

On motion by the Honorary Minister, debate adjourned.

BILL—SUPREME COURT CRIMINAL SITTINGS AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. H. S. W. PARKER (Metropolitan-Suburban) [5.17]: The proposal in this Bill is a move in the right direction. Undoubtedly it is unreasonable that a person committed in December should have to wait until March for trial. As there is always a judge available at the courts in February, it would be a great convenience to those practising in the courts, and only fair to persons awaiting trial, that they should be arraigned without undue delay. There is a good reason why criminal sittings should not be held in January; the papers would not be ready. The Chief Secretary said there had been instances of undue delay. I doubt whether that has happened to any extent worth mentioning. During the 5½ years I was prosecuting, I cannot recall an instance of hardship caused through the Criminal Court not sitting in February. There was a murder case a couple of years ago, and the judge did sit in January. The judges have always been ready and willing to sit and indeed have sat during the vacation when so requested by the parties interested. It should be pointed out that in murder cases especially, time is required by the police to collect the necessary evidence for the inquest, and after the inquest various formalities have to be observed before the accused person can be brought to trial. Even if a person were committed in December and not brought to trial in February, it would not necessarily indicate undue delay. In the case referred to by the Chief Secretary the alleged murder was committed in December, and the woman was brought to trial on the 14th March. Actually, I believe, the trial was delayed until late in the month because the parties were not ready to proceed. People are often apt to conclude that delays are due to the courts, whereas other good and sufficient causes are responsible. Whenever the judges have been requested to sit during the vacation, they have done so, often when the parties concerned have been ready to proceed. The

measure commends itself to me and I trust that members will support it.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

House adjourned at 5.23 p.m.

Legislative Assembly,

Wednesday, 19th September, 1934.

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

BILL—ADMINISTRATION ACT (ESTATE AND SUCCESSION DUTIES) AMENDMENT.

Third Reading.

THE MINISTER FOR JUSTICE (Hon. J. C. Willcock—Geraldton) [4.32]: I move—

That the Bill be now read a third time.

MR. SAMPSON (Swan) [4.33]: I would appreciate a statement from the Minister regarding the amendment to Clause 69 dealing with legacies to certain public bodies. An amendment was passed to include the words "or any charitable or educational institution in Western Australia prescribed by the Governor." That amendment was passed after a long discussion as to the wisdom of giving

the Government power under the Act to exempt certain institutions from the payment of death duties. The Minister said that he approved of the amendment and that a list of the charitable and educational institutions to benefit would be prepared. Will the Minister say whether he proposes, coincidentally with the proclamation of the Act, to prescribe the institutions?

THE MINISTER FOR JUSTICE (Hon. J. C. Willcock—Geraldton—in reply) [4.35]: Yes, that is what is proposed. The object in moving the amendment in that form was to enable an institution at any time to make application to be put on the list. Naturally, it is expected that institutions that consider themselves deserving of this concession will make application and such applications will be dealt with on their merits.

Mr. Sampson: The list will be passed by Executive Council to take effect from the proclamation of the Act?

The MINISTER FOR JUSTICE: Yes.

Question put and passed.

Bill read a third time, and transmitted to the Council.

BILL—WESTERN AUSTRALIAN AGED SAILORS AND SOLDIERS' RELIEF FUND AMENDMENT.

Introduced by Mr. Warner and read a first time.

MOTION—AGRICULTURAL BANK.

Royal Commission's Report.

Debate resumed from the previous day 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. LATHAM (York) [4.40]: Before proceeding to discuss this matter I should like to direct attention to a sub-leader in this morning's issue of the "West Australian" headed "A Leisurely Parliament." After a bit of rhyme, it states—

The report was tabled on August 29 and the rejoinder of the management the week before last, and in reply to the Leader of the Opposition the Premier said that the matter would be open to discussion at yesterday's sitting.

The Premier gave me no intimation that it would be discussed at yesterday's sitting, and that statement is inaccurate. The article also stated—

Although the full text of the report and the management's case were not made available as early as they might have been, the tenor of the Commission's findings has long been common property, and Mr. Latham had indicated an eagerness to spring to the defence of the manager and trustees of the Agricultural Bank.

I contend that that statement is wrong. I have never suggested for one moment that I was here to defend the trustees of the bank. If I think it necessary to defend them, I shall do so, but I have not made any statement to that effect. Neither could any remark that I have made lead the "West Australian" to believe otherwise.

Mr. Sleeman: What are you going to do about the newspaper?

Mr. LATHAM: Hand it over to the hon. member. The report continues—

But he contented himself with securing the adjournment of the debate, which left the Legislative Assembly nothing to do.

The "West Australian" is fairly accurate—

Mr. Sampson: As a rule.

Mr. LATHAM: —but when statements are to be made, and particularly in leading articles, such statements should be verified before being published. A wrong impression might be conveyed by the statement that I had an arrangement with the Premier, whereas there was no arrangement whatever. The reason why I was not ready to discuss the matter yesterday was that the reply of the Bank Trustees had not been before members. Certainly the Minister had tabled the trustees' reply at the previous sitting of the House, but it was taken away to the Government Printer in order that printed copies might be made available to members, and those copies were distributed yesterday. That is why I was unable to proceed with the debate yesterday. Further, I had thought that the Minister for Lands, in moving the motion, would either justify the appointment of the Commission or inform the House whether he proposed to endorse the opinions expressed by the Commissioners in their report.

The Minister for Lands: The Government are in charge.

Mr. LATHAM: The Minister is entitled to do as he likes. I merely state that I did

not expect the bald motion moved yesterday, and I am only saying why I did not proceed with the debate yesterday. The Royal Commission have made an extensive report, and to the report there are replies by the trustees of the Bank and by the Auditor-General. When one reads the report and the replies, one is reminded of the lines of Omar Khayyam—

Myself when young did eagerly frequent
Doctor and saint, and heard great argument
About it and about; but evermore
Came out by the same door where in I went.

Those lines are very applicable to this matter. After reading the report and the replies thereto, I consider that the House will find itself in exactly the same position as before. I want the Government to tell me why the Royal Commission was appointed. Will the Minister for Lands tell the House why the Royal Commission was appointed? Was it appointed by the Government to check the work of the Minister? The Minister was in charge of the Agricultural Bank for three years in the first place. Then he was away for three years, but he has been in charge of it again for 18 months, since the present Government came into existence. Has the Minister found it impossible to check the work of the Agricultural Bank trustees? I think I can answer that question definitely. It has not been so at all. Reading through the evidence, however, I am led to conclude that the people responsible for the holding of the inquiry are the Wheatgrowers' Union. The Minister to-day is taking his instructions from the Wheatgrowers' Union.

The Minister for Lands: I do not say so.

Mr. LATHAM: I say so. The Royal Commission was appointed because the Wheatgrowers' Union asked for it.

The Minister for Justice: Are they satisfied with the way their instructions were carried out?

Mr. LATHAM: In reply to question No. 2835, which was asked by Mr. Donovan, Mr. I. G. Boyle, who stated that he was representing the Wheatgrowers' Union, said the Royal Commission had been appointed at the instance of his organisation. Mr. Donovan's question was—

It was due to the representations of your organisation that this Royal Commission was appointed?

Mr. Boyle replied, "Yes." That is the sworn statement of Mr. Boyle, in reply to a question asked by a Commissioner who evidently had some information on the subject. Will the Minister grant an inquiry to anybody and everybody who comes along and asks for it?

The Minister for Lands: We did not send a questionnaire round before the election.

Mr. LATHAM: I hope the Minister will not agree to the appointment of a Royal Commission at the request of any and everybody. I have no objection to this Royal Commission or the inquiry that was made, but let me express the hope that the Wheatgrowers' Union are perfectly satisfied with the report. I hope the union will be pleased if the report is given effect to in its entirety. Some of the recommendations are fairly stringent. For my part, I trust that the Minister will not carry out those recommendations in their entirety, because doing so would mean that many deserving settlers who to-day are supported by the Wheatgrowers' Union will be put off their holdings.

The Minister for Justice: I do not know by whom they are supported.

Mr. LATHAM: Let us inquire into everything. Let us have a Royal Commission to inquire into railway finance, and another Royal Commission to inquire into Public Works Department finance. Having read through the report of the Commissioners, it seems to me that they had at the back of their minds an idea that they were to see where the money handled by the Agricultural Bank was coming from, and where the money collected by the Bank or drawn by it from the Treasury was going to. For a long time it has been a known fact that deficiencies have been made up out of Loan Funds, and not out of Consolidated Revenue. Not a member of this Assembly who has had even a term of three years in this Chamber but knows that the Agricultural Bank has made up its deficiencies from Loan Funds.

Mr. Raphael: Does that make the position any better?

Mr. LATHAM: It does not. The responsibility lies with the Government who allowed that practice. However, the same practice obtains to-day in the Railway Department and in the Public Works Department.

The Minister for Justice: What?

Mr. LATHAM: Deficiencies are made up from Loan Funds. Loan Funds, moreover,

are drawn on for certain purposes, and frequently the results go into revenue. I am sorry that the member for Guildford-Midland (Hon. W. D. Johnson) is not here, because I shall have something to say about the Industries Assistance Board, which he brought into existence legislatively. If such inquiries as this one are to be held and if effect is to be given to the resulting recommendations, let outside people inquire into all our departmental workings, and then, I assure the public, there will be many astounding revelations.

The Minister for Justice: Do not make such statements. They are absurd.

Mr. LATHAM: Every deficit is made up out of Loan Funds.

The Minister for Justice: Of course, and that is an honest statement of what occurs.

Mr. LATHAM: I do not think the Minister has read the Royal Commission's report.

The Minister for Justice: I have.

Mr. LATHAM: I shall quote some of it, anyhow. This inquiry, if it was to be held, was held at a most unfortunate time. It was an inquiry into the work of an institution that has done a very great deal to develop Western Australia, and the inquiry was held at a time when rural industry was never more depressed in the history of the State. At such a time the Government appoint a gentleman with a judicial mind, and a banker, who naturally always plays safe, and a farmer to tell us what the position of the Agricultural Bank is. I suppose everybody knew what the position must be. The inquiry, I repeat, was held at the worst possible time. I know I have with me the opinion of many members on this side of the Chamber when I say I thank Heaven such an inquiry was not made in 1914. If it had been made in that year, not half the area would have been developed that is now developed. I say this in view of the recommendations of the recent Royal Commission. We know what happened in 1914, and we know what has happened since. If the Minister wanted an inquiry, why did he not have it made by one of his departmental officers, or by a Treasury officer, or an Audit officer? The report is a very bad advertisement indeed for Western Australia, and can only result in harm to the State.

The Minister for Justice: You do not suggest that the Railway Department and the

Public Works Department are in the same position?

Mr. LATHAM: Will you have an inquiry into those two departments?

The Minister for Justice: It is not necessary.

Mr. LATHAM: Let us find out how their deficits are financed. The railways have been working on deficits for a number of years, and those deficits have been met out of Loan Funds. Why not have an inquiry into the South-Western irrigation scheme? Where has the interest on that expenditure been coming from? Of course it has not been coming out of revenue. I think we ought to inquire into that subject; and the sooner we inquire into it the better, probably, it will be for Western Australia. Probably our people will then realise that in a little time we may reach a stage when the State will not be able to meet its interest account, because no tangible assets or securities are being provided for the money we are borrowing.

The Minister for Justice: That criticism does not apply everywhere, surely!

Mr. LATHAM: It applies in a great many instances. I am now going to tell the Minister something he knows, that when sales are effected of any Government property purchased from Loan Funds, the proceeds go into Consolidated Revenue. The hon. gentleman knows that. Yet an institution that has done more for Western Australia, perhaps, than any other public activity, apart from the railways, is singled out for such condemnation as this. The Royal Commissioners put up a report stating that the trustees had not done their work, that they are incompetent and ought to be dismissed. Hon. members who were farming in 1914 will realise what a Royal Commission such as this would have meant to them. In my district, Narembeen and Bruce Rock were regarded as dry areas. At that time the merchants said that those were dry areas and that machinery could not be sold on time payment within their boundaries; that cash must be paid. Since then land in the Narembeen and Bruce Rock areas has been sold for £7 and £8 per acre. If inquiries of this kind are to be held during periods of depression by men who have not a broad outlook, we shall get reports most damaging to the State. I very much regret that this inquiry has been held. If it was held to satisfy a whim of the Wheatgrowers' Union,

then I say the Government should never have authorised it.

Mr. Warner: You evidently believe that the Wheatgrowers' Union have some strength.

Mr. LATHAM: I am going by the evidence given by the president of that union. It is an absolute disgrace. Reverting now to the history of the Agricultural Bank, I say that everyone knows what the institution has done for Western Australia. If it is not a matter of general knowledge, it should be written in our schoolbooks. It is something that Western Australia can be proud of. In 1910, when the mining areas were becoming depressed, agriculture took up the running and kept the population in Western Australia. Agriculture then provided a tremendous amount of work for men who would otherwise have had to leave the State or create a great deal of trouble for the Government. From 1910 to 1933 agriculture has produced, and exported from Western Australia, £66,000,000 worth of wheat; and that money has been distributed in Western Australia in the form of either cash or goods. In addition, about £30,000,000 worth of wool has been produced. Thus there has been created for the people of Western Australia an immovable asset, which will go on producing wealth. If a million of money has been lost, nevertheless the investment is the best that Western Australia ever made. Gold mining, though it does a great deal to develop the country, removes an asset, takes away values. Agriculture, on the other hand, creates permanent values.

Mr. North: Is not the amount of the loss £270,000 according to the trustees?

