

more up-to-date information with regard to the subject. No harm could result from the adoption of that course, and light might be thrown upon a position which at present is extremely obscure. On the one hand, the Government when dealing with emergency legislation assert that there has been sufficient improvement to enable them to grant certain relief. On the other hand, this Bill attempts to perpetuate the existing state of affairs without giving any relief whatever. In the circumstances I support the suggestion to refer the measure to a select committee.

On motion by the Honorary Minister, debate adjourned.

House adjourned at 8.17 p.m.

Legislative Assembly,

Tuesday, 25th September, 1934.

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

QUESTION—WORKERS' COMPENSATION. FACTORY REGISTRATIONS.

Mr. SAMPSON asked the Minister for Works: 1, When a factory is registered, are steps taken to ensure that a workers' compensation policy is taken out and that its provisions provide for the full protection of workers? 2, Where the factory is not registered, what steps are taken to ensure that employees are protected by workers' compensation insurance?

The MINISTER FOR WORKS replied: 1 and 2, The question of workers' compensation does not come within the jurisdiction of the branch dealing with the registration of factories.

QUESTION—POLICE, TREATMENT OF PRISONER.

Mr. WANSBROUGH asked the Minister for Police: 1, Is it a fact that one John Henderson, while serving a term of imprisonment at Albany Gaol, was refused medical attention by the Police Department? 2, Is it also a fact that the said John Henderson was compelled to walk from the Albany Gaol to the Albany Government Hospital while in a state of collapse? 3, Is it correct that no effort was made by the department to locate his relatives who are said to be residents of the metropolitan area? 4, Is it also correct that the officiating priest at the grave-side expressed strong disapproval of the inhuman treatment meted out to the said John Henderson by the department? 5, If correct, will he have investigations made with a view to preventing a repetition of such treatment?

The MINISTER FOR POLICE replied: 1, 2, 3, 4, No. 5, Answered by the foregoing.

QUESTIONS (2)—RAILWAYS.

Rivervale Crossing.

Mr. HEGNEY asked the Minister for Railways: 1, Is he aware that since he received a deputation some months ago urging the construction of a subway at the Rivervale crossing, a number of fatal accidents have occurred there? 2, Can he state what progress has been made with negotiations between the Railway Department, the Main Roads Department, and the City Council to construct this subway? 3, If no progress can be reported, will he revive the proposal to construct this safeguard to life on the national highway?

The MINISTER FOR AGRICULTURE (for the Minister for Railways) replied: 1, One, viz., Mr. S. C. Rhodes, fatally injured on 22/6/1934. 2, Negotiations are still in progress with the Perth City Council, but there has been difficulty in reaching finality regarding the design, which is again under consideration by the council. 3, Answered by No. 2.

Hillman Siding Dam, Cost.

Mr. DONEY asked the Minister for Railways: 1, What was the total cost of the railway dam recently constructed near Hillman siding? 2, What is the holding capacity of the dam?

The MINISTER FOR AGRICULTURE (for the Minister for Railways) replied: 1, £14,770. 2, 5,410,000 gallons.

QUESTION—WHEAT BONUS, PAYMENTS.

Mr. DONEY asked the Minister for Lands: 1, On what acreage was the wheat bonus paid in 1932-33 and 1933-34? 2, What number of farmers participated in the bonus each year? 3, What amount was actually paid out on an acreage basis each year? 4, What amount was actually paid to necessitous cases in 1932-33 and in 1933-34 to the present date? 5, What was the balance on hand from last year and this year's bonus funds?

The MINISTER FOR LANDS replied: 1, For year 1932-1933—acreage 3,600,101; for year 1933-1934—acreage 3,247,996. 2, For year 1932-1933—11,473; for year 1933-1934—10,381. 3, For year 1932-1933—2s. 2d. per acre; for year 1933-1934 to 1/9/34—3s. 6d. per acre. 4, For year 1932-1933—£45,304; for year 1933-1934 approved to date—£41,937. 5, For year 1932-1933—balance £915; for year 1933-1934—not yet finalised.

MOTION—AGRICULTURAL BANK.

Royal Commission's Report.

Debate resumed from the 20th September on the following motion by the Minister for Lands:—

That the House take into consideration the report of the Royal Commission appointed to inquire into the operations of the Agricultural Bank.

MR. TONKIN (North-East Fremantle) [4.36]: During the course of speeches by Opposition members, Government supporters were frequently invited to participate in the debate. In fact, on several occasions it was suggested there was a conspiracy of silence on our part.

Mr. Sampson: It looked like it.

Mr. TONKIN: I can assure members opposite that no such conspiracy exists. We have simply been waiting for someone on the Opposition side of the House to deal with the findings of the Royal Commission on their merits or, if they prefer it, on their demerits.

Mr. Sampson: Do we get that now?

Mr. TONKIN: What did we get? We had a reiteration of the statement by the Leader of the Opposition that no such inquiry was necessary, and we had repetitions of the assertion that the trustees of the Agricultural Bank had done wonderful work in the establishment of farms. I do not think any Opposition member went beyond those two points. There was no word as to whether a continuance of the Agricultural Bank policy would, or would not, embarrass the State, nor did Opposition members suggest what ought to be done to put the Bank upon a sound foundation, or to arrest the drift. They were quite content to allow the position to continue as in the past. I do not hold the view that all farms are assets, but it appears that Opposition members do. I am definitely of the opinion that a large number of the farms in Western Australia represent liabilities. For example, farms—and there are many of them—that cannot produce at a profit when the price of wheat is, say, 4s. a bushel are of no advantage to the State. On the contrary, they represent a definite drawback, because it takes more out of the country to provide for the subsistence of the occupiers of those farms than is derived from the produce of those particular farms. Therefore those farms constitute not assets, but definite drawbacks. What have the members of the Royal Commission done? In the first place, they have directed attention to the drift that has existed. They have shown that certain of the farms are liabilities and have indicated which farms fall within that category. They have made recommendations to remedy the fault. I am satisfied that such an inquiry was not only justified but was essential in the best interests of Western Australia. The early legislation governing the administration of the Agricultural Bank affairs imposed certain restrictions upon the management, with a view to establishing a margin of security. Parliament directed the management as to what ought to be done with money that was collected. Subsequent legislation liberalised the Act and

extended its scope. It left more to the discretion of the management than had previously obtained. I claim the very nature of that extension in the scope of the legislation imposed upon the trustees an obligation to exercise the most careful administration and supervision because of the greater liabilities that might accrue from their actions. In fact, the Minister for Lands, in justification for the granting of increased powers outlined in the liberalising amending legislation introduced in 1912, expressed his confidence in the ability of the trustees to make use of the extended powers carefully and wisely. During the course of his speech, which was reported in "Hansard" of 1911—extracts from the speech appear in the report of the Royal Commission—we find the following words used by the Minister for Lands—

We should have sufficient confidence in those in charge of the Agricultural Bank to give them this increased power.

It was because of the inclination to repose additional confidence in the trustees that they were given increased powers. Have the trustees justified the confidence reposed in them? The Royal Commissioners say no. Members opposite say yes. One thing we do know is that all is not well with the Agricultural Bank. Reverting to the report of the Royal Commission, we find that, in reply to Question 5296, the Managing Trustee, Mr. McLarty, said—

Of course we were alarmed about the drift, but no one could teach us or tell us what we ought to do, or how our business could be improved. We have done everything possible to hold the position and improve it.

It appears to me that it is just possible there is someone in the State who may be able to say what ought to be done to stop the drift. There is not the slightest doubt about the existence of the drift; it has been acknowledged by the trustees. It is the business of Parliament to find the person or persons who can advise the trustees regarding the method to be adopted to stop the drift. On their own admission, the trustees were in a dilemma and did not know which way to turn. I do not necessarily cast any blame upon them because they did not know which way to turn, but I claim the position called for an inquiry. Opposition members, apparently, would prefer to leave the trustees in the dark. They say, "No inquiry is necessary; let things continue as they are." I

rose to combat that assertion and I summarise the position as I see it in this way: Did Parliament look to the trustees to maintain a margin of security? In my view the answer to that query is, yes. Secondly, did the trustees maintain that margin? I say definitely the answer to that is, no. Why did they not? Was it culpable negligence on their part, or was it due to circumstances they could not control?

Mr. Latham: Now you are talking about something of which you know nothing. They advanced on the full amount of the improvements.

Mr. TONKIN: It was their business to find out whether they had maintained the margin of security. If they did not, why did they not do so?

Mr. Latham: There was no margin of security mentioned.

Mr. TONKIN: As a matter of fact, there was.

Mr. Latham: There was not.

Mr. TONKIN: It was definitely stated at the time that a margin of security was to be maintained. I repeat that Parliament looked to the trustees to maintain a safe margin of security, which apparently they failed to do. It was the object of the inquiry to find out the reason for that failure and to report to Parliament. The Commissioners have done so, and it is now the job of the Government carefully to consider the findings of the Commission, to do what is deemed necessary to stop the drift in the finances of the Agricultural Bank and to prevent the country from heading for bankruptcy as a result of the drift.

MR. WISE (Gaseoyne) [4.46]: I have very carefully perused every part of the Commission's report, and I feel that in dealing with it one should consider the whole of it. It is not sufficient to deal with one or two parts, but it is very necessary to contemplate the whole. The report, as is well known to members here this, consists of 12 parts, and every part has some bearing on another part. Part I. gives the history of the bank legislation and its bearings on the Commission's findings. Parts II. and III. are a general resume of the Commission's extensions and findings. Parts IV. to VIII. include the facts as found by the Commission. Part IV. deals with the internal administration and organisation of the Bank. Part V. deals with the financial position of

the Bank and of the Industries Assistance Board. Part VI. deals with the methods of raising capital, losses sustained and future. Part VII. deals with the audit of accounts and report thereon by the Auditor-General. Part VIII. deals with soldier settlements, group settlements and special settlements. Those parts represent statements of fact almost without any comment at all, and they support most of the remarks of the Commission contained in Parts II and III. There can be very little qualification of the statement that Parts IV. to VIII. are statements of fact with very little comment by the Commissioners. In the next two parts, the Commission discuss the following matters:—Agricultural disabilities; adjustment or conditioning of debts, with carefully prepared synopses of various Acts of Parliament as well as plans for the relief of necessitous farmers; while Parts XI. and XII. are devoted to findings and recommendations. Firstly I should like to deal with the terms of the Commission set out on the first page of the report. Those terms are perhaps the most extensive granted to any commission appointed in this State. The exacting nature of the task set the Commissioners can be readily appreciated by referring to the Letters Patent, which are very definite and very wide in scope, and I hope that when I have concluded, the House will agree that the Commission endeavoured to exercise every phase of the scope within which they were operating. The opening paragraph of the Commission read—

Generally to inquire into, investigate and report upon the transactions, affairs, and operations of the Agricultural Bank of Western Australia, as conducted or carried on, or as being conducted and being carried on under the provisions of and for the purposes of the Agricultural Bank Act, 1906, and the amendments thereof; the Industries Assistance Act, 1915, and the amendments thereof; the Discharged Soldiers' Settlement Act, 1919, and the amendments thereof; the Group Settlement Act, 1925, and the amendments thereof; the Finance and Development Board Act, 1930, and the amendments thereof, and otherwise howsoever.

