help us to wrestle with this question. What is needed is an appreciation in the public mind as to where we stand, and the necessity for breaking down some of the privileges enjoyed by those industries that are sapping the life blood of the country.

HON. H. L. ROCHE (South-East) [5.19]: In supporting the motion I suggest to members that the proposal is only for the appointment of a committee of inquiry. I presume it is brought forward in the hope of ascertaining if possible whether there are not some ways and means of overcoming objections to the rural relief amending Bill introduced by Mr. Thomson. I cannot understand the desperate fear that seems to prevail in the minds of some members at the mere suggestion of an inquiry into the circumstances surrounding the rural industry at the moment. Are they afraid of publicity being given to certain phases of the situation, or are they afraid that an inquiry might shake the grip of certain institutions or the lives and well-being of men and women interested in the industry, whose interests Mr. Thomson has by his Bill endeavoured to protect? I was surprised to hear the Chief Secretary oppose the motion for the appointment of a joint committee. He seemed to base his opposition on grounds similar to those advanced by Sir Hal Colebatch. Both hon. gentlemen wish to see a measure of prosperity restored to the primary industry, and both dealt with certain aspects of it at considerable length. Although they uttered expressions of sympathy, neither was prepared to go to the extent or run the risk of supporting an inquiry into the proposals advanced to see whether after investigation and mature consideration there was at least something worth while in the suggestions that had been advanced. The Chief Secretary referred to the drought position. That would not be affected either by the motion or the Bill by which it was proposed to amend the Act. Such drought relief as may be forthcoming will amount to nothing more than another of the everlasting sops to which I have previously referred. Those are designed merely to keep the industry barely alive and nothing more. On this occasion those engaged in the rural industries will have to depend for the solution of the problem upon someone being able to prevail upon the authorities at Canberra to foot the bill. The Chief Secretary was seemingly helpless when it came to suggesting a remedy that would improve the secured debt position. Whilst he deplored the position of the farmers, and seemed very hopeless concerning their outlook, he could not suggest what alteration

should be made to improve the position. It seemed to have been useless from his point of view to discuss the matter any further, or to have any more investigations made into it. I submit, however, that every member who has spoken, either on this motion or upon the Bill relating to rural debts, has expressed his deep concern at the position into which those industries have been flung. Apparently we are asked to believe that Parliament is helpless, hopeless and useless from the point of view of doing anything to alleviate, restrict or remove the canker that is eating the heart out of the industry and destroying the personal equation. To me acceptance of that principle would be a denial of the rights of this Parliament and of those of us who represent primary industries. Some people would deny that right to Parliament. They would rather it was kept in more select hands. We were told by one member that he discussed this matter with the manager of what I consider is very little better than a pawn-broking institution in St. George's terrace. That manager said he had a file 2ft. thick on his table dealing with applications for the carrying on of arrangements for farmers, but that he was not going to deal with it until this legislation was disposed of by Parliament. The hon. member in question did not give us the name of the manager or of the institution. Doubtless the manager is the same gentleman who a little while ago refused to meet a Minister of the Crown until legislation before Parliament had been disposed of. That gentleman apparently has sufficient influence to set about intimidating the Government or the State Parliament, and telling them what he thought they should do. To my mind acceptance of that attitude by Parliament would be a negation of the principles of democracy. It would be a reflection on those people who whilst expressing sympathy for those who to-day are in a position where they can no longer help themselves, and whilst pretending that the needs of the under dog, and of that section of the community that is so hard pressed, are their particular concern, are still prepared to accept the dictates of certain institutions that are not willing to approach these problems from the standpoint of a reasonable measure of justice and an adjustment of their contracts to meet the changing circumstances. As Mr. Mann pointed out so ably and clearly to the House