Mr. LATHAM: I am dealing with the Royal Commission's report. Roughly, there will be a loss of a million or a million and a half.

The Minister for Justice: Senator Pearce says the loss will be 10 millions.

Mr. LATHAM: Senator Pearce and his Government have taken more from the farming community through the bally high tariff than our Agricultural Bank has ever lost.

Mr. Raphael: Senator Pearce belongs to the party to which you belong.

Mr. LATHAM: The hon. member can have Senator Pearce. Anyhow, the hon. member's party has treated the National-

ists very well on this occasion. I do not care what Senator Pearce has said.

The Minister for Lands: Senator Pearce knew he was telling an untruth.

Mr. LATHAM: We are crying stinking fish in this State, and assisting people outside to pass unfavourable criticisms.

Mr. Raphael: Senator Pearce is the arch-pastmaster in that respect.

Mr. LATHAM: I saw quoted in the Eastern States Press an article on banking which attacked the Agricultural Bank of this State.

The Minister for Justice: That was for the elections.

Mr. LATHAM: The Government of this State ought to be the last people in the world to put up an inquiry which could damage Western Australia.

The Minister for Mines: We do not cry stinking fish when the other people get in.

Mr. LATHAM: Whatever evil the Nationalist Party do, the Labour Party do worse.

The Minister for Mines: You are on weak ground. You mentioned this matter yourself.

Mr. LATHAM: I did not mention it. I was led astray.

Mr. SPEAKER: Order!

Mr. LATHAM: The article which was published held up our Agricultural Bank as an example of bad management.

The Minister for Lands: How about the savings bank?

Mr. LATHAM: I do not know about bad management there. There have been mistakes, and there will doubtless be more mistakes. Nevertheless, we can go back and review the position from the inception of the institution, but we will find nothing to justify the caustic remarks of the Royal Commission. I would like to know whether the Minister for Lands is fathering the report. Presumably he is. If that be so, he should tell us what he is going to do about it. When I asked the Premier if the House would have an opportunity to discuss the report of the Royal Commission, I did so because I did not want that document to go before the public without having an opportunity to tell the people that I, at least, disagree with many of the findings.

The Minister for Lands: Do not you know that the Government propose to introduce legislation dealing with the Agricultural Bank?

Mr. LATHAM: I did not know at that time.

The Minister for Lands: You must have known because the matter was referred to in the Governor's Speech.

Mr. LATHAM: I can tell the Minister of many matters that have appeared in various Governor's Speeches, but were never heard of subsequent to the reading of those documents. There were other matters mentioned in the latest Governor's Speech that have not yet been dealt with.

The Minister for Mines: The session is not yet over.

Mr. LATHAM: If we may judge from what we have done so far, members will be here for a long time.

The Minister for Mines: How can you say that?

Mr. LATHAM: What have the Government got on the Notice Paper? Where is their business?

Mr. SPEAKER: Order! I suggest that the hon. member address the Chair and not individual members.

Mr. LATHAM: But these interjections drag me from my subject.

Mr. SPEAKER: The hon. member knows that interjections are disorderly and he should not pay attention to them.

Mr. LATHAM: I endeavour not to hear them but I am afraid that I cannot block my ears to that extent. I wish to take this opportunity to say that I disagree with many of the findings of the Royal Commission, and I had hoped that the Minister would have told us that the State is not in the bad position the Commissioners would have the public believe. Agriculture has developed assets for the State that will be here for all time. The industry has produced enormous wealth, and will continue to do so in the future. I contend the trustees of the Agricultural Bank, ever since the inception of that institution, have rendered great and wonderful services to the State. As to scrapping them, as the Royal Commission suggest throughout their report, I hope the Minister will not contemplate doing anything so unfair as such an act would be. Of course, the time will come when the trustees will have to retire.

The Minister for Lands: They have retired from time to time.

Mr. LATHAM: That is so, and we ought at least to commend them for the very great work they have done on behalf of the State.

To say, as the Royal Commission have, that the trustees possess power above Parliament and the Government, is absolutely wrong. Ever since the Minister for Lands has been a member of this Chamber, he has known that Parliament and the Government have determined the policy of the Agricultural Bank. It is useless to say that the trustees should stand up against the policy of a Minister. They could not do so. On the contrary, they hold their positions in order to implement the policy of the Minister and the Government with which he is associated.

The Minister for Lands: As a matter of fact, they have stood up against Governments. They have made appointments and done things that I entirely disapprove of.

Mr. LATHAM: They may have made such appointments, but they have made very few advances with which the Minister would disagree. I notice in the report that there is a reference to Group Settlement. Do not let us mix up the mismanagement of group settlement affairs with those of the Agricultural Bank. If we were to proceed along those lines, I can assure the Minister that the Lands Department would not show up very well.

The Minister for Lands: If it comes to that, Mr. McLarty was in charge of group settlement matters for years.

Mr. LATHAM: He was not. As a matter of fact, the trustees refused to take the group settlements over under the conditions that obtained.

The Minister for Lands: I do not blame them.

Mr. LATHAM: At any rate, Mr. McLarty was not in charge; he was under his Minister.

The Minister for Lands: He was under Sir James Mitchell, and his appointment was to the chairmanship of the board.

Mr. LATHAM: The lavish expenditure that I have in mind was during the time of the present Minister and his predecessor in office.

The Minister for Lands: He was chairman of the advisory board in Mr. Angwin's time.

Mr. LATHAM: But the Minister was directly in control. Do not let us talk about mismanagement. All Governments approved of the policy of the trustees of the Agricultural Bank. Things have been done with which I have disagreed. For instance, I have always said it was unwise to make advances

on light land propositions, but I have heard members on both sides of the House begging the Government of the day to continue making advances because, they claimed, it was a sound proposition. I know that the Minister for Lands himself suggested that a farm should be established at Wongan Hills in order to see what it was possible to do there. I understand that we have had reports of a very encouraging nature and, in consequence of those reports, doubtless the trustees of the Bank felt inclined to continue making advances there. It has been the policy of every Government, over a period of years, to make advances against land that had been surveyed and thrown open to selection. The Minister himself fixed 600 acres of first-class land as requisite on a block upon which advances were to be made.

The Minister for Lands: I would not have a block on which there were not 600 acres of first-class land.

Mr. LATHAM: And I am giving the Minister credit for that. What is the use of blaming the trustees for what was Government policy?

The Minister for Lands: It was safe Government policy to provide for 600 acres of first-class land with 2,000 or 3,000 acres of second-class land.

Mr. LATHAM: And does the Minister find that in the report of the Royal Commission? I will tell him what the Commissioners say. I want to know whether the Minister concurs in the policy enunciated by the Royal Commission. In their report they state—

There are advances of the trustees which, of course, cannot be justified, in districts such as Salmon Gums, Lakes Carmody, Varley and King, Bullfinch, Southern Cross, Mt. Hampton, Holleton, Gibb Rock, and South Lake Brown. Your Commissioners have visited these districts, and as a result are of opinion that the State must face very great loss.

The Minister for Lands: It is not a question of the land.

Mr. LATHAM: In those districts, there are very few blocks with less than 600 acres of first-class land.

The Minister for Lands: But the condemnation of the Commissioners is not in respect of the quality of the land, but of districts. The two phases must be kept distinct.

Mr. LATHAM: And how was it that the land was surveyed and thrown open for se-

lection? Was not that a matter of Government policy?

The Minister for Lands: Admittedly.

Mr. LATHAM: Then do not let us blame the trustees of the Agricultural Bank for that.

The Minister for Lands: We do not.

Mr. LATHAM: But the Royal Commission do. It is jolly unfair to the people who have sacrificed all they possessed and gone to the districts referred to. All they require to-day is a railway. If provided with that facility, they would make good just as have settlers in the rest of the Eastern Wheat Belt. What feelings must the settlers possess when they read the statements embodied in the Royal Commission's report regarding their localities? They will have no confidence in Governments or anyone else. I trust that when consideration is given to the question by the Government, the Minister, who was responsible for the settlement of those districts, will tell the Royal Commissioners that they have at least made mistakes. It was in consequence of reading the statements made by the Royal Commissioners that I thanked the Lord, as I indicated earlier, they were not asked to make a report on the wheat belt itself in 1914.

The Minister for Lands: I am not responsible for the settlement of Salmon Gums and some of the other centres.

Mr. LATHAM: A fair amount of money has been spent there during the Minister's time. When the Mitchell Government were in office, we had to stop expenditure because we had no money with which to carry on. It was a question of maintaining the position respecting the land already settled, not of opening up new areas. Incidentally, I quite agree with some of the findings of the Royal Commissioners. I think every penny we can get should be used to consolidate the holdings that are held to-day, so that we can place the settlers in more business-like circumstances. On the other hand, to condemn the whole of the country, as the Royal Commissioners have done, is quite unfair, particularly when I know that some of these areas will probably prove to be among our best wheat producers.

The Minister for Lands: I do not agree with many of the statements made by the Royal Commissioners in that regard.

Mr. LATHAM: I am glad to hear the Minister say that. I had expected that when he moved his motion, he would tell the

House that he did not agree with certain parts of the Royal Commission's report while he agreed with others. I do not like the language that the Royal Commissioners have used. For instance, they say—

The excuse tendered by the Managing Trustee, on behalf of the trustees, was that the trustees did not fall into any such mistake, but for fear of losing their positions the trustees carried out the policy dictated to them by Parliament or its Ministers.

That is a pretty miserable sort of statement to make. The trustees do not do anything of the sort. I am sure one trustee at any rate would not do so for fear of losing his position, because he is a permanent officer.

The Minister for Lands: They do not need to be afraid.

Mr. LATHAM: Of course not. At any rate, that officer has never shown any fear of Ministers. I never met a more courteous officer than that gentleman. He would be prepared to discuss and argue with Ministers and contend for what he thought was right. Then the Royal Commissioners say, with regard to the trustees—

If they had refused to adopt any Government policy in respect of land settlement, all that Parliament could have done would be to refuse to vote moneys for the purposes of the bank, or in the alternative, pass legislation making the Bank, as the Managing Trustee says it became, a Government department for carrying out the Government's policy of land development, and placing the Bank under a Minister.

That has been the position for a number of years, ever since the inception of the Bank. The trustees were appointed to implement the land settlement policies of all Governments in this State. We admit that is the position, and we ought to tell the Commissioners that we knew what was going on. We should tell them that we were aware that when deficiencies occurred, they had to be made up out of loan funds. The Commissioners summarised the complaints that they received. No doubt they did receive complaints; we all have received complaints. I have one man who comes to see me very frequently and I intend sending him down to the Minister, because I know his request is quite impossible. I have saved the Minister up to the present. The Commissioners say that one complaint related to the delay of trustees

in formulating their policy each year. Those delays were inevitable, and most decidedly have been inevitable during the past three or four years, because the Premier has had to go to the Eastern States each year to find out how much money he could have.

The Minister for Lands: And there are other reasons as well.

Mr. LATHAM: For those various reasons, Governments found themselves without sufficient money to enable them to carry on the industry. We all know that loan funds had to be availed of in order to provide fertilisers and other requirements of the farmers. It has been necessary to wait until financial arrangements were made on behalf of the State. The fault for the delays has not been that of the trustees but of Governments. Governments must accept responsibility and excuse themselves on the score that they could not make their own financial arrangements. The trustees also stated that the group settlers' difficulties were easily settled. All that had to happen was for the Minister and the Managing Trustee, Mr. McLarty, to go through the districts and everything was all right. I wish that the Minister and Mr. McLarty had traversed the rest of the wheat belt and said the position was all right, instead of defaming the country as we are doing.

The Minister for Lands: We do not say that the country has been defamed.

Mr. LATHAM: Then let me read further from the Royal Commission's report—

It was originally intended that your Commissioners should visit the group settlements, and notwithstanding that two Royal Commissions had already reported,—

The Minister for Lands: Three Royal Commissions.

Mr. LATHAM—

—your Commission was to report generally on administration. The necessity for the visit of your Commissioners to group settlements was ended by the Minister for Lands and the Managing Trustee of the Agricultural Bank making an extended tour of the group settlement districts, covering the ground which the Commission was asked to deal with. Accordingly your Commissioners are not dealing with group settlement in any way, except in respect of the amounts now due.

I am not blaming the Minister for Lands but I ask, why did he not go round the agricultural areas with the trustees?

The Minister for Lands: That is their business, not ours.

The Minister for Mines: The Bank would have been benefited a great deal more if they had not been forced to take over the group settlements—and that not by a Labour Government.

Mr. LATHAM: We shall see later what has been said about that.

The Minister for Justice: We might have a Royal Commission upon it.

Mr. LATHAM: The cry has always been to appoint a Royal Commission. I have never known a Royal Commission that did any good. As a rule the Government of the day use it to defend themselves. On page 9 of their report the Commissioners say that they do not attempt to criticise the policy of settlement or the railway construction which has been carried out. But on page 28 of their report they have this to say—

Your Commissioners quote two instances of railway construction—Katanning to Pingrup, and Borden to Ongerup, leaving out, of course, the costly mistake of Norseman to Esperance. Not only do these railways show a heavy loss, but the State, through the Bank, has to maintain the farmer on the lands opened up by these railways

And they set out a table showing the quantities of wheat and wool carried over the Katanning to Pingrup section and also over the Borden to Ongerup section. And they go on to say this—

The distance from Katanning to Pingrup is 59 miles, and on this railway during the 1932-33 season, 135,228 bags of wheat were carried in addition to 59 bales of wool. On the Borden-Ongerup line, 26 miles, 35,688 bags of wheat were carried and 22 bales of wool. The earnings of this quantity of freight are, of course, infinitesimal as compared to the interest on the cost of construction and maintenance of the railways. There would, of course, be some freight for superphosphates and some passenger traffic. Your Commissioners do not anticipate that the number of the bales of wool carried will represent the wool production of this district, as the Bank did not insist on their clients sending their wool by rail. The Esperance railway carried last season 184,000 bags of wheat and the clip from 9,000 sheep, from stations and sidings over 126 miles. Probably there are many other railways showing similar losses; such as the Wagin-Bowelling, and Narrogin-Dwarda railways.