The Commission were entrusted to inquire into every part of the internal administration and organisation of the Bank, the trustees, their appointment, head office management, control and management of district offices and staff. They were asked to inquire into every phase of the finances of the Bank and to report fully on the administration of advances. If members consider the terms

of the Commission, they must conclude that the Commissioners were armed with authority to make the most searching inquiry which, I believe, every member in his heart felt was necessary in the best interests of the State. I contend that the Commission reported fearlessly. Has any other Royal Commission in the history of the State ever reported so fearlessly? Have we not had far too many reports by Royal Commissions in this State that have been wisby-washy affairs? But there is no doubt about this one. The Commission did what Parliament and what the Government desired them to do.

Mr. Latham: Not Parliament. Parliament was not consulted.

Mr. WISE: What Parliament would have desired if honest to the taxpayers.

Mr. Latham: When the Estimates are being considered, we will give you a chance to try yourself out on it.

Mr. WISE: The terms of the Commission have been dealt with in detail, and the report and findings are supported with a wealth of detail and appendices which leave very little room for doubt. If we consider the facts as disclosed in the report, there is very little room for doubt. In reply to the Leader of the Opposition, I maintain that the affairs of the nation should never be made subservient to the affairs of the individual. When it is a national matter, the individual must take second place. I would not desire to accuse anyone of that irritating kind of wisdom that comes after an event. It was not within the power of the people, or of members of Parliament, so fully to judge the facts as the Commission have judged them, and therefore the case, as presented by the Commission, is one worthy of recognition. My motive in delving into the report as thoroughly as I have done is similar to that which actuated the Commission—thoroughly to probe the facts and ascertain the faults with a view to getting them corrected. I have no desire whatever to challenge the trustees, but I say that if the statements of fact affect the trustees or affect Parliament, that is by the way. The main desire should be to rectify mistakes and evils for the good of the farming community and the whole of the community of this State. I cannot agree that the ultimate result of the report will be damaging to the State. The time had well arrived when the facts had to

be faced. I listened very intently to the remarks of speakers opposite and I noted that they confined themselves entirely to Parts II. and III. of the report, which I regard as the trimmings of the report or as prefaces to the report, something which, while belonging to the whole, was really an introduction to the facts. I am not entirely in agreement with the trimmings of the report, nor with some of the language used therein.

Mr. Doney: I think you are making a mistake in saying that speakers on this side confined themselves to Parts II. and III. of the report. That is not so at all.

Mr. WISE: It is.

Mr. Doney: It is not.

Mr. WISE: Speakers opposite were very much concerned about the language used, and were more concerned with that aspect than with any other. They did not deal with the facts. Before dealing with Parts IV. to VIII., I wish to refer a little to what I have termed the preface. Part II. of the report has met with a great deal of criticism. It refers to ministerial powers, ministerial interference and the discretionary powers of the trustees. On page 14, the Commission state—

In the legislation governing the Bank we find absolute discretion expressly conferred on the trustees to make or withhold advances for settlement. In the Parliamentary Debates, on the passing of the revolutionary legislation of 1912, we find much reliance placed on this discretion in order to safeguard the finances of the State.

It all boils down to this: that Parliament did not wish to accept the responsibility. Parliament desired that some other body should have discretionary powers.

Mr. Patrick: Did not Parliament throw open the Esperance country?

Mr. WISE: I will deal with that presently. Legislation being as it was and the trustees having obligations imposed upon them, they had a definite obligation to report to Parliament should their obligations be infringed in any particular way. The Commission, on page 15, report that they called upon the Managing Trustee to produce any written direction of any Minister compelling the trustees to act contrary to the proper exercise of their discretion. The Managing Trustee was able to produce only one such direction, and that was in connection with what has been termed the major

tragedy of land settlement in this State—the settlement of the Salmon Gums country. The Bank contracted a liability in that connection of a little over £674,000, and all who know the history of the settlement must, in a measure, regret that the trustees were forced into that position. They still had full discretionary powers under the Act.

Mr. Latham: We ought to stop the public works down there if that statement is true.

Mr. WISE: It has not been challenged.

Mr. Latham: We will challenge it directly.

The Minister for Lands: What is the matter with you this afternoon.

Mr. WISE: It will be found, if the report be read correctly, that in spite of the warnings of Professor Paterson, Mr. Paterson of the Railway Advisory Board, Mr. Cook who said he would not touch it with a 40 foot pole, Mr. Mann, the Government Analyst, and Mr. Richardson, the Government proceeded with the land settlement.

Mr. Patrick: Was that not on the advice of a Royal Commission?

Mr. WISE: Yes.

Mr. Latham: Another one.

Mr. WISE: But not such a Royal Commission as this one. They were finally forced into it. The Minister for Lands of the day made it almost impossible for the trustees to turn him down. On page 16 of the report we find Mr. Richardson saying, after being forced into agreement, that the members of the board disclaimed all responsibility for the losses and disappointments which they considered must inevitably follow. The Minister for Lands wrote to the Managing Trustee of the Agricultural Bank—

You cannot be held responsible for any failure of the land to do what is expected of it.

What was expected of it? On the word of at least five authorities nothing but failure was expected of it. The Commission say—

Your Commissioners accept the explanation of the Managing Trustee that in the case of the Esperance lands the policy of the trustees was dictated to them by the then Minister for Lands. They acted against their own discretion, and subordinated their trust to the dictation of the Minister.

I did not hear that referred to by the other side. The trustees were mistaken. They had full discretionary power, and it

would have been better for the State if the implied obligation which they mention had never existed. What is the responsibility of Parliament in this connection? Was not a water-tight Act given to the trustees, perhaps the most water-tight Act that ever left this Chamber? It gave full discretionary powers to a board which was not responsible to any member, any Minister, or any Government, but only to Parliament. The trustees were trustees for the people, and should not have been cajoled by any member or any Minister. Is there not a basis for comparison with the Workers' Homes Act? Are they not a board operating with full discretionary powers, and have those powers broken down? Is there a member of this Chamber who could force them to act against their discretionary powers, or who is able to have a workers' home erected in a district wherever he would desire? They have had just as fair a trial with individual members and individual Ministers as was originally the case with the Agricultural Bank. I claim that Parliament should not weaken in that view, that the responsibility was given to the trustees by Parliament, and that Parliament should be very slow in accepting a responsibility which was not theirs. The trustees in every statement desire to throw back the responsibility on to Ministers and on to Parliament. The statement of the Commission is that only in one case could a written direction by any Minister be furnished by the trustees.

Mr. Sampson: You do not think that is the limit of the encouragement the trustees received, to give favourable consideration to the requests?

Mr. WISE: I would not give any consideration to that phase of the matter. They were given an Act which covered them in every way, and it would have been better for the State if they had carried on under that Act. In Part IV. of the Commission's report appear matters in connection with the organisation of the Bank, that up to date have not been referred to in the debate. I should like to deal with the cost of administration. A definite challenge is issued to the trustees. Every member of the Chamber whether he is a business man or not must agree there are very serious discrepancies in this connection. On page 31 of the report it will be found that the cost of administration at Bunbury, Busselton and

Denmark, averaged £4 5s. 10d. per account. At Manjimup the cost was £7 1s. 8d. The field inspectors' salaries and allowances averaged £2 5s. 3d. per account at Busselton and £4 10s. 8d. at Manjimup. The Commission say—

In the wheat and wool districts the average cost of administration per account was from £3 14s. 3d. at Katanning to £6 18s. 6d. at Salmon Gums, while the cost of field inspectors' salaries and allowances averaged per account £1 9s. 10d. at Katanning and £3 6s. 9d. at Salmon Gums. As shown in the above figures, a staff of 63 was required to handle 3,551 accounts in the group districts, or an average of 56 accounts to each officer, whereas in the wheat and wool districts the average number of accounts to each officer employed is 76. At Narrogin 21 officers control 1,789 accounts, whereas at Manjimup 20 officers control 957 accounts.

Mr. Sampson: A different type of farm.

Mr. WISE: That shows inconsistencies in office administration, as well as in field administration. It is astounding that such a statement as is found on page 31 of the report is possible, namely—

Almost the same number of field inspectors are employed to-day to administer the affairs of the Bank, when no advances are being made for improvements, as were required during the years 1927-28 to 1930-31, when £2,676,496 was advanced to clients for farm improvements.

Mr. Doney: Additional work has fallen upon their shoulders lately, such as in connection with the bonuses.

Mr. WISE: A lot of the work has been neglected that should be within the scope and capacity of the officers to carry out. The general laxity shown by the head office and extending to the field is particularly emphasised in the statement made concerning branch managers. It is as follows:—

Branch managers and field inspectors stated in evidence that while head office sent out circular letters regarding collection of interest, these were not followed up, and nothing further was done.

If a man owed a big sum in interest payments and the officer supposed to be controlling him were informed, it did not matter whether he endeavoured to collect the money or not. There are many other matters in connection with the branch management which are mentioned in that portion of the report, but are ignored by the trustees in their reply. The challenge of the Commission remains unanswered. Part V. deals with the financial position of the Bank and

the Industries Assistance Board. The findings of the Commission are very impressive and indicate that something very serious is the matter. On page 38 we find—

The condition into which the finances of the Bank have drifted preclude any possibility of direction without substantial State and/or Commonwealth assistance. The Bank was unable to meet interest and administration expenses from earnings during the years of good wheat and wool prices, namely, 1921 to 1930, when the margin of interest in favour of the Bank was one per centum, as during those years the shortage between receipts and payments increased from £283,635 to £1,395,905. The margin of interest upon which the Bank is now working, as already pointed out, has been reduced to 10s. per centum.

Will any member say that it was not the duty of the trustees to object to a working margin of one per cent.? It was within their power to say that the position was impossible, but they did not do so. The more the financial aspect of the Commission's findings is analysed the more readily will it be conceded that they have done a great service to the State. It was not conceivable that the trustees should permit a narrow margin of interest, if they had wholeheartedly done their business and understood it. The financial position of the Bank even at that period was not placed before Parliament. It is all very well for members opposite to say they are prepared to accept some of the blame. They should be very careful about doing so. In connection with the deficiencies or shortages between the Bank receipts and payments, which have occurred every year, the Commission deal fully with the matter on page 24. This too has remained unanswered by the trustees, although they were directly challenged on the point. The Commissioners say—

Though actual shortages occurred in every year from 1914 onwards, the first reference thereto in the trustees' reports to Parliament was in the year 1924. On the 30th June, 1921, the accumulated actual shortage was £641,193.

Members cannot justify that by any argument in support of the trustees.