the position is not static. Circumstances are changing, and those who are in control of these arrangements or contracts have to be prepared to adjust their viewpoint to the changed circumstances of the last 10 years. More financial and economic changes have occurred in the last 10 years than in the preceding 40 years. Those institutions and interests that are not prepared to adjust themselves to the altered circumstances, and so meet the new position, are not going to improve their own situation by being adamant. I believe that eventually circumstances will become too strong for any privileged section of the community to resist. Those people of whom I speak will probably lose far more by maintaining their present attitude than they will by taking a reasonable view of the problem. A suggestion made by one member earlier in the sitting should commend itself to the House. Let the committee be appointed. During the course of its investigations an excellent opportunity will be presented for the creditors to be brought more into line so that all may realise the position and the principle behind Mr. Thomson's Bill. An inquiry would also provide an opportunity for those representing rural industries to appreciate the viewpoint at least of some of those people who are standing in the position of creditors to the industry. When opposing the motion, the Chief Secretary made much of the fact that the question was urgent. I admit that it is, but the question to which he referred, although he did not make it particularly clear, was that of drought relief alone. He gave the House particulars of certain Royal Commissions and select committees and indicated how long it took before they submitted their reports. I suggest in all seriousness that even though the appointment of the joint committee and its inquiries will entail some delay, an inquiry into the subject is preferable to a continuance of the existing feeling of blank helplessness and hopelessness, which was all I could read into the remarks of the Chief Secretary. Possibly that hon. member overlooked the select committee that was appointed by the Legislative Assembly in 1937 to consider matters affected by the Rural Relief Fund Act Amendment Bill. The committee was appointed on the 10th November and reported on the 17th December. Surely if that select committee could carry out its inquiries and report in five weeks' time, the motion does

not represent a hopeless proposition or suggest that it would entail a longer period than that occupied by the 1937 select committee. In all the circumstances it seems to me that there is everything to gain by an inquiry along the lines suggested whereby there could be a frank interchange of views. During the inquiry an approach could be made to the subject with a view to doing something instead of continuing this eternal battle of words, words, words while the industry itself is dying.

HON. J. M. DREW (Central) [5.32]: I agree with much that has been said by Mr. Roche, and I compliment him upon his speech. I am astounded at the opposition displayed regarding Mr. Thomson's simple motion. So far as I can see, there are no grounds whatever for the hostility that has been indicated. What does the motion mean? It proposes the appointment of a joint committee consisting of three members from this House and three members from the Legislative Assembly. For what purpose? To inquire into and to report upon such measures as may be deemed necessary or desirable to relieve those engaged in the rural industries from their financial handicaps and problems.

Hon. H. S. W. Parker: From their present financial problems and handicaps.

Hon. J. M. DREW: I have merely given the terms of the motion in brief. That motion has aroused a considerable volume of antagonism. I can scarcely follow many members in their hostility to the matter. The terms of Mr. Thomson's motion have been totally ignored by the majority of members who have spoken in opposition to it. Their remarks have been entirely irrelevant. All their arguments have been based upon false premises. There has been violent talk about repudiation. Nothing is contained in the motion that indicates repudiation in any shape or form.

Hon. G. W. Miles: Mr. Thomson said he wanted to keep the Rural Relief Fund Act Amendment Bill on the notice paper for the time being.

Hon. J. M. DREW: Mr. Thomson meant until the committee had investigated and reported. Members have stated that the banks were strongly opposed to the legislation and that unless the Rural Relief Fund Act Amendment Bill introduced by Mr.

Thomson was removed from the notice paper they would refuse to provide any accommodation to the farmers under their control. That was the implication. I would be surprised indeed to know that any responsible officer of a bank had issued such an ultimatum. For my part, I can only conclude that some underling attached to one of the financial institutions was responsible for the statement. Furthermore, valuable experience of the operations of the banks should not lead members to think that those institutions are antagonistic to the move launched by Mr. Thomson for a fair and just investigation. My experience of the banks justifies me in saying I have every reason to believe that the principal officials of those institutions, the men who hold responsible posts, will not do so as apparently did someone connected with a bank, someone not in a responsible position, in that he issued an ultimatum that no more credit would be given to farmers connected with his institution until the projected legislation had been withdrawn from the notice paper. To my way of thinking, the banks have a far different record from that implied by such an allegation. When the select committee of the Legislative Assembly inquired into rural relief fund matters in 1937, some important evidence regarding the attitude of the banks was taken. On reading that evidence, I was much surprised and appreciative of what the banks had done. Mr. Angwin, the chairman of the Rural Relief Fund trustees, was asked this question—

Have the secured creditors, the first mortgagees, reduced their debts in some cases?

That was a very important question, and Mr. Angwin's answer was—

Yes, in a large number of cases.