Yet on page 9 they say they do not criticise the railways; I do not know whether what I have just quoted is regarded by them as criticism. Then on page 9 the Commis-

sioners say they cannot refrain from expressing regret that Bank advances and railway construction from the "nineties" onwards, had not been co-ordinated, and the Agricultural Bank advances limited to those areas within a reasonable distance from the railways determined on after consideration of the class of agricultural lands in those areas to be served. But of course we know that the policy has been carried on all along. It would be very nice to have railways constructed ahead of settlement, but where would the interest on the outlay come from? The report, just there, does not sound like the reasoning of sensible business men, for I do not know where the interest is to be found, except from Loan Funds. Again the Commissioners say—

The acceleration of settlement, however, and the settlement of the country in a face, good and bad lands indiscriminately, seems to have been the sole object of the trustees and the Government, and we now have the resultant losses to be met.

But why should they include the trustees there? They were not responsible for the settlement of the land. It seems to me as though the Commissioners were biased against the trustees. Unquestionably land settlement was the policy of successive Governments. Nor did they throw open light lands. Light lands were made available and selected only when special requests were made for them. We charged survey fees on light land in order to discourage people from taking it up. I do not know what the member for Kanowna (Mr. Nulsen) thinks of this report. I have seen him studying it, and I can sympathise with him. Then the Commissioners say—

The trustees apparently did not appreciate that farming conditions altered as the north-eastern and eastern fringe of the agricultural lands were being brought into settlement. The rainfall in those areas becomes less, and the liability of the rainy season to cut off in September and October becomes greater. This necessitates good farming methods with a full plant, as the system of fallowing and cultivation of the fallow has to be adopted. Not only is a good and complete farming plant required, but sufficient horse power is also required.

They make this complaint, and say the rainfall is insufficient on the eastern fringe of the wheat belt. On page 128 of their report, the Commissioners set out a table showing the wheat produced each year at the Ghooli State Farm, which is the farthest east of all wheat farms in the State except those at

Esperance; and they show that for the six years since the farm was established the average yield of wheat has been 13.52 bushels, which is far above the State's average; and I find that the rainfall for those six years has averaged 10.71 inches. Since the Commissioners had that information before them, one would hardly expect them to condemn all that eastern country as they have done in the statement I have quoted. They are not consistent. They tell us what has been done, and that all that is required is good farming methods. I remember that when the Minister was in charge of the Bank, he insisted on falling out there. Unfortunately for the Government it was not a good business proposition, but undoubtedly the policy was sound.

The Minister for Lands: In that area it is the only business policy.

Mr. LATHAM: And the trustees did supply full plants out there. That country, in comparison with other wheat belts of the Commonwealth, is a far safer belt than most of the others, so do not let us condemn it by acquiescing in this report. On page 9 the Commissioners have this to say—

Let us examine the vicious position thus created. A settler with limited or no capital could acquire a block of land carrying a full loan. He then proceeded to let contracts to clear, say, 500 acres of land, and the Bank would pay the contractors for such clearing. With this amount of cleared land his farm at once became the happy hunting ground of salesmen for everything which a farmer did or did not require. It must be remembered, too, that credit in those days was given on a most reckless scale. Greatly to the detriment of the farmer he purchased many machines not essential to the proper working of the farm. Thus fictitious credit's most dangerous gift to one unfamiliar with the importance of the control of such credit, was created.

What the trustees did was to create an asset which was worth while, and worth a lot of chasing after for business. When I heard the statement that we are likely to lose £6,000,000, and when I appreciate that the hard-hearted managers of the Associated Banks have advanced £4,000,000 on second mortgage, and that probably there is another £4,000,000 owing to secured creditors on those blocks, I say we can be proud of the work of our trustees. They hold the first mortgage on all this land, and if we are to condemn them wholesale we have also to condemn every manager of an Associated Bank that made advances there, and

every business-house that did business with the settlers. As a matter of fact the security we hold is the first security, so I contend the Commissioners are not justified in their condemnation of the trustees, who as a matter of fact have been most careful and, as it sometimes seemed to me, rather too careful. On page 9 of their report, the Commissioners say this—

Again the recurrent question—"Why did the trustees allow the procedure?" With the monotonous answer—"Ministerial control. We were the creatures of Governmental policy." Your Commissioners would again point out that the answer is demonstrably wrong. The trustees were not answerable to any Minister. They had only to account to Parliament.

But they could come to Parliament only through their Minister, and so they were answerable to the Minister. Then it is said that the trustees were very careful during the period 1913-20. But there is a very clear explanation of that. It was because practically all the man-power which would have been available for land settlement had left the State, and so the Bank's advances in that period averaged only £252,769 per annum. Then the Commissioners say that those advances were greatly accelerated. Of course so, for the soldiers were coming back, and every effort was being made to settle them on the land.

Mr. Wansbrough: That was not the policy of the trustees.

Mr. LATHAM: No, it was Government policy. This is the way I see the position behind this report: What the Commissioners wanted to do was to tell Parliament and the Ministers that they had not done the right thing in the past, and the only way they could do that was by slating the trustees.

Mr. J. H. Smith: That is their full meaning.

Mr. LATHAM: Yes, they know that by certain Acts of Parliament they are debarred from criticising Parliament. It is known that during the post-war period successive Governments found the industry a good avenue for providing employment for men, and in many instances Bank advancements were made in order to provide the men with work on the land.

The Minister for Lands: The Labour Government were not responsible for anything of the sort.

Mr. LATHAM: Yes, during your period those advances were made, from 1924 to 1929. Your Government encouraged the employment of men clearing land, and I must admit that I know no better employment.

The Minister for Lands: No, I fought against that proposal in the House.

Mr. LATHAM: But you encouraged the employment of men.

The Minister for Lands: I encouraged the settlers to do it for themselves, gaining experience as they went along.

Mr. LATHAM: But there were periods when labour was scarce, and other periods when it was not so. When that Westonia country was cut down, that was Government policy. I know no better avenue of employment than clearing land, and particularly land in the wheat belt, for whatever may be put into that will come back again. It provided a lot of employment. After the war, when the Mitchell Government were in office, a lot of employment was found for returned soldiers in clearing land. The trustees should not be asked to accept responsibility for that. The Commission complained that the trustees did not budget. It is not easy to budget. The trustees could probably put up a budget on the collections of the previous year, but it is really a matter of price and of yield. It would only be so much guess work, and it was better that they should not put up such a budget. If the trustees had budgeted every year for the requirements they would frequently have found themselves out in their calculations, and Parliament would have said to them, "You are nowhere near your estimate." The answer to that, of course, would have been that the yield was short or that the price was too low. I tried to budget on my own farm, but never once had a year during which I was able to budget correctly.

The Minister for Lands: The best thing to do is to budget conservatively.

Mr. LATHAM: If a farmer were to budget on getting so much out of his yield, probably at the end of the year he would still find he required an additional sum of money to enable him to meet his expenditure. The Commission complained about the purchase price of soldiers' properties. With a few exceptions the price paid in this State was very reasonable. The trouble was

that men without money were put on re-purchased estates. That is where the principal fault lay.

The Minister for Lands: There was more than that.

Mr. LATHAM: Sometimes, in isolated cases, unsuitable men were put on these properties.

The Minister for Lands: In the main they were cheap estates.

Mr. LATHAM: I wonder whether the Commission made any inquiries concerning those estates which were turned down by the Government, and which subsequently were sold at high prices. Some estates were offered to the Government, and were surrounded by Crown lands. They were offered because they happened to be freehold, although the land itself was more or less useless. The trustees of the Bank did not make the purchase, although I believe they were represented on the tribunal which effected the purchases. One or two of these estates have proved unprofitable, but taking them all round they were not expensive. If the Government had been able to subdivide them, and dispose of them to settlers with capital, everything would have been all right. The Commission say that since 1914 there has been no central authority to call the trustees to account. This refers to the Auditor General. The Commission say that neither Parliament nor the Auditor General analysed the balance sheets of the Bank, and that after 1922 the Auditor General ceased sending reports either to the Treasurer or the Agricultural Bank. On the other hand, the Under Treasurer himself says he knew where the money was going, and that he told the Treasurer from time to time. The Commission do not refer to defalcations, only to loan funds being used to make good the annual losses. Parliament must accept the responsibility for many of the troubles that ensued. A good deal of the trouble was due to the passing of the Industries Assistance Act, in 1914 or 1915. That started the orgy of expenditure. If that legislation had been used, as was the original intention, to assist the farming industry, the situation would not have been so bad. I am sorry the member for Guildford-Midland (Hon. W. D. Johnson) is not in his seat. It was he who brought down that legislation. He was responsible for the payment out of loan funds of large sums of money into Consoli-

dated Revenue. These sums were made up of rents due to the Agricultural Bank, interest, and both rent and interest on abandoned properties. The money was used to inflate the revenue.

The Minister for Lands: Do you disagree with that?

Mr. LATHAM: I think it was wrong.

The Minister for Lands: Your ex-Leader charged seven per cent. interest on abandoned properties, and for years put that money into Consolidated Revenue.

Mr. LATHAM: I know nothing of that. I had three years' experience, and saw what was being done. That is not to say I agreed with all that was done. At that time we could not get money out of Consolidated Revenue. In 1914 or 1915, however, the situation was different, and these funds should not have been used for that purpose. The settler was charged so much rent, and he had to pay six per cent. interest on it until he had cleared the debt. It would have been better to impose a fine, as the Lands Department do. Over two millions of money was found by the Industries Assistance Board to inflate Consolidated Revenue.

The Minister for Lands: Two millions from loan?

Mr. LATHAM: Yes, to inflate the revenue.

The Minister for Lands: The group settlements were degreys worse than that.

Mr. LATHAM: About four millions. On page 15 of their report the Commission went out of their way to refer to some evidence I gave. They did so in a rather sarcastic way, I presume. They said—

In the period of alleged prosperity referred to by Mr. Latham, namely 1921 to 1929, the trustees used approximately one million of capital moneys to pay interest on moneys advanced by the State to the Bank.

Why do they say "alleged prosperity"? Of course prosperity reigned then. Western Australia was never so prosperous as it was between 1921 and 1929.

Mr. Tonkin: Was it a dream or actual prosperity?

Mr. LATHAM: It was real prosperity. We were getting good prices for our wool and wheat, but unfortunately we were not living within our means. Had we done so, we would still have been prosperous. Many of our troubles are due to the fact that when prices were high our securities became very attractive. The situation enabled merchants to put machinery on the farms, and

induced the banks to make advances against securities that were worth far more than they are to-day. I commend the Commission for the very complete way in which they examined the whole business. They complain about arrears of interest. There must always be arrears of interest when such large sums of money are being advanced. In the case of men who have no capital, there must always be a time, between the starting of developmental work and the getting in of a remunerative return, during which a man cannot be expected to pay interest. If the policy which had been in vogue prior to 1914 had been continued—it is one with which I am in accord—settlers would have been doing their own work, and would not have fallen so heavily into debt. As a corollary to that, there would not have been such an accumulation of interest due on capital advances. The Commission suggest that between 1921 and 1929-30, the bad farms—presumably light lands—should have been stocked with sheep. I wonder whether the Commission knew the value of sheep in those years. That factor was one of the calamities we had to face. Sheep were at so high a price that it was impossible for the Government to find the money to enable settlers to change over from wheat to sheep. That was the trouble along the Great Southern. Farmers had to pay up to £2 5s. a head for their sheep. The Commission must have a very short memory. I remember being offered some sheep myself at £2 12s. a head. How many sheep could the Government have bought at that price, and handed over to settlers? It was far better that the farmers should have gone on producing such wheat as they could produce at round about the price of 5s. a bushel. On page 19 of the Commission's report appears a quotation from question 5346. The Commission say—

At Dowerin, two Agricultural Bank settlers whose accounts were good, gave evidence, and when asked why they succeeded when so many Agricultural Bank settlers failed they replied, "We have no time for sports during the week, and have to do odd jobs on Sundays." They suggested that many Agricultural Bank settlers could afford to play tennis and attend sports during the week, but did not lift a hand on Sunday. They were asked whether their properties were infinitely superior to the neighbours, and they said, "No, they were only on fair average properties."

I have referred to question 5346, found on page 759 of the report of the evidence. The

Chairman put this question to Mr. McLarty—

As we travel the country, we find a type of Bank client who works hard and keeps up his payments. On a similar or better property nearby there is a man in default. We asked the good type how he kept up his payments and the reply was, "We cannot afford time for tennis during the week, and we do odd jobs on Sundays. The other fellows never lift a hand on Sunday, and have plenty of time for sport during the week." Do the inspectors report those things?—Yes, we know pretty well. I do not say we know every detail.

That is a paltry thing to suggest. I make this quotation from the evidence to bring in the city folk. It is suggested that because a man is a farmer he should work every day in the week including Sundays. I want members of the cross benches to listen to this. They believe in a 44-hour week. This Commission say that farmers should work every day in the week, including Sundays. I take strong exception to that.