In the year 1926 the trustees report that collections were again insufficient to meet the interest on capital, the deficiencies being £22,678 1s. 2d. (ordinary settlers) and £22,418 13s. 11d. (discharged soldier settlers) respectively. The actual shortage for that year was £107,746.

That is a somewhat staggering statement, but it remains uncontradicted. On all of those points, dealing particularly with the

financial aspect, the trustees have remained silent. Those points are a direct challenge to them, but up to the present at least they have remained silent on that aspect of the case. Part VI. of the report deals with many matters that are vital to the control of the Bank, but apart from a general reply as to interest collections the trustees have not in any particular satisfactorily answered the Commission's challenges. The release of debtors from liability is fully dealt with on page 47 of the report, and there again we find a staggering state of affairs. It is too tragic to permit of any levity. It is really dreadful that the position as analysed by the Commissioners was permitted to continue. From page 47 it is plain, from evidence given to and inquiries made by the Commissioners, that in more than one instance it has been possible for a defaulting settler, who has abandoned his farm, to take up within the same district another farm and become heavily indebted to the Bank once more: in one case to the tune of £1,689. Can any hon. member justify that? It was not the practice of the Bank in every instance to follow up settlers who left their farms. If a settler made a mess of things, he walked off without any liability whatever. The Commissioners have discovered that in more than one instance it was possible for a settler who had left his farm to re-borrow on another property, and again owe the Bank something like £1,500 or £1,600.

Mr. Lambert: That would be due to unsuitable blocks. It was very often the case that a settler was placed on an unsuitable block.

Mr. WISE: That cannot be supported.

Mr. Lambert: It can be supported. It occurred often.

Mr. WISE: If the trustees and their servants had honoured the positions which they held, such a thing would never have happened.

Mr. Lambert: It could happen, and it did happen.

Mr. Ferguson: In some cases the trustees actually took the settler off a block and put him on another.

Mr. WISE: Will it be contended that the personal hazard, which is the only real hazard involved, could be altered by transfer from one block to another?

Mr. Lambert: In my district country is going to salinity.

Mr. WISE: Page 47 of the Commission's report clearly indicates that no valuations of the Bank's assets have ever taken place. That is an alarming state of affairs; it is one of the worst features of the position.

Mr. Lambert: That is one of the best features, when analysed.

Mr. WISE: The Bank has never had any possibility of knowing where it stood. The report states—

Your Commissioners are unable to furnish values of existing securities, as the Bank is without data upon which such valuations might be made. In answer to a question, the Managing Trustee stated that it would take two years to value the Bank's securities.

Part VII. of the report deals with audited accounts and report thereon by the Auditor General. This, I contend, is really the kernel of the report. Perhaps the most serious disclosure in that respect is the unsatisfactory audit methods employed. On page 53 it is shown that the Auditor General did not do what was required of him by the Audit Act—

Undoubtedly the audit required under these sections is a separate audit of the Bank's accounts, and a separate report was to be made by the Auditor General or any auditor appointed by the Governor. No auditor has ever been appointed by the Governor, and the work has been done by the Auditor General. In the year 1907 the above-mentioned principle was recognised by the Auditor General.

From 1923 onwards the Auditor General merely furnished to Parliament the reports of his inspectors. This was discovered by the Commission, and it is a most important point. It was not within the power of Parliament to make that discovery. Parliament had to rely on the Auditor General, to whom the duty was relegated. The Commission's report discloses that the Auditor General has not forwarded either to Parliament or to the Bank the balance sheets of head office affairs for the period from 1912 to 1923. When asked by the Commissioners his reason for not doing so, he replied—

I decided to discontinue forwarding the inspectors' reports to head office, reserving any comment I considered necessary for my reports to Parliament.

On page 55 of the Commission's report will be found an outstanding, a glaring example of the negligence, to say the least, of the Auditor General. It is a glaring case of evasion of duty by that servant of the

State. On page 54 will be found the following passage:—

From that date (1932-33) to the present, a period of 10 years, although the Auditor General has continued auditing the accounts of the Bank yearly, the audit inspectors' reports to the Auditor General in connection with the Bank's head office and Perth district affairs have not been forwarded either to the Under Treasurer or the trustees, and consequently during that period the Treasury and the trustees have been without information respecting any omissions or other irregularities which may have existed in the office work

As regards the tabling of those reports, it is found that the Auditor General presented them some months before the reports of the Audit inspectors reached him. That occurred year after year. From 1922 to 1933 he furnished his reports to Parliament during October, as a rule. Having initialed the balance sheets as correct, in some cases he received the reports of the audit inspectors during the following March. In some instances the reports of audit inspectors to the Auditor General did not arrive until a year later. Can hon. members tolerate such a state of things? It is reasonable to ask whether the same method of auditing applies to other returns which Parliament receives. In my opinion that is a perfectly reasonable question. In the face of what the Commission's report states, does Parliament learn the true state of affairs as the result of any audit? There never has been any qualification made by the Auditor General as to the reason why his reports did not include all the information Parliament was entitled to receive. In effect, he simply said, "Here is the report." Doubtless he sat tight on the facts, and it took this Commission to expose them.

Mr. Ferguson: Do you query the Auditor General's report?

Mr. WISE: I do not query the facts as stated by the Commission. They show clearly that a true audit of the position could not have reached Parliament at any stage. I submit that Parliament cannot itself judge of the position, but is forced to rely on a man who should be in every respect reliable. It is hardly necessary to refer to the remaining parts of the report, but I may touch briefly on the reference made on page 67 to the structure of the Bank. There it is clearly stated that with a debt structure of £34,000,000 in Western Australia it cannot carry on with wheat at

2s. per bushel. I think all members will agree with that view. Surely, no matter how we probe the findings, recommendations, and statements of fact contained in the report, we will agree it is high time that some reconsideration should be given to every phase of the financial activities of organisations endeavouring to foster the farming industry. At the moment, all financial thought in Australia centres upon what is called the rehabilitation of the farming industry. Can we be like emus and bury our heads in the sand? Will not hon. members be honest and admit that the Commission's report is a thorough one? As I said earlier, I am not in agreement with some of the language used by the Commissioners; but we must agree to the facts which are presented and remain uncontradicted. Can any hon. member assert that the whole report is an expression of spleen or vindictiveness?

Mr. Doney: No one has said that.

Mr. WISE: But it has been implied.

Miss Holman: Someone did say that.

Mr. WISE: The member for Mt. Marshall (Mr. Warner) used terms almost equivalent to the statement that the whole report was full of spleen. However, that is not the point. Members cannot overlook the wonderful service which the report renders. I trust they will all live long enough to appreciate that aspect. Part XI. contains the findings of the Commissioners. The fifth finding refers to the allegation of the trustees that in advancing recklessly they did so under Ministerial direction. This allegation the Commissioners find unproved. For my part, having gone carefully into every suggested case of influence being brought to bear by any Minister, I find that the total amount involved is less than £1,000,000. The total sum advanced by the Agricultural Bank even where it is alleged that Ministers exerted influence on the trustees is under £1,000,000. So that it cannot be said that on the whole the activities of the trustees were guided by Ministers. I was struck with the remark of the member for Wagin (Mr. Stubbs) that certain surveyors should have been hanged for even surveying some gravelly areas in his district. The hon. member further said that the Bank trustees lent money on those gravelly areas because they had to. I entirely disagree with that statement. In the first place, I know of more than one case

where reports of surveyors and classifiers of the Lands Department were ignored by the trustees. That fact does not coincide with the use of their discretionary power in other directions. The whole report, encased in the Commission's findings, can only be described as the result of a great deal of industry. The recommendations are certainly the product of much thought, and the suggested plans for rehabilitation afford a basis for future working. Looking to the future with the hope that the ultimate outcome of the report can only be for the general good, we find in the minority report, that of Mr. Donovan, something to act upon. He says on page 86—

I suggest that definitely preceding any scheme for the conditioning of debts, there must be a drastic stocktaking among the farmers themselves. The same applies to the farming industry as to every other walk in life: there are misfits, men who have missed their vocation. Keeping this particular type of man on the land is decidedly unfair to those stalwarts who have built up the reputation of our wheat areas by growing bags to the acre, compared to bushels by those misfits. No scheme can be a success unless those who have not the will nor the capacity to make good are eliminated.

And on the following page he concludes by saying—

If the principle as suggested were adopted, a different atmosphere would be created; farmers would be given a fresh start with the ambition of ownership.

As a final word I would say there is no question of justification for the Commission's findings. As I earlier instanced, I am not in accord with certain adjectives the Commissioners deemed it right to use. But let us heed the warning they have sounded, let us appreciate the value of the faults they have found, and I think the only outcome of the report of the Commission will be for good. Let us endeavour to reconstruct on sound lines, let us be guided by the past and I think the ultimate results will be all to the good of the State.

MR. LAMBERT (Yilgarn-Coolgardie) [5.33]: I deplore the severity of the language used by the majority of the Commission, having regard to the fact that Parliament was fully aware of the activities of the Agricultural Bank, and that therefore the responsibility is the responsibility of Parliament, not of the trustees. I accept my share of the blame, if blame

there be, for a desire that those settlers in my electorate who are attempting to carve out farms should get a little of what I thought essential to assist them. While perhaps the member for Gascoyne (Mr. Wise) feels that the Agricultural Bank can be run as Mr. Diamond, one of the Commissioners, felt it should be run, more on the lines of the Associated Banks—

Mr. Wise: I did not say that.

Mr. LAMBERT: You indicated it.

Mr. Wise: I did not.

Mr. LAMBERT: Well, indirectly you did. From the hon. member's conclusion, I considered that he thought the Bank should be run on semi-commercial lines.

Mr. Warner: I think you are about right, too.

Mr. LAMBERT: As an indication, one only needs to take the statement that it was a shocking thing that we should have no revaluation of our farming assets. Of all members in the House, none is more privileged than the member for Gascoyne to judge the varying nature of farms and pastoral areas. He knows well that with wheat at 2s. a bushel wheat farming is impossible, whereas with the price at 4s. it is quite possible. He knows also that with wool at 9d. per lb. the pastoral industry is a doubtful proposition, whereas with wool at half-a-crown a lb. it is quite a good proposition. So the hon. member must know that there can be no accurate valuation of the Bank's assets. Not only has the Bank had to deal with seasonal difficulties, but it has had to meet the revulsion of the world's affairs, which led to the fall in commodity prices, which, in turn, affected to a material degree one of the main assets of the State. So I say the member for Gascoyne was ill-advised in thinking it shocking that we did not have from year to year a revaluation of the Bank's assets. Then to his line of logic he added the fact that certain dispossessed settlers had been reinstated on other holdings. But that has obtained in many parts of the State. In the first place surveyors were sent out to assess the value of the holdings, and the prospective settler, having no knowledge of the value of the land, accepted the report of the surveyors as *prima facie* evidence that there was before him the possibility of making good. In my electorate, what with the morrel country and the salinity of the soil, probably 25 per cent. of the

settlers who went out and took up the land in good faith, backed by departmental reports, found they had made a serious error. So I say that instead of merely taking them off unsuitable blocks and putting them on to something better, the Government were fortunate in that they were not called upon to compensate them. I know many instances in my own electorate of men who came out from the Old Country with capital up to £3,000, and were put on to saline country, and so found they were upon most unsuitable blocks.