Later on Mr. Angwin added—

Of 2,300 cases, we have had 25 refusals from the various financial institutions to sell a portion of their mortgage debts.

Speaking of the banks, Mr. Angwin said—

They would not enter into a composition but they might allow 10s. in the pound or some other amount.

Just fancy! They might allow 10s. in the pound!

In a large number of cases they have agreed to some such provision. We have had 25 cases during the last two years in which the bank has refused to do so.

That is a fair indication, and certainly support for the suggestion that the banks will approach the situation with a desire to do justice and meet the set of conditions that have obtained throughout the whole of the agricultural areas. What were the grounds of the refusal in the 25 instances out of 2,300 cases to which Mr. Angwin referred? They were that the mortgagees were satisfied with the security. Seeing that they were satisfied with the security, everything was going along all right. I suggest that that is a very fine record for the banks. I have been intensely surprised, in view of the information that was available from the 1937 select committee's report, that so many members should have indicated that the banks had taken up a hostile attitude, for it would be quite contrary to that which they adopted on a previous occasion. The position of the farmer to-day is worse than in 1937 when the Legislative Assembly select committee was appointed to investigate conditions that obtained in the industry. No doubt the banks will recognise the position if they are approached in connection with this matter by a legislative body appointed by this Chamber and by another place. There is no doubt that an investigation into the condition of the farming industry is a matter of supreme importance in the interests of the State at the present juncture.

For many years the prosperity of Western Australia depended largely upon the gold-mining industry, but there came a time when that industry languished. The Government of the day was prepared for that contingency. Under the Forrest Government, Mr. George Throssell, who had been appointed Minister for Lands, inaugurated a closer settlement policy, which was developed from year to year. Afterwards Sir James Mitchell, when Minister for Lands and later Premier, extended that policy throughout Western Australia, and for years justification of the attitude of those two Ministers could be seen in the flourishing state of the agricultural industry. For 20 years the farmers were successful in their operations. There were fair prices for wheat and few droughts. For ten years afterwards there were occasional bad seasons, but almost continuous low prices. Consequently, the agricultural

industry throughout the State commenced to retrogress. To-day farmers are in a bad way and their present condition has not been approached at any previous time in the history of the State. Members must remember that the farmers built up this State. When the goldmining industry declined, the agricultural industry to a large extent filled the gap. Perth would not be as prosperous as it is to-day but for the agricultural industry. Almost every town throughout the State is dependent upon that industry for its wellbeing. From my experience I know that the industry will continue to go down. Farmers will leave the land and the countryside will become mere sheep-walks. Already some of the best land in Western Australia has suffered that fate owing to conditions that have prevailed for so long. That is recognised by everyone. I hope every hon. member will support the motion for the appointment of a joint committee in order that an investigation may be made. The Chief Secretary stated that there was no time for delay and that the committee would be operating for something like six months. In the next breath he said that the whole of the information necessary was in the hands of the Government. If the information is in the hands of the Government, it will be available to the joint committee and to Parliament, so the obstacle of delay is removed. There should be no delay and in view of the seriousness of the situation I am sure that whoever might be appointed to the committee will ensure that the inquiry is brought to a speedy and satisfactory conclusion.

HON. H. S. W. PARKER (Metropolitan-Suburban) [5.46]: I have followed closely the various arguments on the motion and, in the interests of the farmers, I cannot agree to vote for the appointment of a joint committee. The motion provides for the appointment of a committee to inquire into and report upon such measures as may be necessary to relieve those engaged in the rural industry from their present financial handicaps and problems. What their present financial handicaps are we have been told; the banks will not advance money for the current season's cropping.

Hon. A. Thomson: Who made that statement?

Members: That is wrong.

Hon. H. S. W. PARKER: I gathered that that was the main argument. As a matter of fact the word "pawnbroker" was used. So far as I could observe, the majority, if not all of those in support of the motion made an attack against the financial institutions which have assisted the farming industry in the past. All the supporters of the motion appeared to be concerned not for the future of the farming industry but for the individuals who are at present in unfortunate difficulties through no fault of their own. The impression I have gained is that a joint committee should be appointed to inquire into the present financial difficulties of individual farmers.

Hon. A. Thomson: The motion does not say that.