Mr. Withers: Why warn we farmers?

Mr. LATHAM: It is suggested that farmers should work throughout the week, and do all their odd jobs on Sundays.

The Minister for Mines: Why do you say we suggest that?

Mr. LATHAM: I say the Commission suggested that.

The Minister for Mines: You inferred that we suggested it.

Mr. LATHAM: I said the Commission expected that farmers should work every day in the week including Sundays. I have quoted the statement of the chairman.

Mr. Sleeman: Do you agree with that?

Mr. LATHAM: I know it is true; they do work every day in the week.

Mr. Sleeman: We agree with you they should not do so.

Mr. LATHAM: They have to do it, but it is a miserable thing for the Commission to say that if a man's farm is not a success when he works six days a week, he ought to do extra work on Sunday.

Mr. Sleeman: He ought not to work on Sunday.

The Minister for Mines: You are not going to throw blame upon us. We do not agree with Sunday work either.

Mr. LATHAM: I am very glad to hear it. If we are to have Bills introduced to limit the hours of labour, let them apply to everybody.

Ministerial members: Hear, hear!

Mr. LATHAM: To the farmers as well. Ministerial members: Hear, hear!

Mr. LATHAM: Then we shall have the best nationalised system of farming in the wide world. Here is another wrong idea of the Commissioners, in reference to the land purchased for soldiers. They say that after land had been purchased for the soldier, he was allowed £2,500 to provide for improvements. That is not the fact at all. Where the Bank found the money to purchase the farm, the amount of that purchase price was included in the allowance of £2,500. Certainly the Commissioners are wrong in that respect. Now I quote from page 23, at the top of the first column—

Many of the settlers are so heavily involved that they care nothing about their accounts now, but are quite content so long as the Bank will keep them on their properties. Others resent not being able to ascertain what their financial position is.

The trustees of the Agricultural Bank ought to have continued the pass book system. I suggested that when I was in office. A farmer has a right to know what his accounts are and how his money is being disbursed. The Commissioners also say—

The Bank was forced, or the trustees imagined themselves compelled, to lend the moneys of the Bank to men ignorant of farming, and on lands which could not be said to be satisfactory securities, particularly so in respect of light lands.

There has been a weakness in our land settlement policy inasmuch as the board allotting the lands consisted entirely of Lands Department officials. When I was there, I tried to get the board to agree to have one member from the Agricultural Bank, so that the Bank might have some knowledge of the character of the person going on to the farm. I now quote from page 23 at the top of the second column—

The rush of returned men for repatriation, the purchase of lands at a time when wool and wheat commanded big prices and created high land values, and the large advances which the trustees were directed to make to soldier settlers; all these have been contributing factors to the present collapse.

That may be so; but, after all, in comparison with the Eastern States, Western Australia stands out favourably. Indeed, I think it was because of the good management of land settlement in this State that Mr. Justice Pike gave Western Australia

such a small award as compared with the awards he gave to the Eastern States. Undoubtedly that was due to good management here.

The Minister for Lands: No. It was because we had cheap land, and therefore made smaller losses than the Eastern States, which had to purchase land.

Mr. LATHAM: It was due to the purchases we made. In the Eastern States much higher prices were paid for land of the same quality. Moreover, the Eastern States are in just as great difficulties to-day as we are in.

The Minister for Lands: The Eastern States had to buy land for settlement because they had no Crown lands available.

Mr. LATHAM: The Commissioners go on to say—

The Industries Assistance Board (the trustees of the Bank under another name) recklessly piling up indebtedness on the Bank's securities may be one of the causes contributing to the hopeless outlook of very many of the settlers.

Out of the £12,000,000 advanced under the Industries Assistance Act, £11,000,000 has been repaid. I do not see how the Commissioners' statement is to be reconciled with that fact. The report proceeds—

The granting of advances for fallow and for seasonal credit through the Bank, Industries Assistance Board and/or Finance and Development Act, either by way of cash payments or Treasury guarantee, with statutory liens or common law charges to secure the repayment thereof, the collection and distribution of the proceeds of the crops, and in many cases the re-advancing of such part of the proceeds as came to the Bank or Board, has led to such an involved mass of indebtedness and securities that it is extremely difficult, if not impossible, for the settler to understand his account. Your Commissioners are of the opinion that it was a mistake for the above-named institutions to attempt to collect the whole of the debt from the crop proceeds annually, as the debt was represented by no assets

In another part of their report the Commissioners condemn the Bank trustees for not collecting the money. Here it is asserted that it was a mistake to collect all this money. Later on the Commissioners condemn the trustees for not collecting enough.

The Minister for Lands: I suppose there were mistakes in some instances.

Mr. LATHAM: When they wrote this, the Commissioners must have known what they were going to write a little later. With

tedious repetition they report how the trustees were dominated by the Minister. They had, of course, to conform to Government policy; and they did so. The Commissioners complain that the trustees did not report to Parliament what the position was. Yet on page 24, in the first column, the Commissioners state—

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. In the trustees' report for 1927, on page 8, the reasons for increased Bank interest commitments are stated as follows:—(a) Increase in the average rate of interest payable to the Treasury. (b) Interest paid on capital which has been lost through bad debts, etc. (c) Borrowing capital to help pay interest to Treasury on Soldier Settlement capital.

That was what the trustees reported to Parliament in 1927. The Commissioners quote that passage, and yet they assert that the trustees did not report to Parliament. Again, the Commissioners state—

In the report for the year 1930, the trustees showed the deficiency for the year as £86,655 13s. 9d. They say: "The growth of interest arrears was responsible for the Bank having to continually draw additional capital from the General Loan Fund to meet interest commitments to the Treasury and defray administration expenses."

Why do the Commissioners keep on saying that the trustees did not report to Parliament when here it is shown, in the Commissioners' own language, that the trustees did report to Parliament? A little later on the Commissioners' report says—

Parliament was never specifically informed of the hundreds of thousands of pounds of loan money which had been advanced on unproductive wheat lands. Parliament was never specifically informed that the trustees had ceased to exercise discretion when making advances on areas which had been thrown open for settlement, but were merely acting as agents for the Minister in carrying out Government policy. Parliament was never specifically informed of the hopeless collapse of the Esperance settlement. Parliament was never specifically informed that the trustees had no reserves to meet losses and no means of creating same.

Of course Parliament was informed. Of course Parliament knew what was going on. Parliament had reports on the Esperance position. We had one such report two years ago, when present Ministers were sitting on the Opposition side of the House.

We were told that everything down at Esperance was beautiful. Now I quote from page 25 of the Commission's report—

In the period 1920 to 1929 the trustees advanced over £3,000,000. In the opinion of your Commissioners, they should have consolidated their securities, converted unproductive wheat lands into sheep and oats, eliminated the unfit settlers, established their existing clients, and left the "edge of settlement" severely alone.

That was the period of high prices for wheat and also for wool, when every encouragement was being given to expand the wheat and wool industries. It seemed to be the right thing then, and everybody encouraged it. Had those Commissioners been taken to Esperance during that period, they would undoubtedly have said: "Every acre of this land should be settled." Now, naturally, they are wise. As the years went on, difficulties were being created. I admit that the unsuitable settlers should have been removed from their holdings during that period. However, prices were very high indeed, and the State was getting a lot of money for both wheat and wool.

The Minister for Mines: Who was to be the judge of the unsuitableness of settlers?

Mr. LATHAM: That is a question which should be put to the Commissioners. If I wanted to inflict punishment, I would say to the Commissioners: "Give effect to your recommendations." Then we would see what a fine fist they would make of it.

Mr. Wansbrough: Their recommendations might apply to themselves.

Mr. Sleeman: What have the settlers done that the Leader of the Opposition should wish to punish them?

Mr. LATHAM: I want to punish the Commissioners, not the settlers. I want to see the settlers given a fair and reasonable deal while they are in difficulties. I quote further from the Commission's report—

The production of wheat on unproductive lands which were capable of carrying sheep was continued, even though during the period of such production sheep were plentiful and cheap. The trustees had only to provide rabbit netting and fencing wire; the settler would have found all the labour, and the Bank might have had to find £100 to £150 for an additional dam. If the Bank had not the power to purchase sheep for a client, the stock firms would have found the sheep. With sheep the settler had

a chance of paying his interest and part of his instalments; he had none producing wheat alone.

A little later on we find condemnation of the trustees for allowing settlers to put sheep under lien on those properties.

The Minister for Lands: They are discussing a different principle here.

Mr. LATHAM: There are many different principles running through the report. To me, I may mention, these principles seem all the same. The Commissioners say here that it is good business for brokers to put sheep on the farms. When the settlers are in difficulties the Commissioners recommend the removal of the sheep, and so the farmer would be left without income of any kind.

The Minister for Lands: Who said that?

Mr. LATHAM: I shall quote it.

The Minister for Lands: I shall correct it.

Mr. LATHAM: I shall quote it, as the Government have nothing to do for the next two days. The Commission's report also states—

The trustees never insisted on the settler getting ready for sheep and stocking-up, or even assisted him to do so

The Minister for Lands: In the good times the settler could have stocked up. You and I have done it.

Mr. LATHAM: The trouble is with the men on the edge of settlement. The Royal Commissioners praise the Bank trustees with regard to Kellerberrin, Dowerin, Goomalling, and the lands along the northern line towards Mullewa and through to Bruce Rock. The Commissioners saw all of that country developed, and they gave praise with regard to it.

The Minister for Lands: A lot of the people there do not carry stock.

Mr. LATHAM: But not many of those are on the Agricultural Bank.

The Minister for Lands: Yes.

Mr. LATHAM: If so, they have very small mortgages. The Associated Banks have most of those properties, and the Associated Banks will have to buy up the first mortgages if they want to protect themselves. I know of nothing better calculated to create a financial crisis among the farming community than this report. It is not fair to those farmers who have reasonable security to offer. The Commissioners speak of the

Lake Brown district as a civil service settlement. Of course it is not that.

The Minister for Lands: They must have meant, soldier settlement.

Mr. LATHAM: Yes. On page 26 of their report the Commissioners deal with the position of the farmer, as follows—

Thirdly, the trustees kept the inefficient farmer on the land. The thrifty Agricultural Bank settler, during the period of good prices, having paid to the Bank interest and principal instalments, put his profits back into improvements. The unthrifty did not, and did not even pay the Bank the interest and principal instalments due by him, with the result that he now has no money and a partially improved property which the trustees are afraid to take over. Even when the maximum advance was increased to £2,000, the trustees might have known the settler without capital could never establish himself on a thousand-acre farm, and they should have been more than cautious as to the person, and upon what property, they advanced the £2,000.

We know that the trustees did not advance £2,000. A lot of it is accounted for by interest and money that had to be found in order to keep the settlers on their farms, as well as to establish a better system of farming.

The Minister for Lands: In many instances, the indebtedness has gone far beyond £2,000.

Mr. LATHAM: I am considering the average and the figure is not very high. Taking the returns submitted by the Royal Commission, the average is below £2,000.

The Minister for Mines: It would require to be, under existing circumstances, to give the settlers any chance at all.

Mr. LATHAM: The Royal Commissioners suggest that we should close down on advances, and yet in other parts of their report they suggest that further advances should be made! They say that the Bank will have to use money to put securities in order.

The Minister for Lands: The Commissioners say that we should close down on other land settlements until the present position is cleared up.

Mr. LATHAM: But that has been so for some time.

The Minister for Lands: Hardly. There have been some settlers placed on the land in recent years.

Mr. LATHAM: What sort of land settlement does the Minister refer to?

The Minister for Lands: I will tell you later on.

Mr. LATHAM: I would like to know what the Minister has in mind. He might lead us to change our minds, because we do not wish to be harsh. Of course, I know what the Minister is referring to. He has in mind the fact that the previous Government placed a few married men on the land, because they were unemployed. Those men would be all right if they were left alone, and, at any rate, money was not advanced to them as it was to ordinary settlers. I notice that the Royal Commissioners say in their report—

The new management will have to deal with these reverted properties, and your Commissioners have no doubt they will do so with success. May your Commissioners suggest to them to have full reports made by the managers, with their valuation, and then have the reports checked by a chief inspector, reserves to be finally fixed by the board. No doubt money will have to be spent in putting these properties in order, but the work can be done by the local Agricultural Bank clients.

What do the Royal Commissioners suggest by that? That proposal means that the settlers will have to look after their farms and then go and look after these other properties. The Minister knows that for every decent settler, his work on his farm is a full-time job. Those men have to work every day throughout the week, including Sundays, on their farms, and the Royal Commissioners suggest that in their spare time they can put the Agricultural Bank's securities in order. Surely we are not asked to accept that sort of suggestion seriously! Then the Commissioners say—

There does not appear to be any necessity to hurry, a selection of properties from each district to be handled under a system of improvement and subsequent sale, but progress should be made as the market absorbs them. Fund the purchase price, land rents and interests, and spread payments over 30 years or such shorter period as may be required. Improvements to be maintained. No further Bank advances. Form a realisation department to deal with sales. As properties are got ready for sale, give properties to selling agents; they have options from time to time.

I trust that the properties will be as easily disposed of as the Commissioners suggest. If that should prove to be so, I shall be gratified. In fact, any man interested in land will be glad to hear that vacant blocks adjacent to his property can be disposed of.

The Minister for Justice: How did your man get on who was sent to Melbourne to dispose of vacant blocks?

Mr. LATHAM: I do not think he sold many blocks, because he found that much the

same position had arisen in Victoria and New South Wales.