The Minister for Lands: Capital up to £3,000. Imagination!

Mr. LAMBERT: I know the Minister has a powerful imagination and that on some occasions he gives it very wide play, but that is no reason why we should blame many of our settlers, including soldier settlers, who have been placed on unproductive land. I do not wish to analyse the Commission's report in detail, but I say it was distinctly unfair of the bad-tempered old chairman to use such intemperate language in referring to one, if not two or three, of the finest officers we have ever had, merely because of his livery conception of what the Bank should be. But that is no reason why he should have used such language.

Mr. Hegney: Do not copy him.

Mr. LAMBERT: I am not going to, nor do I propose to copy the eloquence of the member for Brownhill-Ivanhoe (Mr. F. C. L. Smith). I agree with the member for Gascoyne that the result of the Commission's findings will do good. It was necessary that the machinery of the Agricultural Bank should be overhauled, and it has been very effectively overhauled by the Commission.

Mr. Ferguson: That could be applied to all departments.

Mr. LAMBERT: Yes, and I have in mind one which is due for a very thorough overhaul; if that were carried out the country would be saved a lot of money. The Commission were distinctly unfair in their summary of the position in the Southern Cross area. Last year at the Ghooli State farm we had an average of over 20 bushels to the acre, and no doubt if the farmers were given stock and fencing and water, the majority of them could get that average right through that big area. But unfortunately they are without stock or fencing

or water supply, and they are short of money. That being so, who could ask that those old dusted miners, who were taken away from their lifelong occupation and placed on those blocks, should carve out homes and make a success of land settlement on the lines laid down by Mr. Hale and Charlie Diamond sitting in St. George's Terrace.

Mr. Ferguson: Some of those settlers have made a wonderful effort.

Mr. LAMBERT: They have indeed, and I am thankful to the hon. member for his appreciation. It is a pity that greater generosity is not shown towards these men in their declining years. I know what the Minister will say.

The Minister for Lands: It is a pity the money spent on special settlements was not used for those people.

Mr. Latham: What an excuse!

Mr. LAMBERT: At all events, it was not to be expected that those miners—nor the Murchison miners either—could carry on land settlement of that description on commercial lines. I am not saying that any previous Government were unsympathetic: I am not going to be so ungenerous, but we must look at the facts as they are, and the least that the State can do is to give those settlers who have had their former occupations taken from them, the miserable bit of land from which they are expected to carve out homes and secure a living for themselves, their wives and families. Many of those men have spent 50 or 60 years of their lives on the mines and that aspect should not be lost sight of by the present Minister or any other Minister who might come along. The Commission referred to the possible loss of the Agricultural Bank as the result of the land settlement policy. It was a mere guess, because if wheat were to rise to 4s. or 5s. a bushel to-morrow, there would be a demand all over the country for farms. Every farm that to-day is vacant would be taken up.

Mr. Rodoreda: There were losses also when wheat was that price.

Mr. LAMBERT: That is true, and I am not going to seek to excuse it; but the Commission had not facts or figures before them to enable them to arrive at anything like an approximate estimate of the possible losses. Then we had that supposed great stalwart of Western Australia, Sir George Pearce, drawing attention to the shock-

ing and awful example of our nationally-controlled bank. But it was never a bank in the true sense of the term; it is no more a bank than the railway system of the State. Both of those institutions have been employed in implementing our policy of land settlement.

Mr. Rodoreda: You do not think Pearce was serious when he made that statement?

Mr. LAMBERT: I suppose now the elections are over he will not be likely to reiterate the statement or correct it. It was an unfortunate statement to make and its only result would be to place Western Australia in a bad light in the eyes of the Commonwealth. The railways of the State have suffered great loss by implementing the land policy of the State. As a matter of fact, there is only one railway paying, and that is the eastern goldfields line.

The Minister for Lands: And the Murchison line.

Mr. LAMBERT: Yes. I might be permitted to supplement my statement by adding the Murchison railway.

Mr. Ferguson: Have you ever heard of the Midland Railway?

Mr. LAMBERT: I am not concerned whether that line pays or not, although naturally I would like to see it pay. If the present activities of the Transport Board prove successful—the taking off the road of every motor vehicle used for transport—there is no doubt the line referred to by the hon. member will pay all right. The Transport Board have taken every vehicle off the road and so they are giving the railways every opportunity of paying.

The Minister for Works: That is like your statement about the men working for 50 and 60 years in the mines.

Mr. LAMBERT: I did not say that.

The Minister for Works: Of course you did.

Mr. LAMBERT: No: what I said was, and probably the Minister misunderstood me, that the men were 50 or 60 years of age.

The Minister for Works: No, you said they had worked for 50 or 60 years in the mines.

Mr. LAMBERT: Then I shall correct the statement and say that they were 50 or 60 years of age and had spent the best part of their lives working in the mines. The bitterness and spleen of the Bank Commission were never better shown than in their reference to group settlement. If any

body of men had no responsibility in connection with the group settlement policy, it was the trustees of the Agricultural Bank. Neither were those gentlemen in any way responsible for the 3,500 farms scheme. They may have made minor mistakes but a veil of charity can be thrown over them, and Parliament has shown in no indefinite way that it can act, not in a cowardly way, but by accepting the responsibility belonging to it on account of its doubtful and sometimes vacillating policy that had to be carried out by the Board. So I say that the machinery of the Agricultural Bank should be overhauled. I hope those people in responsible positions who can have their views aired and their utterances reported will not play the part of cowards, but will accept the responsibility for some of the mistakes that have been made, and try as far as possible to implement the great land settlement scheme of the State which has meant so much in its development and progress.

MR SAMPSON (Swan) [5.55]: I have listened with considerable interest to the remarks of the previous speaker and, with him, I feel it is my duty to review the activities of the Agricultural Bank and look at the subject not with the narrow vision of one who seeks only to find mistakes but from the point of view of one who desires to place to the credit of those concerned what has been done in the great development work of the State. During the debate reference has been made to business men and the manner in which the Agricultural Bank has been conducted. I claim that scarcely a business of any magnitude, if its activities were examined, would not fail to show very many mistakes; and when I say that of a business, I am speaking of something I know. I am satisfied that the Agricultural Bank has not erred beyond what would be expected of it in the special circumstances and the manifold difficulties it has experienced. Regarding the Managing Trustee, I am going to take this opportunity of expressing appreciation of the services he has rendered the State. On different occasions I have had to meet him and discuss the problems and views of the settlers in the district I have the honour to represent, and I know that in some of those cases Mr. McLarty has been doubtful about the ultimate result. Very frequently, however, it

was a case of finding a little more money to avert failure. The institution was established many years ago, and always it has been a subject of high commendation among those who have been in control of the affairs of the State. I agree that the report of the Commission will probably do good, but I am not saying that in a half-hearted attempt to cast blame on those who have charge of the Bank. I am convinced that if we had before us the whole of the history of the Bank, we would find that the trustees had far more than one recommendation, or urge from various Premiers and Ministers to assist, as set out by the member for Gascoyne; but always throughout the period of the Bank's existence there has been given by successive Governments to the trustees of the Bank all the encouragement possible to help to bring about the development of our lands. When one travels throughout Western Australia and sees what has been done in the way of settlement and development, who will say that the trustees of the Bank have failed? As a matter of fact, the work that has been done in the State, whether on private property or that of the Government, has not been devoid of errors, but the result has more than justified the action taken. I am a citizen of the State and it affects me just as it does the Minister for Lands. We are both concerned in the progress of Western Australia, and both are comparatively well-to-do. The results of the operations of the Agricultural Bank mean a great deal to both of us. I have read with much interest some remarks made by the Minister for Lands. It is interesting to know that that hon. member has never failed to realise how important was, and is, the development of Western Australia, and how important it is that settlers should be encouraged. I have a book that was issued "under the direction of the Hon. M. F. Troy, M.L.A., Minister for Lands," under date June, 1928. In the course of the book the Minister states—

There are many millions of acres of such land, which will be opened up for settlement as time advances.

The Minister for Lands: As a matter of fact, the Minister for Lands did not say that at all. I had nothing to do with it. I never saw it.

Mr. SAMPSON: It is published under authority from you.

The Minister for Lands: The publication was put up by the Lands Department.

Mr. SAMPSON: I am struck with admiration at the daring of anyone who would have the temerity to attach the Minister's name to a book of this description, without his approval.

Mr. Latham: The Minister approved of it all right.

The Minister for Lands: I did not see it.

Mr. SAMPSON: In view of this staggering statement by the Minister, will he inform the House if he has ever expressed his disagreement with any of the wholehearted statements contained in this volume?

The Minister for Lands: I have never read it.

Mr. Latham: You have read part of it all right.

Mr. SAMPSON: If the Minister claims he has not read it, he will probably not object if I read some of it to him.

The Minister for Lands: I was not responsible for any part of it.

Mr. SAMPSON: If the Minister was not responsible for the publication, it just shows how some men have fame thrust upon them!

The Minister for Lands: That is all right.

Mr. SAMPSON: I will read to the Minister some of the remarks in which a journalist, I take it, attempted to translate the Minister's point of view, as expressed for him in this book.

Mr. Latham: The Minister has a personal responsibility for it.

The Minister for Lands: He did not consult me. The department attached my name to it as Minister, and that was the end of it. It is a departmental publication.

Mr. SAMPSON: The Minister need not be ashamed of it. After I have read some parts of it, he may well come to me afterwards and tell me that I acted properly in reading the extracts, because he will realise there is considerable wisdom in them.

Mr. SPEAKER: Order! I presume the member for Swan will connect this document up with the report of the Royal Commission.

Mr. SAMPSON: Yes. The Minister is alleged, by virtue of this printed publication, to have said—

About 2,000,000 acres of light lands within 12½ miles of existing railways are still avail-

able for selection. The greater portion of this area is deemed to be suitable for grazing purposes, while numerous small patches scattered throughout the whole area are good agricultural land.

Mr. Latham: Millions of acres.

Mr. SAMPSON: That is so.

Mr. Latham: That shows the optimism of the Minister.

The Minister for Lands: You adopted that attitude.

Mr. SAMPSON: Here we find the Minister for Lands expressing in very outspoken terms what we were accustomed to hear from a former Premier, Sir James Mitchell. I believe that statement, and if it is true, I want to hear such statements made.

The Minister for Lands: I will show you some of that former Premier's personal publications. That one you have is not mine at all.

Mr. SAMPSON: I have already read the extract in which the Minister referred to 2,000,000 acres of light land within reasonable distance of existing railways, which he said, were still available for selection.