Hon. H. S. W. PARKER: No, but my recollection is—and I took notes—that one hon. member said—I think by way of reply to an interjection as to what would be the use of a joint committee—"We could ventilate individual cases." The trend of the arguments advanced was that a joint committee should be appointed to ventilate individual hard luck cases.

Hon. A. Thomson: That is not my intention, and I ought to know what I have in mind.

Hon. H. S. W. PARKER: I do not care two straws what the mover of the motion has in his mind. I am referring to the opinions expressed by his supporters, who have stated that the object of the appointment of the joint committee is to ventilate individual cases and give them publicity. One hon. member went so far as to ask, "Are you opposing the appointment of a joint committee because you are afraid of publicity?" His whole argument was that anyone who opposed this motion would do so because he feared that the farmers would disclose information of which he was afraid. I venture to say that every member of this Chamber is fully aware of the extraordinary and dreadful conditions under which the farming industry is labouring. Further I suggest that the Minister for Agriculture and the Government are far better informed than are individual members of this House. A gentleman behind me whispers, "Rubbish!" That is exactly in line with the arguments advanced in support of the appointment of a joint committee. Hon. members will not trust anyone to have any bet-

ter knowledge than they have of their own—I was going to say, their own local potato-patch, but that would be wrong. Supporters of the motion will not trust the powers that be—

Hon. A. Thomson: They have not given us much reason to trust them.

Hon. H. S. W. PARKER: So the hon. member agrees that his supporters do not trust the powers that be, who have all the information available at their finger-tips. There is a Country Party Government in Victoria.

Hon. A. Thomson: Do not make the matter political.

The PRESIDENT: Order!

Hon. H. S. W. PARKER: Very well; let us leave out the political aspect. If politics do not enter into the matter, then it will be conceded that the present Minister for Agriculture is the man who should know most about agriculture in this State. The Ministers for Agriculture throughout the Commonwealth are at present investigating this matter.

Hon. J. J. Holmes: Together with their expert officers.

Hon. H. S. W. PARKER: Yes, and the Premiers of the various States.

Hon. G. Fraser: And they are all getting a headache trying to solve the problem.

Hon. H. S. W. PARKER: That may be so, but we hope not. These highly qualified gentlemen are investigating the matter, so what is the use of three members from this House and three members from another place being appointed a joint committee to gather a mass of evidence? What would be the result of its inquiry? It would be boiled down in a published report. Whether the evidence would ever be printed is very doubtful. As a rule the evidence taken by select committees is not printed, and is not even published in the Press, so the ventilation of individual cases would not assist and no real benefit would be derived from the appointment of a committee. I assume that sworn and thoroughly reliable evidence would be submitted to the committee, but what would be the use when all the Premiers and the Ministers for Agriculture throughout Australia and all the experts at their beck and call are going deeply into the question?

Hon. H. L. Roche: Is that not for drought relief only?

Hon. H. S. W. PARKER: They are considering the whole position and not individual cases.

Hon. H. L. Roche: Not the debt structure?

Hon. H. S. W. PARKER: That is the whole difficulty in the farming world—the debt structure.

Hon. T. Moore: There is no doubt about that.

Hon. H. S. W. PARKER: The whole difficulty is due to excessive advances made in view of the possibility of future droughts. All the information necessary is available, and there is no need for the appointment of a joint committee. Repudiation has been mentioned. Mr. Mann referred to the adjustment of debts between Britain and America. That is exactly how these debts should be adjusted, the same as they have been adjusted in the past, namely, between the two parties concerned. There is no suggestion that the League of Nations forced America to accept a reduction, but Parliament is being asked to force the banks to accept a reduction.

Hon. W. J. Mann: Not by the motion.

Hon. H. S. W. PARKER: The motion has been moved with a view to assisting the passage of the Rural Relief Fund Act Amendment Bill. That has been candidly admitted. I cannot see that the appointment of a joint committee will assist. On the contrary, I am convinced that the longer this motion and the Bill to which I have referred remain on the notice paper, so much longer will an adjustment of the difficulties existing between the farmers and the financial institutions be delayed. My experience in dealing with financial institutions on behalf of clients has been that in every instance the bankers—representing not their own money but the money of their clients—have been only too willing and anxious to assist the farmers to get back on to their feet as quickly as possible in order that the assets might be saved. The trend of the speeches made in this House has been that the banks are most anxious at every possible opportunity and in every possible way to damn the farmer.