The Minister for Justice: It was not so easy to dispose of properties?

Mr. LATHAM: That is so.

The Minister for Lands: Farming property was not an attractive selling proposition at that time.

Mr. LATHAM: Then the Royal Commissioners refer to the financial position of road boards and say—

The financial position of many of the road boards in the wheat areas of the State is critical. This position is occasioned by the failure of the Agricultural Bank clients to pay either current or any part of the arrears of road board rates, and/or vehicle taxes.

The Minister might look into that phase. Should he do so, I believe he will find that nearly every road board could reduce costs substantially. The boards draw a large revenue from license fees and taxes. I do not know why the Government should pay those amounts on behalf of Agricultural Bank clients. The Government provide money for the construction of roads in the district, and why should this be added to the already heavy liability imposed on farmers?

The Minister for Lands: The Government will not pay the amounts.

Mr. LATHAM: To suggest it is certainly wrong. I will deal with the local authorities for a few moments. The road boards should show first how it is possible to reduce expenditure. I know that roads cannot be built without money, but I am convinced that many of the boards could reduce their expenditure considerably, without interfering with the rates. To-day boards have a tremendous revenue compared with what was available in the early days of land settlement. Just recently one road board, the members of which kicked up the biggest noise regarding action taken by the Government, built a very elaborate hall, which the Minister for Works opened the other day. The trouble is that many of these road board secretaries are afraid they will lose their jobs. For my part, I do not believe in building up liabilities against the farmers. Some time ago we passed legislation indicating that road boards could reduce their rates 50 per cent. In my district, I had to go to the local road board and tell them what would happen if they did not take the necessary action. They had levied their twopenny rate on the basis of the highest point of the Federal valuation.

Mr. Patrick: In my district a massed meeting had to be called to deal with the matter.

Mr. LATHAM: For my part, I would not take the position of the road boards too seriously.

Mr. Wansbrough: What about amalgamating some of the boards and providing them with larger areas?

Mr. LATHAM: That might be effective, but, at any rate, they can cut down their expenditure now. In another part of their report, the Royal Commissioners state—

If, from a State aspect, the acceleration of settlement has been a financial mistake, from a national aspect would it not be fatal to let the present occupants drift from their farms to be maintained in the cities on the dole? The endeavour to keep them there must be the work of all classes, politicians, merchants, railway men, waterside workers, superphosphate companies, bankers and private investors. There must be no class distinction. United effort must be made and money must be found to put and maintain the farming industry in at least a healthy condition. Get the proper men in charge of the Agricultural Bank, and the initial mistakes may be turned to good account for the State.

I agree with every word of that paragraph, but I do not think it necessary to change the trustees merely to give effect to what is suggested. I am afraid that if we changed the trustees and dismissed all the other employees affected, we would have a lot of strangers in office with scant knowledge of what was going to happen.

Member: There are a lot of them there now.

Mr. LATHAM: I will not deal extensively with the financial side. The Auditor-General has submitted his reply to Parliament, and while that officer may not have done all that he ought to have done, he knew that the Treasurer was well aware of the position of the Agricultural Bank. One part of the report to which members should turn their attention is to be found in the findings of the Royal Commission. I believe that, in the main, they can be accepted by the Government and by members generally. With respect to paragraph (a) of the first finding, the Commissioners are in error. They say that the cash loss made by the Agricultural Bank, the Soldiers' Settlement Scheme, the Industries Assistance Board, and Group Settlement was £6,619,621.

Mr. Wansbrough: That is a responsibility of the Treasurer.

Mr. LATHAM: They also state that £4,695,653 was written off group settlement indebtedness prior to the Agricultural Bank taking over the control of those settlements. That left an indebtedness of £1,923,968. The Commonwealth Government contributed £972,921, so that the loss was reduced to £951,047. That is not a tremendous loss, such as the Commissioners suggest. When we appreciate the value of the assets created and also the amount returned to the people of the State, that loss is very small indeed.

Mr. Cross: That does not alter the fact that a great loss was made.

Mr. LATHAM: Losses have been experienced in connection with every business at one stage or another, but in most instances business houses can build up reserve funds.

Mr. Wansbrough: The State did not lose that money; they got it back in the form of revenue of various types.

Mr. LATHAM: In the first instance, they had land that was lying idle, and they sold it for cash. As a result, revenue was produced, taxes were levied, and so on.

Mr. Wansbrough: And railway revenue was developed.

Mr. LATHAM: I think the position regarding the railways would probably be about balanced, but in other respects the result was beneficial to the State. Employment was provided; the population was maintained. It meant a tremendous lot to the State.

Mr. Wansbrough: As a result of it, the State was developed.

Mr. Doney: And, in any case, the Agricultural Bank was not supposed to be a profit making institution.

Mr. LATHAM: Business houses can build up reserve funds against which to draw in times such as the present, but the trustees of the Agricultural Bank were not in a position to do that. They certainly got one per cent. on the interest charges and one per cent. as procuration fee when application was made for an advance. Their interest rates were fixed, and there was no other direction in which they could make revenue. On the other hand, the Associated Banks were able to raise revenue in many directions not available to the Agricultural Bank. I am convinced there is no need to worry about a loss of £951,047. In No. 13

of their findings the Royal Commissioners say—

The trustees, during the period 1914 to 1932, in the yearly balance sheets, never placed the true financial position of the Bank before Parliament.

I am not in a position to say whether that is correct or not, but the trustees frequently drew attention to the fact that the losses had not been made good. If any scheme of rehabilitation is to be embarked upon, there are three paragraphs to which I think the Minister should give attention.

The Minister for Lands: Do you think that a rehabilitation scheme is necessary?

Mr. LATHAM: I ought to have notice of that question.

The Minister for Lands: Well, do you?

Mr. LATHAM: The word "rehabilitation" covers so much.

The Minister for Lands: I want your views on the suggestion.

The Minister for Justice: Lyons is going to give us £20,000,000.

Mr. LATHAM: And that may land the farmers in a great deal more trouble than they are in to-day. We must see that that position does not arise.

Mr. Patrick: It is to be free of interest.

Mr. LATHAM: In their findings the Royal Commissioners say—

18. Wheat growing was being continued on many of the Bank's securities, at an economic loss, before the fall in wheat prices occurred.

Those properties would have to be investigated, for either the settler is unsuitable or the property is at fault. Alterations would have to be made.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. LATHAM: Before tea I was dealing with the findings of the Commission, and considering paragraph 18. Paragraphs 19 and 20 should be given the serious consideration of the Minister. Paragraph 19 reads—

Many of the clients of the Bank have neither the capacity nor the will to make good, and the farms of these clients must be repossessed.

I agree that it will be of very little use making advances to unsuitable men; far better would it be to give them some other employment. Paragraph 20 reads—

Many of the areas originally developed as wheat farms were unsuited for continued production of wheat.

That also will have to be taken into consideration. The Minister quoted some figures issued by the Government Statistician sometime ago, showing the number of farmers producing less than three bushels of wheat, and a large number of others producing less than the State's average. I was not concerned with those producing over nine bushels, but certainly a thorough investigation ought to be made into the circumstances of those producing nine bushels or less; an investigation into the lands to discover whether the fault was in the farmer or in the land. If the fault were in the land, the farmer might be worth shifting, as recommended by the Commissioners. Paragraph 21 reads—

Such of the farms mentioned in the preceding paragraphs as are suitable for a swing-over to sheep and oats by the provision of fencing and water, should be so converted.

At the time this report was framed there were possibilities of a reasonable price for wool. To-day, however, the price is discouraging. Nevertheless, we ought not to be influenced against that proposal, although great care will have to be exercised in spending further moneys for this purpose. Water supply of course is essential, and so, too, is fencing, but to suggest that those farms, if transferred to oats and sheep, will be able to pay their interest, is a matter for consideration of the farms. Paragraph 27 reads—

Soldier settlers and ordinary Bank settlers should receive uniform treatment.

I do not know of any difference in their treatment to-day, except in the rate of interest paid, and that is in consequence of an agreement between the Commonwealth and the State.

The Minister for Lands: The soldiers' interest is one-half per cent. lower than the other interest, and of course the soldier got his land at half-price.

Mr. LATHAM: But the Bank was not inquiring into that; that is purely a Lands Department matter. I do not know of any differential treatment, except in the interest, and I hope we shall not increase the interest to soldier settlers. I agree with a lot of the findings and recommendations of the Commission, but I disagree with the first paragraph of the recommendations, which reads as follows:—

Management: That the present trustees of the Bank be retired, and the management of

the Bank be vested in a board of management consisting of three members, to be appointed by the Governor. Of this board, one shall be appointed chairman and one shall represent the Treasury.

If at a critical period such as we are passing through we are to appoint a board of management to take over the work of this great organisation, which covers a tremendous area and a variety of soils and farming methods, and which has invested under its control 13 millions of money, probably the position will be worse in 12 months time than it is to-day.

The Minister for Lands: Except for the permanent head, the existing board has a tenure of only two years. And the permanent head is due to retire in a couple of years.

Mr. LATHAM: And he will be retired, too, in view of this report. It is a very poor reward for a man who has given his life to the interests of the State. If I were in his place, and if Parliament and the Government would not stick to me, I should be glad to get out of it. The Commissioners in their recommendations for the future policy of the Bank deal with the consolidation of securities, and say that increased powers for seizure and sale will be required. I do not know whether they are going to ask for any greater powers than exist to-day. It should be only a question of exercising those powers. If we are to hand over to this proposed new board greater powers than are available to-day, I can see wholesale abandonment of a lot of our farms.

The Minister for Lands: Why?

Mr. LATHAM: I do not wish to anticipate, but the probability is that men from outside the service will be appointed to the board. They will have this report before them and will be asked to take note of it. In addition, a lot of confidential matter has been prepared for them.

The Minister for Lands: What confidential matter?

Mr. LATHAM: It is mentioned here, and presumably it is confidential. Now we are told they are to have increased powers of seizure and sale.

The Minister for Lands: Are not the Government quite competent to do the planning?

Mr. LATHAM: But this new board is to be free from political control. The Commissioners have condemned the Government and the trustees because there has been poli-

tial control in the past. And the board are to be removed only by joint consent of both Houses of Parliament.

The Minister for Lands: I agree with that.

Mr. LATHAM: I do not know that it is very wise. I hope the Minister will seriously consider it.

The Minister for Lands: I have done so.

Mr. LATHAM: We should not give these people such security of office. As far as I can remember, the existing trustees have been there for a numbers of years. The Commissioners go on to recommend—

The Bank should be relieved from providing seasonal credit to its clients, and a separate body created for making such provision.

So a second board is to be appointed. Whether the first board is merely to wind up the farming business of the Bank, and the second board to make all further advances, I do not know. I do not quite follow that. I should like to see what is before us, and I am not going to anticipate. The next recommendation of the Commissioners is that inefficient farmers should be eliminated. But who is going to determine the inefficient farmer?

The Minister for Lands: You have determined him before now.

Mr. LATHAM: But I am not likely to be on the board. I would not go on any board for any Government, to be subjected to this sort of treatment. The Commissioners' next recommendation reads—

Good settlers on lands which are of no value for wheat growing or grazing should be transferred to reverted properties, and the sole liability of each settler so transferred should be the amount fixed by the Bank at which such reverted property is taken over.

So they are going to value those properties. The paragraph continues—

Unproductive wheat lands capable of being converted into grazing farms should be so converted. A carefully formulated plan should be framed for change over to grazing farms.

There are to be two boards operating on the one lot of farms. On page 82, under the heading "Powers of the Agricultural Bank Board," we get this recommendation—

It is necessary that the board be granted additional powers to deal with its securities in a more efficient manner than it has been able to do in the past. Illicit dealing with wheat, boycotting, theft of Bank's assets immediately a property is abandoned, have become far too

common in the State. Increased power should be given to the Bank Board to deal with these evils.

And they go on to set up their own tribunal. In the past we have had our courts of law to deal with these offences, and if there has been any mal-administration in that respect the Commissioners ought to have said so. Of course they are referring to those cases at Southern Cross. I say we were not responsible. A magistrate was sent up to try those cases, and there was no interference from us. If the magistrate's decision was not reasonable, the Crown had the right of appeal.

The Minister for Lands: There were numerous cases before those at Southern Cross, and on several occasions the Bank failed.

Mr. LATHAM: In what way?

The Minister for Lands: By trial before local justices.

Mr. LATHAM: Then do not blame the Bank for it. The Commissioners say the new board should have additional power. What they want to do is to tell the Government that any such cases should be tried by a magistrate, who will deal with them impartially and not from sympathy. I am afraid that in several instances the magistrate dealt sympathetically with the cases. I know what happened in my own electorate: I was charged by some members of the Wheatgrowers' Union with having forced women into the court, with having had their finger prints taken, and with having men carried in on stretchers. All that sort of stuff was put over us by the very men who asked for this inquiry, and on the evidence it was thrown back on to some of them. They were fairly tried, and the Bank trustees took action without reference to the Government. So when the Commissioners ask for additional powers, I think the powers sought are that these cases shall be tried before a magistrate. One of these additional powers asked for is that the board shall be entitled to enter into voluntary arrangements with other creditors of any of the clients of the Bank for the conditioning or adjustment of the debts of such clients. But it will be useless to enter into these arrangements if we are going to write down the liability of the Bank, because all that those people are going to do is to sit by and do nothing. Surely that is exactly what will happen. However, I have no objection to that, because if we write down the indebted-

edness of the farmer, and then go along to those people and ask them, they will say no.

The Minister for Lands: Who says that will be done? It is an adjustment the trustees will take up with the creditors.