Mr. Ferguson: And that is quite true, too.

Mr. SAMPSON: I hope the Minister has belief in the country.

The Minister for Lands: But even if I said that, it would not authorise the Bank to advance money on such land.

Mr. SAMPSON: If I heard a Minister express himself in such terms of approval, and I were associated with the Agricultural Bank, I would be influenced regarding advances to be made on such land.

Mr. Latham: Especially as the Minister is such a highly qualified farmer.

Mr. SAMPSON: It would have a very direct bearing on the question.

Mr. SPEAKER: I have not noticed any bearing on the report of the Royal Commission. I hope the hon. member will connect up his remarks with it.

Mr. SAMPSON: I am showing that, according to this book, which bears the name and authority of the Minister for Lands, Western Australia still holds vast areas of land suitable for production, and that the Agricultural Bank, or some similar institution, will be required to assist to bring those areas under cultivation.

Mr. Hegney: Are you quoting from the Commission's report?

Mr. SAMPSON: I thought the member for Middle Swan (Mr. Hegney), who represents some farms, would know sufficient about the matter to be aware that I was not quoting from the Royal Commission's report, which is a large document, but from a publication by the Lands Department.

Mr. SPEAKER: In view of the manner in which the hon. member quoted, the mistake was quite natural.

Mr. SAMPSON: Under the heading of "Capital Required," according to the Minister's publication, it says—

While the right class of settler with a good block of land and an Agricultural Bank advance, may get along in the wheat belt with very little capital, it is recommended, as giving him a much better chance of success, that a settler should have at least £300 to start with, as he cannot hope to get a return from his land immediately he occupies it.

Mr. Latham: That was in 1928.

The Minister for Lands interjected.

Mr. SAMPSON: I am afraid the Minister is endeavouring to waste these extracts. I do not want these pearls cast needlessly before members! Doubtless the Minister was right in his contention in that paragraph, because even the member for Middle Swan knows that a settler cannot secure a return from his block immediately he takes it up.

The Minister for Lands: No man would think otherwise.

Mr. SAMPSON: With reference to the Agricultural Bank, the publication says—

The Agricultural Bank, which is a State institution and is worked under a special Act, was founded with the object of making advances to settlers for the purpose of assisting and encouraging them during the early years of the development of their farms.

Then again—

The Agricultural Bank makes advances on approved securities to approved persons engaged in the business of farming or grazing or in horticultural pursuits, to an amount not exceeding £2,000.

That was written in 1928, and it shows that even then the Minister knew what was being done by the Bank. In order to make that clear I will quote the following from the publication—

Since the inception of this institution up to the 30th June, 1927, advances to the total of £6,110,332 have been made. Of this sum,

money has been advanced for improvements as follows.—

	£
Clearing	3,488,261
Cultivating	129,816
Ringbarking and scrubbing	482,249
Fencing	694,070
Drainage	13,845
Wells and reservoirs	339,450
Buildings	315,725
Orchards, grubbing	32,966
Other rural industries	24,791
Total	5,521,353

In passing, I may mention that I have always regretted that the Bank did not exercise more discrimination in the interests of the orchardists. I believe the orchardists were deserving of greater consideration than they received. The development of an apple orchard, for instance, means an expenditure of much labour and money, and encouragement should be extended to the growers because of the volume of the export trade that is derived from a comparatively small area of country. Under the heading of "Wheat," the Minister is alleged to have said in this pamphlet—

The development of the wheat belt has been responsible for the settlement of about 8,500 growers, but this does not indicate the total increase in the population due to this cause. The actual number of individual settlers engaged in the development of wheat or other agricultural lands adds far more to the population of the State than is apparent at first sight.

Mr. SPEAKER: I think the hon. member had better get on with the discussion of the Royal Commission's report. What he is quoting has nothing to do with the report.

Mr. SAMPSON: I am endeavouring to show—

Mr. SPEAKER: Order! I must rule the hon. member out of order. His remarks have nothing to do with the Agricultural Bank.

The Minister for Lands: Yes, he should discuss the report.

Mr. SAMPSON: I was anxious to show that the Minister, right through the history of the Bank, had a very high regard for the institution and for the beneficent work carried out.

The Minister for Lands: On a point of order; the motion before the House is one that provides for a discussion of the report

of the Royal Commission appointed to inquire into the operations of the Agricultural Bank—that, and nothing else. The member for Swan is discussing a book issued by the Lands Department under the name of the Minister for Lands for the time being. Nothing in that book relates to the report of the Royal Commission, which deals with the administration of the Bank.

Mr. SPEAKER: The point of order raised by the Minister is valid. I have given the member for Swan a great deal of latitude, but I think he has gone far enough now in regard to the pamphlet.

Mr. SAMPSON: The Esperance land has been referred to in the report of the Royal Commission, and I would draw attention to a photograph that was published, showing that the land in the Esperance area is not the poor hopeless proposition that some people would have us believe.

The Minister for Lands: Now you are getting nearer to the point. You are nearly linked up now.

Mr. SAMPSON: As I am not permitted to read any more from the pamphlet issued by the Lands Department, I hope the Minister will peruse it, for he will appreciate much that appears in it.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. SAMPSON: I was referring to the fact that the wheat belt had been responsible for the settlement of no fewer than 8,500 growers. In addition there was associated with each settler in many instances a family. There were also the local blacksmith and tradesmen, all of whom meant additional population. The 8,500 growers were estimated to mean an aggregate addition of 65,000 to 70,000 people. This was a very important matter to consider, because the policy of the Agricultural Bank made the settlement of the land possible, and as was stated at the time by the Minister, Western Australia was a land of hope and scope. It was not a bad slogan, and that hope has in many instances been translated into real success. In other instances, of course, there have been failures. The object of the Bank was to work on a developmental policy, the effect of which was to bring the landless man, often without capital, to the land, and then give him every assistance and encouragement to succeed. In those few words was set out the policy that successive Governments have

adopted. It was a wise policy, but it was inevitable that there would be some failures. Not all men are suited for the land, any more than are all men suited for any other industry. The policy of the different Governments was broadcast throughout the world. Western Australia was the centre of possibilities. It provided opportunities for gold mining and timber cutting, but particularly for wheat growing, and the Agricultural Bank made the State one of the great granaries of the world. Again I say the trustees had a more or less impossible task. It was hopeless to expect 100 per cent. or anything like 100 per cent. of success in the great work. But a great wheat-producing country has been created, and as in the case of every other country that has set out to establish industries, there was a percentage of failures. Take the men out on the edge of settlement: some of them have not been treated fairly but have been betrayed by the unfulfilled promise of a railway. The Agricultural Bank could not be blamed if, anticipating the construction of a railway, it was impossible for those settlers to secure cheap transport. I am sorry that the member for Avon (Mr. Griffiths) is not in his seat, because he could speak eloquently of the betrayal of a large number of farmers who were promised a railway which they have never got.

Mr. Mann: He could speak very feelingly.

Mr. SAMPSON: Yes. Wheatgrowing is like any other industry. A man cannot establish a secondary industry such as a factory unless he has the wherewithal to provide the necessary equipment. Every move forward means additional equipment required, and so with the man on the land. In different parts of the report, reference is made to Federal policy, which is a very big factor as it affects the farmer. So far as I can recall, no member has referred to it. The protective policy of successive Federal Governments has very seriously added to the difficulties of the farmer. It has increased the cost of everything he needs, but unless we except the flour tax, never in any instance have the Federal Government been responsible for increasing the price of wheat. As a matter of fact, the reverse has been the experience, and while we are considering this report, we should keep in mind the effect of the Federal policy—a policy that is closing the doors of other countries

against the wheat producer of this State and making his difficulties almost impossible.

Mr. Hawke: The Federal election is over.

Mr. SAMPSON: I am aware of that, but the evil that some of the hon. member's friends did lives on.

Mr. Cross: Are you in favour of reducing the exchange rate?

Mr. SAMPSON: I shall not strain your good nature, Mr. Speaker, by attempting to answer that interjection. The report of the Royal Commission was a very severe one, but the Commissioners were asked to do a certain thing and they did it. I do not believe that there was justification for the unrestrained condemnation of the trustees. It will be admitted that mistakes made by the trustees have been exaggerated, and that any successes they achieved have been minimised. I propose to withhold further comment until the proposed amending Bill has been introduced. When that measure is presented I shall endeavour to deal with the matter on its merits, bearing in mind that the success of Western Australia depends upon primary production, and that unless those who go on the land are given a fighting chance, unless they are afforded reasonable assistance, failure is certain. Such men must be given an opportunity to win through. That is essential, and I hope that when we again deal with the question, particularly when the proposed Bill is presented, we will bear in mind the great importance of encouraging those on whom the progress of Western Australia depends.

HON. W. D. JOHNSON (Guildford-Midland) [7.39]: I have not read very closely the report of the Royal Commission, and not having read it, I might not have spoken at this stage, because I appreciate that knowledge of matters of this kind could be reserved to better purpose until the proposed legislation is introduced. After thinking the matter over, however, I concluded that the debate had taken a turn that might cause the Government to introduce legislation solely on the word of the Royal Commission. Believing that that would be wrong, I consider that it is as well for me, having had some experience of the administration of the Bank, to offer a few comments. I agree that one should read the reports of Royal Commis-

sions, but it is most difficult for me to read a report from a Royal Commission in whom I have insufficient confidence to give a report of value to me on this institution. I did not like the personnel of the Commission, not that I objected to the members individually, but I considered that they were not the men who should have been selected for such an important duty. One member of the Commission had been associated with another inquiry, the Farmers' Disabilities Commission, and I felt that his work on that body was an indication that he had preconceived ideas, that he had made up his mind to an extent regarding the position of the Bank. I do not wish to be unfair in any way, but I advise members to read Part IV. of the Farmers' Disabilities Commission report, note the conclusions arrived at there, and compare them with the kind of evidence collected and the report furnished by the Agricultural Bank Commission. I would wish that the member for Gascoyne (Mr. Wise) could devote the same amount of attention to the Bank Commission as he did to the Federal Commission that dealt with the disabilities of Western Australia. The hon. member eloquently complained of people holding certain views and then collecting evidence to strengthen those views, and having done so, embodying them in a report that does harm to the interests concerned. The State Grants Commission did injury and injustice to Western Australia, but the Premier has dealt with that phase of the question. To a lesser extent, it can be said that the Chairman of the Bank Commission had made up his mind regarding the Bank. I admit that we cannot hold him solely responsible for the findings of the Commission because he was only one of three members, but I ask members of this House to peruse the evidence carefully, and say whether I am not justified in my opinion that a man who had previously expressed views regarding the Bank was not the man who should have been chosen to conduct a very searching investigation into this important State instrumentality. In investigations by Commissions it is the kind of evidence that is obtained, the leading questions that are put, the encouragement that is given to those who supply the kind of evidence that is required and desired, that is important; not much encouragement is given to people who hold views different from those held by members of the Com-

mission. That is a common practice in collecting evidence.