Members: No!

Hon. H. S. W. PARKER: The general trend of the debate has been along that line.

Hon. A. Thomson: That is quite incorrect.

Hon. H. S. W. PARKER: I am pleased to be corrected in such an emphatic way because I felt that some speakers did not really appreciate the fact that the banks are anxious and willing to help their customers at all times and in every possible way. The banks, like the rest of us, live on the primary industries to a very large extent. Until we can ensure that the primary industries are soundly established, there will be no sound business in the country. Nobody knows that better than the bankers. I cannot believe that this motion and the Rural Relief Fund Act Amendment Bill will do otherwise than delay an early and satisfactory settlement designed to assist the farmers. The sooner these items are wiped off the notice paper, the sooner the banks will gain confidence, not in the farmers but in the politicians. The politicians and not the farmers frighten the banks. I venture to suggest that had this motion not been placed on the notice paper, the farming industry would have been in a far happier position at the present time. Therefore I cannot support the motion.

On motion by Hon. L. B. Bolton, debate adjourned.

BILL—INCOME TAX ASSESSMENT ACT AMENDMENT.

Assembly's Message.

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

BILL—FEEDING STUFFS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. W. J. MANN (South-West) [6.0]: This Bill calls for little comment, but there is a provision that occasions me some concern. I agree with the statement made last night that the measure is a praiseworthy one and will go far towards correcting the abuses that have been in evidence. We who live in rural districts know that many of our constituents have from time to time been robbed—this is a strong term but it is justified—by the fact of having spent good hard cash for feedstuffs that had practically no value.

Hon. T. Moore: Some rough stuff has been put up on us at times.

Hon. W. J. MANN: That is so, and this Bill ought to overcome that sort of thing. I should like the Honorary Minister to ascertain the reason for deleting the definition of "inspector" and substituting one that would indicate the appointment of another inspector to perambulate the country and harass the farmers. Under the principal Act, "inspector" means an inspector attached to the Department of Agriculture and includes any officer of that department acting as an inspector under the Act. The Bill proposes to delete that definition and substitute a much shorter one to the effect that an inspector means "an inspector appointed under this Act." Does this imply that an inspector is to be appointed whose job will be confined to the supervising of feedstuffs? The inspectors of the Department of Agriculture should be able to police this legislation.

Hon. L. Craig: The amendment might mean one of the inspectors of the department instead of all of them.

Hon. W. J. MANN: Given an assurance that this point will be cleared up, I am prepared to support the Bill. If it is not cleared up, I shall move to have the proposed new definition deleted.

THE HONORARY MINISTER (Hon. E. H. Gray—West—in reply) [6.3]: I am not in a position to supply the information desired by Mr. Mann but will obtain it next week. I should now like to move the adjournment of the debate.

The **PRESIDENT**: The hon. member has spoken and cannot now move the adjournment of the debate.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Nicholson in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 3:

On motion by the Honorary Minister, consideration of clause postponed.

Clauses 3 to 7—agreed to.

Progress reported.

House adjourned at 6.8 p.m.

Legislative Assembly.

Thursday, 17th October, 1940.

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

QUESTION—PETROLEUM ACT AMENDMENT ACT.

As to Number of Applications, etc.

Hon. C. G. LATHAM asked the Minister for Mines: 1, On what date was the Petroleum Act Amendment Act assented to? 2, Have any applications been received under the new Act? 3, If so, how many, and for what areas? 4, How many applications have been approved, and for what areas? 5, What amount was paid for each area granted—if any? 6, Will he lay on the Table a plan showing the position of the approved areas?

The **MINISTER FOR MINES** replied: 1, 8th October, 1940. 2, Yes. 3, Three: 134,000 square miles, 11,000 square miles, and 4,612 square miles respectively. 4, One for 134,000 square miles. 5, The amount required by the Petroleum Act—£100. 6, Yes (plan laid on the Table).

QUESTION—STATE MUNITIONS BOARD.

As to Allowances to Members.

Hon. W. D. JOHNSON asked the Premier: Are the members of the State Munitions Board made an allowance for their services, or is their compensation limited to expenses?