Mr. LATHAM: The Commissioners suggest writing down.

The Minister for Lands: Of course we will not.

Mr. LATHAM: I do not know what is going to happen. The trustees already have power to lease properties if they so desire. Then the report proceeds to set out all the other things to be done. One other point dealt with in the Commission's report must be referred to. After their wholesale condemnation of the Esperance country, it is interesting to turn to page 100 of the report, and read the following statement:—

Mr. Pilgrim informed us that he is satisfied with his prospects, although he and his neighbours have had a very hard and strenuous time. He states that the class of country they are on extends a further 15 miles east of Mt. Ridley. The country is more heavily timbered than the mallee and requires chopping down, as it cannot be rolled like the mallee lands.

Then the Commission commented as follows:—

A more thorough investigation of this block of country should be made, and if it is satisfactory, some plans should be formulated for opening it up, possibly by making feeder roads and providing some means of assistance for wheat carting.

The Commission, after condemning the Esperance lands, put up that suggestion.

The Minister for Lands: They have not condemned that country.

Mr. LATHAM: No, but when the adjoining country was opened up the information we had about this country was available. What is the use of telling us what we already know? We did not require a Royal Commission to tell us that. Anyone looking at the Beete country would swear that it was as good wheat country as was possible to find, provided the rainfall was sufficient. The Commission, after condemning the whole of the country, put up a recommendation like that.

The Minister for Lands: You are exaggerating now.

Mr. LATHAM: I am not. If we are going to dispense with the services of the trustees and secure outside men for those

positions, the condemnation of our agricultural lands and of the business methods of the trustees must apply equally to the managers of the Associated Banks.

Mr. Raphael: You are quite right.

Mr. LATHAM: It must also apply to the managers of merchant firms and the managers of companies who have given credit to the farmers. We cannot consistently blame one section and contend that the other section were businesslike in their methods. If the trustees have done wrong, so have the managers of the Associated Banks. To read the report one would conclude that the trustees of the Agricultural Bank were the only stupid individuals, and that the other business people were the only sensible men. I think I have proved that if the wholesale condemnation of the trustees is justified, it will be difficult to replace them with men from outside the service. I do not agree with the Commission's condemnation of the trustees. I have confidence in the State and I believe the trustees have done excellent service, not only for the farmers, but for the State as a whole, and I believe that the securities will in future provide for all the indebtedness carried to-day.

The Minister for Lands: You say that the securities will provide for all the indebtedness on them. Then you do not believe in any reconstruction.

Mr. LATHAM: Did I say that?

The Minister for Lands: What do you mean by it?

Mr. LATHAM: The Minister can accept that statement as his own, not mine. If he had waited and shown a little more patience, he would have understood what I intended to convey.

The Minister for Lands: I will wait.

Mr. LATHAM: There is need for adjustment on some of the properties, but there is no justification for the wholesale condemnation indulged in by the Commission.

The Minister for Lands: If some properties must be written down, the equity cannot be there.

Mr. LATHAM: The Minister is dealing with individual farms; I am taking the whole of them, as the Commission did. The Commission told us that we would lose at least one-third of the outstanding amount. If we lose one-third, all the second mortgages

must go and all the outside creditors must likewise lose. Surely if we argue even from the point of view of the Minister, then the State is well protected at least for the amount it has advanced. However, there is need for adjustment in some instances.

The Minister for Lands: You cannot have it both ways.

Mr. LATHAM: I am speaking generally, whereas the Minister is dealing with individual cases.

The Minister for Lands: You cannot have it both ways.

Mr. LATHAM: I know what the Minister is trying to do: he is not going to get me to walk into one of those traps. Some properties are over-capitalised, and if the farmers now in possession leave them, they will have to be written down, but that is not to say that there will be a wholesale loss amounting to six million pounds. Many of the properties in the hands of the Bank will probably realise much more than the indebtedness on them. I know some properties in my district that are worth a great deal more than the debts. The averages are set out in the report of the Commission. On those averages, will the Minister say that the properties are not worth the money? I pointed out early in my remarks that the Wheatgrowers' Union had asked for the inquiry by Royal Commission. Their resolution, set out on page 383 of the evidence of Mr. Boyle read—

That a Royal Commission be appointed to investigate the methods of the Agricultural Bank as it applies to wheatgrowers with a view to ascertaining—

1. General efficiency of its officers.
2. Methods of the Bank.
3. Effect of the Agricultural Bank Amendment Act, Clause 37a.

Section 37a was a new section inserted in the Act empowering the Bank to control the finance of the farmers in order to prevent other creditors from stepping in and taking the funds necessary to enable clients to carry on their farming.

4. Consideration of the rate of interest.
5. Consideration of the writing down of debts.
6. Recommendations for greater efficiency. I presume that that meant greater efficiency in the Bank.
7. Reasons for appointment of the present personnel of the life trustees of the Bank.

There are no life trustees of the Bank. The General Manager is a civil servant and the other two trustees have only two-year appointments.

8. Their personal qualifications for the position.
9. That a new personnel of the board of trustees, consisting of operative wheatgrowers and producers who rely mainly on the production of their properties, be recommended.
10. Its abolition in its present form if, in the view of the Commission, it is considered to have outlived its usefulness.

Is the Minister going to accede to request No. 9?

The Minister for Lands: I will give you an answer. I will carry out the Government's policy.

Mr. LATHAM: This official of the Wheatgrowers' Union stated that the Minister had acceded to their request by appointing the Commission. That was stated on oath by Mr. Boyle in reply to Mr. Donovan.

The Minister for Lands: Questionnaires were sent out by the Union, and members of your party approved of the inquiry.

Mr. LATHAM: I do not know what they sent out: some organisations would send out anything. I ask members whether they consider this man's word to be worth anything. Let me quote some of the evidence. I hope the Commission did not base their report on such statements. Questions 2732, 3 read—

By Mr. Diamond: Would we be correct in assuming that the clients of the Agricultural Bank cannot rely upon receiving seasonal credit from that institution?—Yes.

And therefore you think a rural bank should be established for the purpose of assisting the present clients of the Agricultural Bank?—Yes, with a well-considered policy governing assistance. At present the officials of the Agricultural Bank raise all sorts of objections when requests are made for seasonal assistance, and in most instances when they are granted, the provision comes too late.

The word of a man who will violate his oath by making statements of that kind is not worth having. The statement is absolutely untrue. At no time have I known neglect to occur in the majority of instances. Mr. Boyle added—

Supplies of super. have been required, but they have been received by the farmer long after the manure could be safely used.

In reply to that statement, I say that on the occasion when we had difficulty in financing the fertiliser supply and when people who

could make their own arrangements were asked to do so, the Wheatgrowers' Union sent out circulars instructing their members not to take fertiliser. I went along personally and begged the officials to withdraw the circular. If there was any delay in 1932, the Wheatgrowers' Union and no one else was to blame. If this statement put up by the president of the Wheatgrowers' Union is the class of evidence on which the Commission based their report, the more we discount it the better will it be for the farming community.

The Minister for Lands: I know the Wheatgrowers' Union was not responsible for that. I know a case in which fertiliser was not sent out until July, with the result that the farmer got only $1\frac{1}{2}$ bushels to the acre. A member of this House told me that the farmer only got it then through his influence.

Mr. LATHAM: When was that?

The Minister for Lands: In 1932. The fertiliser came through the Agricultural Bank.

Mr. LATHAM: I would like to know who the farmer was. I do not say there has not been an isolated case, but there has been nothing to warrant the use of such extravagant language as this, that in most cases where fertiliser has been sent, it has come too late. Is that true or not?

The Minister for Lands: A member of Parliament told me this afternoon that the small yield was due to this farmer getting his fertiliser too late.

Mr. LATHAM: Will the Minister tell me, in confidence, the farmer's name?

The Minister for Lands: I will tell you.

Mr. LATHAM: There was not an officer who devoted more attention to this question in 1932 than the late Mr. Donald, and no man was more capable of dealing with it than he. The statement is not worthy of the president of the Wheatgrowers' Union. It only serves to discount the value that can be attached to evidence given on oath. He says that supplies of super have been received by farmers long after the manure could safely be used. There are doubtless isolated cases of that sort of thing. I myself know of a case this year when the fertiliser arrived too late. This particular settler received assistance, and probably it was thought worth

while to give him a chance. Mr. Boyle continues his evidence—

My official experience with the Agricultural Bank shows that in the event of pressure being brought to bear, the officials adopt a safety-first plan by delaying matters until they ascertain definitely that it is safe to grant the request. Time and seasons wait for no man.

I do not know what Mr. Boyle means. If the union brings pressure to bear so that fertilisers are sent out too late, it must accept the responsibility. This evidence is worth reading.

Mr. Warner: Too right; it makes you prick up your ears.

Mr. LATHAM: Presumably the hon. member may be regarded as the mouthpiece of this organisation. He should read it too. Mr. Donovan, in Question 2848, page 407, asks—

After the passing of the relief Act in South Australia, do you feel that the farmers will be in a more favourable position than they were before?—They will have a chance of working out their difficulties. The Act provides for a voluntary conditioning of debts. The farmer will apply to the Board for a writing-down of his debts.

2849. Will that be part of your plan?—Yes.

2850. Was not one of the objects of your union to reduce the cost of production? Do you claim that you have done so?—Yes.

2851. In what way?—There are many ways in which we have reduced the cost of production. We were instrumental in bringing down the interest charges of the Agricultural Bank to 5 per cent.

What a wonderful attitude to adopt! They must have provided the cheap money for the Bank. A statement like that discounts the whole of the evidence. It was the Government who brought down the rate of interest, because they knew the farmers could not pay the then existing rate. The Union had nothing to do with it. The evidence goes on—

That was largely due to the efforts of our organisation. The Commission which sat in 1931 to deal with farmers' debts advocated a reduction in insurance rates. We found that no effort was made to reduce those charges. We therefore undertook to introduce a system which reduced the charges from 20s. in the pound to 10s. 1d. That is the rate being paid by the farmers to-day compared with two years ago. The Government assisted to reduce premiums on crop insurance by threatening to use the State Insurance office, and the underwriters immediately made a reduction.

I do not know what the system was, but if it was like the system adopted with other organisations at the time, its financial position could not be too sound.

Mr. F. C. L. Smith: You are causing a split in the party.

Mr. LATHAM: I want truthful evidence, not trash like that. They asked the Government to appoint a Royal Commission. The Government did so because of the requests from these people.

Mr. Warner: That shows their strength.

Mr. LATHAM: It shows the weakness of the Government, and then the State is belittled by this report. Are the union satisfied now? Will they be satisfied when they have cleaned up half of their members? I do not think they will be. If there is any trouble, they will have to carry the burden of it. There are one or two things the Government might well inquire into. Let me take Question 2995 by the Chairman—

You will agree that a mortgagee should be allowed to exercise his rights in law?—I am afraid we do not agree on that point. It all depends upon the circumstances. For instance, farmers through circumstances arising due to no fault of their own, may lose the results of a lifetime's work. That sort of thing has happened here in Australia, and is occurring in other parts of the world as well, particularly in America. The farmers in Iowa and Nebraska have been doing much more drastic things than were ever attempted by us. We say that times and circumstances are totally different from what they were when the contractual obligations were entered into, and yet it is suggested that the processes of law should take place as if nothing had happened in the meanwhile.

2996. Even though the actions you complain of are in the ratio of two to thousands of securities?—I do not know about that.

2997. The ratio is very small indeed, and only in grave instances do the officials of the Agricultural Bank act along the lines you suggest?—Personally I know of the Bank acting only in three or four instances.

This man went up and down the country saying that we were displacing men wholesale. When he appears before the Commission, he says he only knows of three or four instances. He said the previous Government were evicting people from their farms.

2998. And between 4,000 and 5,000 farmers are clients that you know of. In my opinion, the Bank has been too lenient?—Has that been because they were prevented from doing so?

2999. No. In some instances the Bank has had ample and excessive cause, because the conduct of the client has been so bad; yet

there has been a system of boycott, and no one would approach the Bank's property, nor will anybody be allowed to do so?—That would be a local matter.

That is the excuse they put up. This is the powerful executive that can ask for a Royal Commission to inquire into this institution. They put it on to the local man. That is to create the boycott, not this powerful organisation down here.

3000. You are not aware of it?—I am afraid I am aware of it.

3001. Does your executive preach a proper gospel to the members of the union?—I am afraid I would have to preach a reverse gospel, because we are bound together to conserve one another's interests.

This man is paid £450 a year by the farmers to preach that gospel, and that is the gospel of ruin. It cannot be otherwise, if it is that sort of thing and that sort of action that causes this sort of report.

3002. Are you aware that immediately an Agricultural Bank holding is abandoned, all the available assets are shared in common between the neighbours?—We have taken steps to reverse that position of affairs. We have enjoined all our members to safeguard the assets on abandoned properties. We have appealed to them to see that properties are not interfered with or destroyed. We have issued circulars to that effect.

I have never seen one of those circulars.

Mr. Warner: You must have seen some, for you cry enough about them.

Mr. LATHAM: Then we come to Question 3003—

Mr. McLarty says that properties cannot be left for any time at all before doors disappear, and so on?—Perhaps that is a sign of the times. The poverty of a farmer may make him desire to have a door.

A very poor reply! They boast of what they have done to assist the farmers! I presume the Wheatgrowers' Union know that they brought into existence what is referred to as "the Union Wheat Pool." What is its position to-day? The charge that will be laid against me is that I am stopping payment. I am going to say something about that wheat pool. If the Government want to inquire into anything at all, they should inquire into that, and should take the first means available to do so.