The Minister for Lands: To what evidence are you referring?

Hon. W. D. JOHNSON: I am speaking generally.

The Minister for Lands: You should quote the evidence.

Hon. W. D. JOHNSON: There is no need for that. I am giving a general review of what I think in matters of this kind. I use my common sense and knowledge. When I see a report subscribed to by one who was acting in this matter before, and see that the conclusions are so closely connected and uniform, my experience tells me that evidence has been collected and might have been encouraged of the kind that would justify a previously conceived idea of the general position of the Agricultural Bank. It is the usual practice, and I assume it was adopted in this case, to advertise for witnesses. When that is done, the inquirers get the man with a grievance, the man who desires to ventilate some particular argument. There were thousands amongst the clients of the Bank. Many thousands of these have been a success, and their farming position is due to the assistance rendered to them by this institution. They would not desire to give evidence. There would be no need for them to throw bouquets at or eulogise the Bank. The man with a grievance and complaints, the man who was not satisfied, would be the one to give evidence in a case of this sort. It would be wrong for the Government to take this investigation as conclusive as to the kind of legislation that was required to reform or improve the administration; rather is it essential for us all to appreciate the work that has been and is being done by the Bank—so called. We should consider the directions the Bank has received and we should also consider what Governments, Parliaments and the people have expected of this institution. This is not a bank, and never has been one. It is called the "Agricultural Bank," but it is really a pioneer land settlement or initiating and development board. Its job is to pioneer land settlement, and initiate land development. That has been the Bank's task. It has not gone much beyond that.

Mr. Latham: And that has always represented the policy of the Government.

The Minister for Lands: Based on Acts passed by Parliament.

Hon. W. D. JOHNSON: The Bank has been fed from funds voted by Parliament for one purpose only. There never has been any other point of view than that the money had to be used for developmental purposes. It was for that reason the funds were voted. When we discuss the Loan Estimates each year all our thoughts are concentrated on the results of the development that may be expected from the expenditure of the money, and we judge future development by the past work of the Bank. I do not remember any criticism concerning how the funds were expended, and whether they were expended on a sound security basis. I never once heard Parliament express a view of that kind. Money was advanced to secure the development of the undeveloped lands of the State. This was a developmental institution. The banking came after the work of this institution was finished. So soon as a farmer became a wealth-producer and was able to carry on, he ceased to be a client of the Bank and it lost interest in him. Such a man was taken over by one of the Associated Banks. Those banks were in a happy position, because the State proved the land as well as the man.

Mr. Hawke: After taking all the risk.

Hon. W. D. JOHNSON: I differ from the hon. member in regard to this institution. I rejoice that the Bank did these things. It was started to encourage and assist, and to co-operate with the Lands Department in settling our broad acres, to encourage and educate men to develop their holdings. When it was proved that the land was suitable for profitable production, and that the farmer was capable of utilising its productivity, generally speaking that man was induced to transfer his account to one of the Associated Banks. Many thousands of farmers have gone from the Agricultural Bank to the Associated Banks, established in life by the former. This institution has not been a bank within the meaning of the term; rather has it been a developmental board and as such it has been looked upon by Parliament. Parliament has not been very much concerned about the figures of the Bank, only with the utilisation of the areas thrown open for settlement, the type of man put upon them, and the progress made in the development of those areas by the funds voted by Parliament. Any criticism I have listened to in this Parliament has been made with the

object of effecting the closer settlement of our lands, and getting more men on to the spare land within the areas which have been thrown open for settlement. Members will often have heard me raise the point that we have large areas of unsettled land close to developed areas which are served by railway facilities. It has been the general view of members to see that the money voted was used in picking the right man, as far as it was humanly possible, and to give him the right kind of land so that he might increase the wealth production of the State. I have emphasised the right type of man. A board was established to deal with that situation. In the days when there was competition for land, all applicants went before that board, which selected the men they thought were the most likely to be a success. In thousands of cases the best man was not selected, because preference was given to married men. Many men were rejected not because they would not make good farmers, but because they happened to be single, or the number of their dependants was less than in the case of others that the land board thought were more deserving of land. Only in a limited number of cases did the Agricultural Bank select the man. The land was thrown open by the Lands Department, not at the request or upon the representations of the Bank, but as part of the land settlement policy of the Government of the day. That department selected the man who had to go on the land. Having decided what land should be developed, and chosen the people who were to carry out that development, they handed the man and the land to the Bank to do the best it could with them. The origination of settlement of the land was not under the supervision of the Bank. Generally speaking that was carried out by other boards or departments of State. When the land was thrown open and the selector chosen, he paid his money to the Lands Department and obtained his block. It was then the task of the trustees of the Bank to make a farmer of him. I want to emphasise to the member for Northam (Mr. Hawke) and others who do not appreciate the part played by the Bank that what I am proud of is—

Mr. Hawke: What have I done?

Hon. W. D. JOHNSON: I had in mind the hon. member's interjections. I am sorry if I misunderstood the hon. member.

Mr. Latham: You did not misunderstand him.

Mr. SPEAKER: Order!

Hon. W. D. JOHNSON: What I wish to say is that because of this institution the lands of Western Australia have been available to all the people in the State. The institution has prevented land monopoly in the sense in which it exists elsewhere. I come from a country where the land is in the hands of a limited few, a landed proprietary.

Mr. Latham: Moneyed people.

Hon. W. D. JOHNSON: In New Zealand those who had the means to acquire land got it, and to-day wage slavery is as pronounced in New Zealand as it is in any country known to me. In New Zealand there has been no opportunity for poor men to acquire land, and the same remark applies to other Australian States. In Western Australia there has been an institution that enabled everyone desirous of establishing a home and acquiring a knowledge of farming, to present himself before a Government board for selection, in the knowledge that an institution had been specially established by Parliament to see that he had an equal opportunity—I emphasise that, an equal opportunity—to become a farmer in any part of Western Australia, just like men in a stronger financial position. Again, when the Bank was active in regard to settlement, surplus men were available from the goldfields. The Bank catered specially for goldfields workers. I know what I am speaking of, because I remember that when I was working at Kanowna, many years ago, a big effort was made to get those of us who were gathering a little wealth there to select land at Meckering. The Meckering agricultural area had just been thrown open, or was about to be thrown open. At that time the Meckering agricultural area was looked upon as the eastern fringe. In those days it was not thought that agricultural settlement would go beyond Meckering. I will admit that there was no great response at that particular time; but later, when avenues of employment on the goldfields were becoming cramped, a considerable number of men were definitely selected by special officers of the Lands Department who went to the goldfields to encourage men

to take up land and who chose men suitable for that purpose. Take the Denmark Estate. That estate was repurchased from Millars' Company specially for settlement by goldfields men. Officers of the Lands Department went to the goldfields and said to the workers there, "Here is a glorious area available for you." Men were brought from the goldfields—some of the best settlers I have ever met—to open up the Denmark area.

Mr. Latham: That was Government policy, not Bank policy.

Hon. W. D. JOHNSON: It was land policy. The Bank had nothing to do with it. The Denmark Estate was repurchased by the Moore Government and settled by the State. I remember that the eastern districts were opened up as a result of the enthusiasm of the late J. M. Hopkins, then Minister for Lands. He set himself the task of convincing Parliament that it was safe to farm east of Meckering and Cunderdin. In order to prove that he was right, he selected an area for a State farm at Nangeenan. He brought men from the goldfields to clear that land in order to prove that it was safe to farm in the locality. All this time the Agricultural Bank was in existence, but the institution was never part and parcel of that particular settlement. The Bank took no part in the pioneering work. It did not direct that the Nangeenan area should be made available, or that Government officials should go to the goldfields for men to do the pioneering work and ultimately become settlers. That was done by another institution. However, after the land had been thrown open and the settlers put on it, the area was handed over to the Agricultural Bank to make farmers of the settlers. A really good job was made of it in that area particularly. Therefore, if a wrong has been done in regard to certain areas, the Agricultural Bank cannot be held blameable. Parliament never consulted the Bank in the matter. Governments must accept the responsibility regarding the great bulk of the matters referred to in the Press as a result of the Commission's work, in addition to accepting responsibility for what I have heard stated in this Chamber. In fact, I know that areas have been thrown open in opposition to the Bank's advice. The trustees, knowing that certain areas were to be made available for settlement, questioned the wisdom of the proposal. From

practical experience I know that the Bank questioned the advisableness of certain proposals, and in fact recommended against them. However, the Bank's advice was ignored and land settlement went on, with the result that the Bank was directly called upon not only by Governments, but by Parliament, to handle certain areas. Parliament disagreed with the Bank in many respects, and Parliament influenced public policy in regard to the settlement of quite a number of areas. Let me quote a case of which I have some personal knowledge, the Lake Brown area. When that area was originally thrown open, it was not favoured by the Agricultural Bank trustees. After settlement had been proceeding there for some time, I became Minister for Lands and took over the administration of the Bank. As the result of discussion with the then Managing Trustee, Mr. Paterson, I grew really alarmed at the fact that the State was putting money into the development of that remote, isolated area with a questionable rainfall. The files will disclose that I queried the wisdom of persevering there. Ultimately, with the encouragement given to me by the Bank, I persisted in my own determination, and the Lake Brown area was closed down. The method of closing down was that we selected missed blocks, blocks not selected, in better areas close to then-existing railways, and reserved those blocks. As a dozen or so of those blocks became available, we brought in Lake Brown settlers, who had been placed in that district long before it was possible for the State to furnish them with conveniences, and long before the Agricultural Bank was convinced that Lake Brown was a safe farming proposition. It may be a matter of interest to hon. members to learn that the former member for Perth, Mr. Harry Mann, was one of the settlers in that area. It is interesting, I think, to recall the kind of people who went out there. Quite a number of persons associated with the Williamson theatrical enterprise invested their money at Lake Brown. One manager for J. C. Williamson Ltd. was interested there. That gentleman poured into the development of what he thought was going to be his home, money of his own in addition to funds he obtained from the Agricultural Bank. A Minister would have been failing in his duty if he had not made clear to those set-

tlers exactly what they were doing. As a result of negotiations and arrangements, they were all brought in. Some cut their loss and decided to go no further; others agreed to take blocks elsewhere, and were placed on them. The ultimate result of their farming operations I do not know. However, hon. members are perfectly well aware that Mr. Harry Mann was put on a block under those conditions, and that he was farming for quite a long time. Possibly he is farming to-day.

The Minister for Lands: Farming to-day?

Hon. W. D. JOHNSON: I do not know whether he is or not. I say, he may be. He farmed for quite a number of years. Having been on his farm, I can say that he was quite an active farmer, and a successful farmer in the sense that he seemed to know what he was doing. The position, therefore, is that the Lake Brown area was declared by the Agricultural Bank to be unsafe and was closed down. Yet the fact remains that the area was subsequently thrown open again. The Bank had said "No," but the Administration came along and said "Yes." There was a change of Government, and immediately the area which had been closed down with the endorsement and consent of the Agricultural Bank, was re-opened by the political head. So the Lake Brown area was re-settled. Railways have been built, but I do not know how the area is getting on. I did not go out there because I did not believe that the rainfall is such as to ensure big results. It may be interesting to the member for Esperance (Mr. Nulsen) to know that Esperance was thrown open against the advice of the Agricultural Bank. The Bank was never a party to that political settlement. Esperance was settled as the result of political decision or Parliamentary decision or Government policy. Again I was associated with it. But it is well known that I was never enthusiastic about it, for I could not see how that land was ever going to become a profitable agricultural proposition. I sympathise with the settlers that have been struggling down there on that area. They have made a really good effort to get through, but they have not got through and are not likely to get through.

Mr. Nulsen: They will get through in time.

Hon. W. D. JOHNSON: I hope so, but if that is going to become a good proposition the Agricultural Bank will have to do far more in the way of advances than they have done up-to-date; and it is questionable whether they have not gone too far already, taking the relative productive value of that land as against the productive value of other lands that are available.

Mr. Nulsen: There are different problems down there to solve.

Hon. W. D. JOHNSON: I know that, and if they are ever solved probably we shall then find an increased production. I hope the hon. member is right, but up-to-date it has been very disappointing.

Mr. Nulsen: It is similar to the Wimmera country.

Hon. W. D. JOHNSON: I would hardly say that, and I have seen both. Parliament has always been most active and enthusiastic in regard to the expansion of land settlement. The extension to Lake Brown was never condemned. I will admit there was no Royal Commission appointed to inquire into my action in closing it down, but when it was re-settled it was re-settled with general commendation. The fact remains that Parliament approved, not only of the settlement of that area, but of the building of a railway to serve it. One would be justified in drawing a comparison between the work of the Agricultural Bank and that of Parliament in the development of railway communication. The time may come when somebody will be carpeted for the white elephants we have in the shape of certain railways. Quite a number of railways are not earning anything to-day and it would be better if they were not running. Certain lines should never have been built, but Parliament felt that the money was being wisely spent, and directed that the railways should be constructed. However, the Bank is not to be held responsible for that, and if we cannot hold the Bank responsible for the building of agricultural lines, why should we try to saddle the trustees with the responsibility for settlement in other directions? In my judgment we have never been wise in our land settlement policy. "Hansard" contains reports of many speeches by me in which I claimed that we were recklessly following a policy that would bring us to disaster. Not that I was opposed to the areas that were

selected, so much as to the method of selection; the time of throwing open the land for selection, and then the actual selection itself. The great trouble in this country has been due to the over-enthusiasm of politicians, who were always encouraging the throwing open of land. Even to-day the member for Nelson (Mr. J. H. Smith) wants more land made available. In the old days we had on both sides of the House enthusiasts for land settlement. And the Press of the country day by day clamoured that greater attention should be given to land settlement as a glorious possibility of development—if only the land were made available to the people.

Mr. Ferguson: And we shall have it again in a few years.

Hon. W. D. JOHNSON: Well, I hope we shall still have the vacant spaces available. The whole trouble was that we started to settle the State without effectively settling any one part of it. I remember when the Lake Grace area was thrown open, for I was there in the early stages, and the member for Wagin (Mr. Stubbs) will remember the first race meeting there. In those early days there was quite a number of good settlers, as there may be to-day, but there was a tremendous area of unoccupied land. And going across from Lake Grace to Nyabing one found the same thing. The people of Lake Grace were clamouring for a railway that had been promised them, but the people were not there in proportion to the land available. However those that were there claimed that they had been sent there under misrepresentation, and they demanded that Parliament should honour what Parliament had promised. The line was run out before the land was settled, and for a considerable time it was not a payable proposition. But then we had the agitation from Nyabing, and others from Bruce Rock and Mullewa-Cue, and Wickepin-Merredin, and so it went on, and all those areas were made available for selection before we had the machinery and organisation to attempt the settlement of any one of them. I am not saying anything I have not said before; it is all in "Hansard." What happened in group settlement had happened in regard to our agricultural land. All that was wrong with group settlement was that we had an organisation capable of putting in one group per quarter, but we decided to put in one group

per week, and of course the organisation broke down and the whole thing cost the country millions because we made that initial blunder. However, the Press eulogised the progress that was being made, and both sides of the House supported that kind of thing. If one tried to preach caution and urge that we should profit by previous experience, he found he had no hope, because Parliament wanted settlement as speedily as possible irrespective of whether it was sound. So what happened in group settlement could have been avoided and the lost millions saved if we had profited by the blunders made at Lake Grace, Nyabing, Mullewa, Wickepin, Morawa and the other areas.

The Minister for Lands: What is wrong with Morawa?

Hon. W. D. JOHNSON: The hon. member has not been listening, and I am not going to repeat. In those areas so sparsely settled, railways had to be built before the population was there, and we wasted an enormous amount of money because we did not concentrate on one area and make a job of it before passing on to others. Having had experience, I wanted to do more thoroughly what was being done in the group settlement areas, but although I expressed that view over and over again I was told it was not worth while discussing it, because a wise policy was being followed. Reference has been made to the Industries Assistance Board and the amount of money spent through that board. I have had some experience of administration and I can say that under that board in its initial stages money was made available on the flimsiest of pretexts. Yet I feel that I did more good for humanity in that expenditure than I have done in all the rest of the time I have been in Parliament; if there is one part of my political work of which I am proud, it is the part I was able to play in overcoming the distress of the people in the agricultural areas, the result of the drought of 1914. So acute was the distress that people were starving away out on the Dowerin line, where I saw distress such as I hope I shall never see again. The country storekeepers, upon whom the settlers were relying for their food, had closed down and could not carry on because because of the financial position due to the drought. The Labour Government of the day issued instructions to all country storekeepers to supply the needs of the farmers in all areas. So the settlers were able to go to the

stores and get what they wanted, and the Government undertook to foot the bills. Of course that was done for only a brief period, but the fact remains that so great were the needs of the people that not only from a humanitarian point of view, but also from a point of view of land settlement, the State had to take the risk at that juncture. Then of course it had to be followed up. The settlers were absolutely penniless, their credit was gone and we had to come to Parliament with a Bill endorsing what had been done. The Agricultural Bank was not consulted in regard to that. It was Government policy, and Parliament enthusiastically supported it. The Bill was passed and, curiously enough, the Government were criticised for having been slow in rendering assistance to the farmers. I do not remember all the circumstances, but I do recall that the money was made available by Parliament with directions that a maximum amount had to be provided for the settlers. I know that all the criticism I got was on the score that I was not going fast enough and was not sufficiently sympathetic. I remember that the "West Australian" sent special men out into the country to write daily articles condemnatory of my administration, and I know that in every case they went, as I suggest the Commission has gone, to men that were disappointed.

The Minister for Lands: Do you suggest the Commission went to such men for their evidence? Not a tittle of it was garnered in that way.

Hon. W. D. JOHNSON: I am glad to hear that; I do not know how they arrived at their conclusions. In those days the men who wanted mould-board ploughs and were not supplied with all their needs in the way of scarifiers or cultivators, went to the Press reporters and complained that they had not been given what they required and there followed general criticism because we did not supply the expensive implements that were demanded, and which they could not use. But the point I want to make is that Parliament never condemned over-payment, over-help, or over-liberal assistance generally: Parliament always complained that not enough was being done. I want the effect of the work of the Bank taken into full consideration before legislation is introduced. I noticed in a leading article published in the "West Australian" that there was an appeal for re-

form with the desire ultimately of closing down the Bank. I do not want the institution closed down. I believe it has done a power of good for the community. It has made available every opportunity for home life in this country, and that, it can be said, is something that has been denied to any other country I know of. I know of no other part of the world where land has been made available on such conditions and with the assistance that has been rendered in Western Australia. In the circumstances I admit losses would be made. I know that under the conditions of land settlement in New Zealand huge losses have been sustained by that Dominion.

Mr. Latham: Every business house makes losses.

Hon. W. D. JOHNSON: Every State in the Commonwealth has made losses in connection with land settlement. The development of any new country always calls for a sacrifice on the part of individuals, companies or the State. We have done our part in respect of development on a very large scale; we have developed a huge territory. We have made land available to people who otherwise would not have become farmers; we have educated them and made them farmers. We have had a wonderful achievement in that regard and we now have a community that can justly be grateful not only to the trustees of the Agricultural Bank, but to Parliament for its sympathetic assistance. Parliament felt itself justified in helping everyone to get a piece of land and to build a home upon it to become producers rather than wage slaves. Those men that have made good, there are thousands of them, should be grateful to Parliament and to the various Governments and particularly grateful for the educational work carried out by the trustees of the Bank and the staff of that institution. The staff, week after week, have gone to the homes of the pioneers and advised them with regard to farming operations. Fortunately the Bank has always had a sympathetic staff who never failed to take into consideration the disabilities associated with pioneering. I say now that Western Australian farmers are getting better results, comparatively speaking from a rainfall point of view, than farmers situated in other parts

of Australia. I admit that a considerable amount of wealth has been brought to this country and generally speaking we have developed the State on very sound lines. Mistakes have been made which have cost us many millions of pounds, but I want to ask Parliament to realise that if anything is wrong Parliament is directly and definitely responsible. Parliament has encouraged the policy of the various Governments and has applauded those Governments that were progressive in connection with land settlement, and condemned those that were inclined to mark time. It is wrong, if everything has not gone well in respect of that work extending over so many years, to try and saddle the trustees with the responsibility of the failures, without conveying to those men our appreciation of the wonderful work that they have done in the way of interpreting the desires of Parliament and faithfully carrying out the Government's policy. Those officials have been opposed to us many times. We have given directions and they have loyally responded and generally rendered great service to the State. As one who has closely followed the institution, and was proud to have had the opportunity of administering it in the days when settlement on an extensive scale was being carried on, I want to pay a tribute to the great knowledge the officials possessed of agricultural land and its development. I remember I used to bring in all the inspectors for the purpose of sitting with them in conference to discuss what was going on in the various areas, to test them out in regard to what they were doing for the settlers and the manner in which they were protecting the best interests of the State. It was a great education to get those men around the table for the purpose of talking over many important matters and, at the conclusion of a conference I always felt that we were fortunate in having such a type of officials to direct the amateur farmers. The trustees deserve all the praise it is possible for this Parliament to give, whilst the farmers are entitled to our commendation for the wonderful service they have done for the State by overcoming all the difficulties with which they were initially faced. I repeat that the failures are the responsibility of Parliament and certainly cannot be laid at the doors of the trustees of the Agricultural Bank.