Mr. Raphael: We will fix it up in due course.

Mr. Warner: That has nothing to do with the matter.

Mr. LATHAM: Who started all this? Who talked about reducing costs to the farmer? I will give members the history of the Wheat Pool. In the first year of its existence, the payments were equal to those made by the West Australian Wheat Pool.

Mr. Warner: Where is that referred to in the report?

Mr. LATHAM: In the second year, the Union Pool paid $\frac{3}{4}$ d. a bushel less than the other pool, and apparently mortgaged their succeeding pool. This year they have paid 1s. 8d. a bushel up to date, and on or about the 15th of the month they promised to pay $6\frac{1}{2}$ d., less rail freight, which must already have been paid. I understand the balance after freight has not yet been paid. That business ought to be inquired into. We should not allow a business like this to handle other people's goods without security. The wheat farmer, who has put his product into that pool will certainly lose a considerable amount of money this year. The Government ought to hold an inquiry into that. Wheat pools ought to be balanced off at the end of every year, and each year the pool should stand by itself.

Mr. Coverley: What has that to do with the report?

Mr. LATHAM: The Wheatgrowers' Union asked for an inquiry and said that the cost of production ought to be reduced. Is that how they set about reducing it? Farmers who have put their wheat into this pool ought to demand an inquiry. I am taking the full responsibility for what I say. These people created an organisation to assist the farmers. They talk about their insurance scheme. The Government ought to hold an inquiry into the whole business. They too have money at stake, represented in the liens they hold over the wheat. I now wish to refer to a statement which appeared in the "West Australian" on the 11th of this month, to show the far-reaching effect of the report of the Royal Commission. It came from Brisbane, dated 10th September, and is as follows:—

The Minister for Defence (Sir George Pearce) stated to-day that damning evidence against political interference with banking was afforded by the Royal Commission appointed by the West Australian Labour Government to investigate the affairs of the Agricultural Bank of that State. This Bank, he said, rendered highly valuable service to land settlement. It was managed by a board of trustees, but poli-

tical influence was allowed to creep in, and members of Parliament, even Cabinet Ministers, pressed claims for advances to clients. The result was that advances were made in unsafe areas with insufficient rainfall. This combined with the depression, brought the bank into serious difficulties.

The Royal Commission, the Minister went on, discovered more than £10,000,000 of bad debts, caused mostly by advances on bad security. The managing director said in evidence that he had been directed to advance money on bad security. He knew that if he did not do so he would lose his position.

The Minister for Lands: And the Managing Trustee stoutly denied that.

Mr. LATHAM: The statement concluded—

The Commission recommended reorganisation of the bank under a board independent of political control.

I am not vouching for the statement, but quote it to show the far-reaching effect of this report. Here is a man who knows Western Australia, and makes a statement like that. It is the outcome of the inquiry asked for by the Wheatgrowers' Union.

Mr. Coverley: Nothing of the sort.

Mr. LATHAM: It would never have been made but for that inquiry. The report is a condemnation of our agricultural settlement from one end of the country to the other. It is a condemnation of the Parliament of this State, and a condemnation of the Government of this State, and a condemnation of the Bank trustees. I wish to dissociate myself from all the references in the report to our agricultural lands and to the Bank trustees. I have every confidence that our agricultural lands will come back into their own. Hard-headed bank managers in this State are not likely to make advances on second mortgages unless there is good and sufficient security. In my opinion, the business men of this State are hard-headed enough not to have given the credit they actually have given, without a reasonable margin of security. I repeat, if this inquiry had been made in 1914, not half of our wheat lands would have been settled. Land condemned at that time has since been sold for as much as £8 per acre, and many sales have been made at £5. Properties worth £1,500 or £1,600 to-day will be worth £5,000 in the future. It is all a matter of confidence. Meantime, however, there is the danger that this Royal Commission's report, broadcast in England and elsewhere, will damn our wheat areas for the time being. People in England and abroad have only a vague knowledge of the

position here. To say that there has been a loss of £10,000,000 is utterly stupid exaggeration. That suggestion has come about because the Minister granted an inquiry at the desire of an organisation that is not worth a snap of the fingers to Western Australia. What I say was proved by a question put by one of the Commissioners to the president of the organisation. The Commissioner's question was, "You asked for this inquiry?" and the reply was, "Yes." If the Government intend to appoint Royal Commissions to damn Western Australia, the sooner they leave office the better. We have difficulty enough in financing our undertakings to-day without that additional disability. Certainly the Commission's report will not help the wheat farmers, who want financial and moral support. The report will break the hearts of the farmers. The farmers will not thank the Government for having brought about such a report. There is the old saying, "I asked for bread, and you gave me a stone." Here is a stone indeed! I hope that when the Government bring down their legislation, it will be respectfully considered.

The Minister for Lands: You are making a big demonstration.

Mr. LATHAM: I am not gifted in the way of demonstrating. I am personally hurt by that report. The value of the little lot I own in Western Australia has been injured by it.

The Minister for Lands: It has not touched mine.

Mr. LATHAM: Of course the Minister is not touched. The hon. gentleman sits back much more comfortably than I do.

The Minister for Lands: Nonsense!

Mr. LATHAM: The Commission's report is a disservice to Western Australia, and I say that with feeling. It is a thousand pities that the investigation, if it can be called such, was ever made. Think of the lot of the people at Lake Carmody and Lake King for instance, struggling as some of us struggled on the land in 1910. What hope does the report give to those settlers?

Mr. Raphael: To judge from your portly frame, you did not do much struggling!

Mr. LATHAM: The hon. member interjecting is a city parasite who does not know the plight of these people. The hon. member knows nothing whatever of the farming areas: but when the price of wheat or of wool goes down he does know it, because his

business is no longer so remunerative to him. We want to back up the settlers, give them encouragement, and render them what financial assistance is necessary to enable them to carry on. I am prepared to help the Government to do that. I am anxiously awaiting to hear what legislation the Government propose to submit. I fear, from remarks made by the Minister for Lands, that the Bank trustees are to be sacrificed. It would be a burning shame to sacrifice men who have built up such a wonderful asset for Western Australia and have rendered such honourable service.

MR. WARNER (Mount Marshall) [8.22]: I have listened attentively to the Leader of the Opposition, and I consider he has so well flogged the Royal Commission's report that it is not necessary for me to take the document paragraph by paragraph, filled as it is with a tirade of abuse. With others, I asked for an inquiry into the operations of the Agricultural Bank, because of a belief that the time had arrived when we should have more knowledge of the working of the institution, especially as, owing to the fall in the prices of primary products, the interest accruing was heavy, while the values of individual holdings were decreasing. In asking for the investigation we thought that the Royal Commissioners might be able to suggest to the Government some plan or scheme of rehabilitation. That was what we expected from the Commissioners, but what we got was a tirade of abuse directed at various public servants by the gillie lawyer chairman and his off-siders. The nature of the report even made me wonder what the Bank trustees could ever have done to the Commissioners to draw from them so much abuse and hatred. The manner in which witnesses were examined was no credit to the Commission. This applies especially to the examination of the Managing Trustee, one of the most honoured men in the country, a man who has done much for the State. This gentleman was on the verge of a nervous breakdown when he appeared before the Jurgemaut Commission and was asked to answer questions about things that had happened 30 years ago. The fact that he was not able to answer such questions appears to have been of great assistance to the Commissioners in framing their report. It is apparent that men were called before

the Commission without having any knowledge whatever of the points on which they were to be examined. In fact, they were examined on matters that would be out of the mind of any businessman unless he had his books with him. That is the manner in which witnesses were examined by a gentleman who at one time owned so much land in the Great Southern district which other people did not like. Incredible methods were used in examining the witnesses. The worst feature was that of trying to catch them on the hop. Now let me say how glad I am that the Leader of the Opposition has come back to his senses and again believes that unity is strength. To-night is the first time I ever heard him suggest that the Wheatgrowers' Union was strong enough to persuade so powerful a Government as the present to hold an inquiry into the working of the Agricultural Bank.

Mr. Raphael: That thought was underlying the tirade of the Leader of the Opposition right through.

Mr. WARNER: The hon. member interjecting can speak later. I believe that the Government granted the Commission because so many farmers throughout the wheatbelt and in other parts of the country urged that they should do so. They had been trying for a long time to get such an inquiry. They are pleased to have it now, after having been refused it so long by previous Governments. I have the highest regard for the Agricultural Bank trustees, and I acknowledge their capabilities, their efficiency, and the thoroughness with which they have done their work. The Commission's report merely belittles those men. Let me point out that the name "Agricultural Bank" is a misnomer. All along the institution has been an agricultural development board. Our legislators of three and a half decades decided that the best method of developing Western Australia would be through an Agricultural Bank, which should have been termed an agricultural development board, in conjunction with agricultural railways. That system was carried out, and it has done a good job. The Agricultural Bank could never have functioned on hard-and-fast banking lines. That would be a matter of impossibility. We know that the Bank was founded to assist men without much capital to settle on the land and carve out homes for themselves.

Of the thousands of men who went on the land, many knew nothing about farming. The Agricultural Bank had to accept responsibility for them. That was the method adopted by our earlier legislators for developing the country. The result is that to-day Western Australia has hundreds of thousands of acres cleared that never would have been cleared had this State relied on private enterprise for its development. The Agricultural Bank has never received due credit for what it has done for Western Australia. In conjunction with the agricultural railways, the Agricultural Bank has been instrumental in the clearing of hundreds of thousands of acres of land, the erection of thousands of miles of fencing, the instalment of thousands of miles of wire, the sinking of thousands of wells and dams. Then there is the labour involved in the fencing, and that involved in the construction of farm buildings, and in the supplying of the materials required for them. Then there are the farm implements, wagons, carts, sulkies. The harness manufactured in the metropolitan area meant the payment of hundreds of thousands of pounds in wages alone. Again, the Agricultural Bank is to be credited with the opening up of lands on the other side of Northam to the end of the wheat belt and throughout the Great Southern districts. There, we to-day have greater assets than were ever anticipated 30 years ago. All this has been brought about by the operations of the Agricultural Bank. It has been asserted that the institution has lost about a million of money. I claim that there has been no loss at all. However, even if all the securities held by the Agricultural Bank to-day were wiped out, the national asset which now exists would pay for everything. In fact, the Bank has paid for itself. That is plain when we take into consideration the decentralisation of our people throughout the country, the thousands of miles of road that have been built, the numerous men employed by road boards all over the State. Then there are the towns and villages which have grown up, and which have been the means of providing purchasing power for the whole community. Yet it is said by a gilgie lawyer and his off-siders that the Bank has lost so much money!

Mr. Thorn: It looks as if the chairman had an axe to grind.

Mr. WARNER: The losses are merely mythical. The policy of the Agricultural Bank represents the method favoured by our early legislators for developing Western Australia. Some of those legislators are with us now, and we are proud of their work because it has been proved to be based on the best method of development known in the whole world. It is foolish and futile to attempt now to belittle the Agricultural Bank trustees, who for years have done their very best for the State, especially as we know that political parties played an important role in the conduct of the institution, and in fact played a more important part than did the trustees. Until a Minister assures me that I am wrong, I shall believe that the party in power exercised a great control over the Bank. The institution has had to settle all sorts and conditions of men on the land. The trustees have maintained the great stream of wealth that has been exported from the State. The Leader of the Opposition mentioned £300,000,000 as the amount of money earned by the Agricultural Bank indirectly, and I believe that that is not an over-estimate. When prices return to normal, we shall hear nothing of that over-capitalisation concerning which so much is said at the present time. That over-capitalisation was apparent only because the price of the product fell by 50 per cent.

Mr. Thorn: That is the point.

Mr. WARNER: Much of the apparent over-capitalisation would disappear if the price of wheat were to become normal. When a farmer took over a holding from the Bank, he took over a mortgage of £1,000, which at that time was the equivalent of 1,000 bags of wheat. At present it represents more than 2,500 bags of wheat, which makes a vast difference. That difference is due to the decreased price of wheat and has had the effect of over-capitalising the farms. In any event, the losses said to have been made by the Agricultural Bank in this precious report are of no moment compared with the securities created and the national wealth that the Agricultural Bank has fostered throughout the State. How many properties were taken over by the Agricultural Bank for the Soldier Settlement Scheme under which 3,000 returned soldiers were placed on the land? What happened when that action was taken? When about £400 or £500 had been spent on the holdings by the Agricultural Bank, the Associated Banks

mopped them up, and took the securities away. The risks attached to the undertaking were not borne by the Associated Banks, who did not enter into the field until the Agricultural Bank had established the securities. Had it not been for the action of the Agricultural Bank, the Associated Banks would certainly not have been prepared to take the risk from the start. How many of those farms did the Agricultural Bank purchase from private individuals in order that returned soldiers might be settled on the land? How many properties were unloaded by private individuals on to the returned soldiers through the Agricultural Bank, thereby enabling private individuals to get rid of holdings that they could not have sold, had not returned soldiers been eager to secure properties? There were a number of blocks held by the Agricultural Bank that were regarded as over-capitalised. Yet the Associated Banks were prepared to take a second mortgage over hundreds of them, after the Agricultural Bank had refused to go any further, and men had left the properties I refer to. It makes one wonder whether the trustees were so much out in their judgment, as we are led to believe by a perusal of this voluminous report. My contention is that the trustees have done their work well, and I trust that the Minister, in formulating the legislation he has promised to submit to Parliament this session, will take into consideration the hardships experienced by the farmers on their blocks, that he will understand the position, and that he will not legislate to place the Agricultural Bank outside political control. I believe there should be political control, for no two, three or four men should be permitted to assume control of such an institution and deal with the business in accordance with harsh banking methods. If that were to follow, more men would be expelled from their holdings. I believe the Minister for Lands has gone deeply into this question, and we anxiously await the legislation he is to introduce. I trust he will not be too much influenced by the harsh comments that find a place in the report of the Royal Commission. I strongly protest against the scathing remarks of a glib lawyer and his hard-boiled conservative banker-offsider. Their references were uncalled for. They had no right to refer in such terms to the trustees, one of whom at least has spent a lifetime in the service of the State. The Commissioners should not, in the declining days of the trustees, have

sought to kick them into their graves with the stigma of incompetency attached to them. The trustees of the Bank have proved their capacity in serving the best interests of the State. We should not be led astray by the references of this glib lawyer and his banker-officer; we do not believe them. Their attitude has been absolutely wrong, and I trust every member of this Chamber will dispute their contentions and will refuse to stand behind such a malicious report. I could wish that the member for Victoria Park (Mr. Raphael) would use his well-known persuasive eloquence in dealing with a report of this description.