MR. MANN (Beverley) [8.40]: I have listened with interest to the remarks of the hon. member who has just resumed his seat, and I congratulate him on the able way in which he dealt with the subject. He touched upon the salient points of the Commission's report and I agree with him that ever since the inception of the policy of the Agricultural Bank, Parliament has more or less dictated the policy the Bank had to follow. It is right that Parliament should dictate the land settlement policy of Western Australia. The Treasurer is the man who has to find the money and if we allowed a body holding merely executive positions to dictate the policy then we should probably find ourselves in difficulties. We must realise that we have a large State with a variety of soils, a land often referred to slightly as the land of sin, sand and sorrow, shunned by our Eastern neighbours. What would have been the position of Western Australia to-day but for the progressive policy of land settlement? We might not have had more than a hundred thousand people in the State. To a considerable extent the Agricultural Bank has been responsible for the increase in population and the wealth we are enjoying to-day. The Bank made it possible for everyone to get out of the ruck and become a farmer. Legislation is to be introduced affecting the future policy of the Bank and no doubt everyone will look forward to it, but I hope no attempt will be made to close down the institution. The Bank will have to be kept going for many years and money will have to be found to rehabilitate the industry. To-day we are borrowing money to keep men in employment and we must not neglect those engaged in the primary industry. If the recommendations of the Commission were adopted we would have thousands of men off their holdings and the effect would be to swell the ranks of the unemployed. I regret very much the temper of the Royal Commission; from start to finish the report is a scathing indictment of the trustees. Those gentlemen have played an important part in the building up of a great industry. I read in this morning's newspaper that at the conference of returned soldiers Mr. McLarty, the Managing Trustee, delivered his swan song. I hope that if he should retire from his position he will not retire carrying the stigma cast on him by the Commission. I trust also that if the

other trustees retire, they too will not leave the institution with the stigma placed on them by the Royal Commission. I shall look forward to the legislation with regard to the Bank which has been forecast and I hope that the Minister as a practical man will be imbued with the desire to help the industry. By helping the industry he will be rendering assistance to the State. There are many points in the Commission's report that could be commented upon. For instance, it is suggested that there should be a change-over from wheat to wool. At the time the report was written the wool industry was buoyant, but we find that in the course of a month or two wool prices have collapsed and the position is as bad to-day as it was a few years ago. No one can tell what policy should be adopted in the future. We may be up to-day and down to-morrow, and it would be unwise to attempt any forecast respecting the future of the principal industry of the State. It is very evident that unless prices increase or costs are reduced, we shall be in a hopeless state, not only in Western Australia and Australia generally, but in all the primary-producing countries of the world. There is one other point I wish to deal with before concluding my remarks. References have been made to the losses incurred by the soldier settlers in this State. When the Federal Royal Commissioner, Mr. Justice Pike, had investigated the position in this State, he admitted that the soldier settler losses in Western Australia were the smallest in the Commonwealth. I do not think that phase has been borne in mind sufficiently. Under the policy of the Agricultural Bank, a policy that has not been adopted in any other part of the world, the losses in Western Australia, in my opinion, have not been greater than those experienced in the rest of the Commonwealth. It would be interesting to ascertain the position of the Associated Banks at present with regard to their mortgages. The Associated Banks secured the pick of the clients, whereas the Agricultural Bank had to carry the bad and doubtful settlers. I do not know that the Associated Banks would show up much better than the Agricultural Bank. I trust that in any legislation that is submitted to deal with the Agricultural Bank, due consideration will be given to the interests of the farming community generally. I make that appeal as one who is an admirer of the trustees of the Agricultural Bank and who re-

grets that, if they are to retire, they will leave office with the stigma cast upon them by the Royal Commission.

MR. CROSS (Canning) [8.46]: I disagree entirely with the unwarranted attack made by the Royal Commission on the trustees of the Agricultural Bank. Strange to relate, very little has been said of the success that has followed the continued policy of the Agricultural Bank, particularly when we consider the material at their disposal. We can follow the history of the State back to the time before the establishment of that institution. There are families well known throughout the State who succeeded without the aid of borrowed capital, but, nevertheless, without the Agricultural Bank, the State's progress would not be one-tenth of what it is to-day. When I suggest that in many instances the Agricultural Bank had unsatisfactory material to deal with, it is common knowledge that thousands of settlers were financed by the Bank and the bulk of them were immigrants from overseas countries, where farming methods are conducted on an entirely different basis. Members of this House are aware of the helpful assistance rendered by field inspectors of the Agricultural Bank, without which there would have been many more failures. Many people, particularly those in the Great Southern areas, will remember the late Mr. Cowcher, who was regarded as an expert. He was responsible for giving hundreds of men advice about farming methods, and his experience was worth much to them. The member for Wagin (Mr. Stubbs) and the member for Katanning (Mr. Piesse) will probably remember him quite well. I notice that the member for Guildford-Midland (Hon. W. D. Johnson) pointed out that there are not many people settled in the area between Nyabing and the Lake Grace railway extension. I know the country there well, and that assertion proves conclusively to me that there never will be many people settled there. In that area there are two fairly large sandplains upon which little or nothing can be grown at any time. Doubtless the member for Wagin knows the Dongalocking Flat, which extends over a large area. It is flooded in winter and is certainly not suitable for farming operations. Similarly, in other parts of the State there are areas not at all

suitable for agriculture, but at Lake Grace, Nyabing and Pingrup there are some of the best belts of wheat country to be found in Western Australia. Quite a large area of the country between the two lines previously referred to, is covered with noxious weeds, including box poison, narrow leaf and other pests. It would be interesting to know the losses of settlers in those areas caused by their horses eating poison plants. I regard the Agricultural Bank as an institution essential to the progress of the State. It has rendered a great service. There has been a certain proportion of failures, but that must be so in the natural order of things. Prior to 1910, Perth business people claimed it was not safe to farm east of the Great Southern railway. When people like the Murdocks, Cronins and Wests went east of Wagin, it was said that they would be back again in no time. The chartered banks refused to give them any assistance, but the Agricultural Bank did help them. To-day those men rank amongst the most successful settlers of the State. In most instances, they repaid the whole of the money granted by the Agricultural Bank to help in their establishment. The member for Swan (Mr. Sampson) claimed that the Federal tariff had hampered the farmers. I thought the Royal Commission might have made some reference to that phase. If they had done so, they could not have failed also to refer to the wonderful benefit enjoyed by the farming community as a result of the rate of exchange. I do not know what the member for Swan wanted, but he may have wanted it both ways.

Mr. Hawke: He usually does.

Mr. CROSS: Assuming the farming community received considerable benefits as the result of the exchange, if the tariff impost were removed from machinery, would the farmers also desire the removal of the benefit of the exchange rate, although that might be at the expense of other imported requirements for consumption by the whole of the people?

Mr. Hawke: The farmers would not mind the exchange rate being lifted.

Mr. CROSS: I think they want it both ways. Is it their desire to have the tariff impost removed so that they will be able to import Japanese harvesters?

Mr. Tonkin: That is a poser.

Mr. Latham: Quite a new one.

Mr. CROSS: Possibly the farmers want the tariff impost removed so that they can obtain their requirements from cheap labour countries. Instead of so undeservedly attacking the trustees of the Agricultural Bank, I consider the Royal Commission could have indicated sections of the farming community who should not receive further assistance from the Bank. I fail to find any reference to poison land in the report. I presume the Commission blame the trustees for that phase as well! Instead of being so critical, the Commission could have furnished helpful advice, so as to make the job of the trustees so much easier. They might have recommended that no further assistance should be given to Agricultural Bank clients who financed imported tractors as against horses. It will be recollected that in 1910 there was a craze for the use of tractors in place of horses. Quite a lot of farmers borrowed money in order to purchase tractors, and the effect was to ruin many of them.

Mr. Latham: And many city folk refused to use trams and bought motor cars.

Mr. CROSS: We cannot blame them.

Mr. Mann: Were you a farmer at that time?

Mr. Latham: He was secretary of a branch of the Primary Producers' Association then.

Mr. CROSS: I was using horses then. Some of the farmers who bought tractors found out, when they commenced to roll some of the mallee country, that the machines were expensive luxuries. That was most apparent when parts were broken and the monthly bills for benzine and oil were received. On the other hand, the farmer who used horses had not that expense to shoulder, for the animals consumed at least portion of the product of the farm itself. I believe the Royal Commission would have achieved something useful had they suggested that, unless special reasons were given, the purchase of tractors should not be financed by the Bank. I believe a lot of the old farmers have reverted to the use of horses, because they have proved the tractor too expensive.

Mr. Latham: You are aware that the trustees never provided any money for tractors?

Mr. CROSS: Possibly, but many settlers secured advances for rolling the mallee

country and with the money they obtained purchased tractors.

Mr. Latham: Quite possibly.

Mr. Hawke: The member for Canning is putting the Country Party members in the shade.

Mr. Latham: Then let him go.

Mr. CROSS: I do not anticipate that the Agricultural Bank will be closed down, because it is an institution essential for the progress of the State.

Opposition members: Hear, hear!

Mr. CROSS: I hope the operations of the Bank will be continued, and that the Royal Commission's drastic reflections upon the trustees will not be regarded too seriously by Parliament. Just prior to the Federal elections, in some of the Eastern States certain prominent members of the Country Party, in order to foster antagonism to the nationalisation of banking, held up our Agricultural Bank as a wonderful example; whereas everybody knows or should know that it is not a trading bank at all. I attended a public meeting in New South Wales at which this Commission's report was quoted as an example of what could happen under nationalisation of banking. But, as I say, it is generally known that the Agricultural Bank was never a trading bank at all, but was a bank instituted to finance development during the developmental stages of this State. I hope that the Bank, as such, will continue to carry on.

On motion by Mr. Ferguson, debate adjourned.

House adjourned at 9.2 p.m.

Legislative Council,

Wednesday, 26th September, 1934.

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

QUESTION—WHEAT.

Agricultural Bank Holdings.

Hon. A. THOMSON (for Hon. C. F. Baxter) asked the Chief Secretary: 1, What quantities of wheat are held by the Agricultural Bank on behalf of clients in—(a) Western Australian Wheat Pool; (b) Wheatgrowers' Wheat Pool? 2, What amount per bushel has been advanced on those quantities?

The CHIEF SECRETARY replied: 1, (a) Wheat Pool of W.A., 691,351 bushels; (b) Union Wheat Pool of W.A., 297,467 bushels. 2, Wheat Pool of W.A., 2s. 5d. less freight; Union Wheat Pool of W.A., 1s. 8d., net.

MOTION—STATE TRANSPORT CO-ORDINATION ACT.

To Disallow Regulation.

Debate resumed from the 14th August on the following motion by Hon. A. Thomson (South-East):—

That Regulation 48, made under the State Transport Co-ordination Act, 1933, as published in the "Government Gazette" on the 16th March, 1934, and laid on the Table of the House on the 7th August, 1934, be and is hereby disallowed.

THE HONORARY MINISTER (Hon. W. H. Nitson—West) [4.35]: The argument advanced for the disallowance of the regulation was mainly that appellants would be compelled to come to Perth in order to have their appeals heard. It is considered that the appeals should be heard by the one magistrate, because it is desirable that there