MR. DONEY (Williams - Narrogin) [8.36]: I shall refrain, to what extent I can, from touching ground already traversed, and will confine my complaints to salient features of the report of the Royal Commissioners. I feel like saying that one of the very few virtues in the report is the fact that it comes straight from the shoulder. The report is one of really vital interest to the State, and it has been drawn up by three able men. Nevertheless, I think it is fair comment to say that, from start to finish, it teems with inaccuracies and contradictions, and represents a bigger reflection upon the Commissioners than upon the trustees, not only from the points I have just mentioned but because there has been a very obvious attempt right through to magnify the shortcomings of the trustees and to overlook almost entirely their bright spots. To me that appears a most discreditable thing to do, and it is manifestly very unfair. I am obliged to the Premier for giving the House an opportunity to debate the Royal Commission's report. One result of the discussion will be, I hope, to indicate to the Government just exactly to what extent they can safely follow the recommendations of the Commissioners. There has been a great deal of time and money outlaid upon the investigation that preceded and gave rise to the Royal Commission's report. It is plainly our duty to get the very best result possible from that outlay, and it is incumbent upon each member thoroughly to investigate the report to determine whether due care has been exercised in its compilation, and whether it is a dependable representation of the affairs of the Agricultural Bank. Naturally, if it is not wholly dependable, the report will lose a great deal of its value.

In my view, it is the duty of the House, first and foremost, to see that justice is done to those officers who have been censured in the report.

Mr. Wansbrough: Where is the report?

Mr. DONEY: It has been before Parliament for a fortnight.

Mr. Wansbrough: All the reports have disappeared from this side of the House.

Mr. DONEY: That may be so, but, doubtless, other copies are procurable. To the best of our ability, it will be our duty to see that the Agricultural Bank of the future is adapted to the changed conditions that obtain to-day in the world of wheat and finance. I frankly hope that the Government will use all the available data provided in the report as the basis for the big rehabilitation plan, which plainly lies ahead of us. We all agree that the Agricultural Bank was due for an overhaul. I do not think that can be denied by anyone, not necessarily because of any weakness in the machinery of the Bank, but rather because a changing world has absolutely compelled us to review every factor dealing with primary production. When we approach a consideration of the position of the Agricultural Bank, we ought to do so with a great deal of respect. We must remember that the Bank stands as one of the great founders of the Western Australia that we know to-day. I am sure no member of the House can think of any institution that has played a bigger or better part in the progress of the State than the Agricultural Bank. It has always stood very high in the estimation of the people. Now what can we say of its work? It will generally be agreed that, in addition to ordinary routine work, of valuing, lending, instructing and so forth, the Bank may properly be regarded as having carried on an extensive salvage business. Members will know what I mean. Group settlement, for instance, was practically on the rocks what time the Agricultural Bank trustees were asked to take over the control. It would almost seem as though every time any Government—I do not refer only to the present Government but to all past Governments—became faced with a bad or doubtful bargain, they called in the assistance of the trustees of the Agricultural Bank. I do not quarrel with that. Indeed, I regard it as a compliment to the trustees as indicating the confidence that successive Governments have had in their management.

Thus it was that the Agricultural Bank trustees compulsorily took over control of group settlement, of the soldier settlement scheme and quite a number of other hugely over-capitalised enterprises. It was the Agricultural Bank, through the Industries Assistance Board, that saved the agricultural industry of Western Australia in 1914, and also on behalf of the State, tackled many other almost hopeless undertakings, while constantly, the institution has been forced to act contrary to its own saner judgment. It will generally be agreed that the Agricultural Bank has created something far greater than itself. The £9,000,000, or thereabouts, that has been expended has been recouped to the State over and over again. Of that there can be no doubt whatever. To how many millions of pounds it would amount would be hard to compute; it must be a huge sum. We need, too, to take into our calculations the millions of foreign capital coaxed into the State owing to the expenditure of Agricultural Bank funds. Certain figures regarding exports were quoted by the Leader of the Opposition. I do not quite know where he got his data from; that supplied to me seems somewhat different. It is in my mind to say that prior to 1904, when the Agricultural Bank took shape, upwards of £6,000,000 worth of wheat and wool had been exported from Western Australia. But since 1904, that is during the operations of the Bank, no less a sum, I am informed, than £204,000,000 worth of wheat and wool have been exported. Of course I am not giving the Agricultural Bank the whole of the credit for that huge increase, but there can be no doubt that the major portion of credit is due to that institution.

Mr. Raphael: Has not a lot of trouble been caused by the dud inspectors the Bank had in the past?

Mr. DONEY: The hon. member is constantly trying to assist me. He has now given me an opportunity to tell an interesting little tale, but I will not take advantage of it. May I just say, if I am to be pardoned for ignoring my friend, that the Bank has had but two Managing Trustees, both of them Scots, but that is only an accident. Those two men for the splendid work they have done, have been acclaimed as amongst our greatest Western Australians. Their industry, their knowledge of values and of men, their judgment and their loyalty have been the subject of hundreds of encomiums

from both public men and business men. And what requital comes to those fine men? Exactly what has the Commission to say of them? Nothing very complimentary, as has been made plain by the two speakers who have preceded me. They are written down in this report as incompetent muddlers, men with but the meanest capacity for finance, men who have recklessly and deliberately run the State into millions of debt; and, so far as the present trustees are concerned, as men who in the public interests should be discharged from their office. That is a miserable return to those fine men. I am frequently amazed at happenings in this State; we seem to have the habit of lauding many of our public blunderers and plunderers to the skies, while we do not hesitate to condemn many good men, as witness this report, and kick them into the gutter. I feel confident the House will agree that those strictures are not deserved, that they do not represent public opinion, and that the report should be regarded as a highly valuable document whose worth is discounted by manifest straining after a conviction, a report, as was so ably pointed out by the two previous speakers, likely to do us incalculable harm with our creditors in the Eastern States and overseas. At the same time, it is only fair to concede the great industry that has been given to this work by the Commissioners, and to recognise that they are due for our thanks for the many facts and figures they have given us, which will be of inestimable value to us when we start on the great task of farm reconstruction. It is, I think, patent to us that the Commissioners know a great deal more about the internal mechanism of the Agricultural Bank than does the average member of this House. Nevertheless, I say that, irrespective of what the Commissioners may declare to the contrary, this House knows that such losses and errors as have occurred should be charged, not to the trustees at all, or only to a very small extent, but rather to successive Government and to that public spirit which was in evidence in this State in pre-depression days. After all, the Agricultural Bank has been but the instrument of Government policy and of public opinion. In those circumstances I say it would be very cowardly indeed for the Government to permit the Commission to wreak the full weight of its anger upon the trustees and the officials of

the Agricultural Bank associated with them. Those who value fair play, and I believe that includes all in the Chamber, will readily realise that criticism is an easy game to play. We can say with truth that the Commissioners have been looking at the problems of 20 or 30 years ago with the eye and knowledge of 1934. In those circumstances it is very easy indeed to look wise and make the old-timer—if I may refer to the original trustees by that term—who had no precedents whatever to guide him, and necessarily had to take a great deal of risk with all his problems, look something of a fool. I think the Commissioners here are on a very easy wicket indeed. I knew very well indeed Messrs. Paterson, Richardson, and Cook, the past trustees: I knew them just as well as I know the present trustees, and I say they were hard headed, hard working honourable business men, just as their successors are. I say too that they were real men and that we have all too few like them in public life to-day. Those who knew them knew that those men aged much before their time from the strain of holding down a very awkward job. Not until a day many years after their death has any one had the temerity to question their capacity for doing their job in a proper and honest way. Here is a point that amazes me: Right through the report the Commissioners seem to have regarded it as detrimental that, with both the past and present trustees, because they have had a pastoral and farming training they therefore cannot, as they put it, have had any experience in ordinary banking practice. Of course that does not necessarily follow. In any case, there is the fact that that experience has come to the trustees and that they have learnt it in an extremely hard school. A knowledge of banking is of course, an asset of great value to anyone to carry through life; but the point is that it does not need banking training in order to be sensible or in order to value a security or in order to assure the requisite margin of security in relation to the loan upon it. Just here it might be appropriate to say that insistence upon that margin of security would still be one of the major principles of the Bank were it not that the advent of bad times in 1911, 1914, and to-day forced it to alter its policy in order to keep agriculture alive and obtain that production so essential to

the well-being of every man, woman, and child in the State. I think the Commission has overlooked that fact, and I regret it. I admit, the trustees admit, and everyone associated with the trustees recognises that there have been faults in administration; but how could it be otherwise in the control of so cumbersome a machine as the Agricultural Bank has been forced to develop into? It is not, however, faults of administration that have crippled the Bank, but rather the huge slump in values that has had that effect not only here, but all over the world. That is the reason for the critical state of the Bank at present, that and the virtual drying-up of the incoming stream of interest and repayments so necessary to keep the Bank upon an even keel. Just here, too, I think we might remember that had the same ruthlessness, the same insistence upon a conviction been employed in an inquiry into the other financial institutions in the State, with their top-heavy load of second mortgages, an almost identical series of losses would have been disclosed. But, I ask, why should we expose our weaknesses in that way? What does it profit us to do a thing like that? It is always desirable that we ourselves should know just exactly where we stand, but I never can see the sense of revealing our weaknesses to an enemy always on the qui vive to take advantage of them. In regard to this second mortgage aspect it might be well worth our time to consider an extract from the trustees' reply to the Commissioners. It has already appeared in the "West Australian" and it was briefly commented upon by the Leader of the Opposition, but I think it is well worth repeating. It is as follows:—

Both Agricultural Bank and Industries Assistance Board advances were generally considered to be well covered by the sale value of securities. That the operations of the bank were creating security margins is further evidenced by the fact that some 1,500 of its present customers, mostly situated in the wheat-belt, were able to raise second mortgages on their holdings amounting in the aggregate to approximately £4,000,000, an average of £2,600 per borrower. Apparently the trustees were not the only body that had become reckless in the control of credit.

When the trustees themselves are charged with recklessness in the control of credit, it is an ample answer to state that the trained bankers were so satisfied with the securities after the Agricultural Bank had stopped

lending upon them, that they were quite prepared to advance upon them £4,000,000 or an average of £2,600 per farm.

Mr. F. C. L. Smith: Perhaps the Associated Banks as well as the Agricultural Bank were wrong.

Mr. DONEY: When the Leader of the Opposition was speaking, he referred to certain information in the report which he was unable to locate. I have looked up the information and would like to quote it. The report conveys the impression that the average advance on farms is something stupendous and that in almost every instance the amount of the liability has overtaken and passed the value of the asset. A table in the report seems to tell an entirely different story and to indicate that the average of the advances is extremely reasonable. Mixed up with a lot of other information is a statement of principal and interest balances at districts at the 30th June, 1933, showing the average liability for the respective districts as follows:—

	£
Bruce Rock	1,686
Geraldton	1,402
Kellerberrin	1,583
Kununoppin	1,805
Narrogin	1,385
Northam	1,298
Salmon Gums	1,354

That disposes of the idea that the Bank has hugely over-advanced on farms generally. Having regard not so much to those figures as to the advances by private banks, which I have already quoted, I cannot help reflecting that had the Commissioners known of those figures, they might have felt disposed to give the trustees of the Agricultural Bank credit for a little more financial caution and common sense than has been given in the report.

Mr. Patrick: What was the average of those districts and the average of second mortgages?

Mr. DONEY: As compared with the average of £1,248 for the Agricultural Bank, the average of second mortgages was £2,600.

Mr. Wansbrough: Nearly double.

Mr. DONEY: Rather more than double.

Mr. F. C. L. Smith: But there were not nearly so many accounts.

Mr. DONEY: Quite so. I concede that the Associated Banks had an opportunity to pick their accounts.

Mr. F. C. L. Smith: You ought to make that clear.

Mr. DONEY: I am trying to do so. Throughout the report, the Commissioners have refused to recognise the realities of the relationship between the Bank and the Government. On the contrary, they would insist on regarding the trustees as wholly responsible for every action taken by them. From those patently false premises they have drawn the most damaging of their deductions. That is what I do not like, and that is what makes the report such a false document. How groundless and unjust were the premises is shown by a Crown Law ruling which I understand the trustees took the opportunity to secure a year or two ago. The ruling showed plainly that that complete independence alleged by the Commissioners does not exist at all. I understand the interpretation of the Crown Law Department was that the trustees were bound to adopt the policy of the Government, but that they must not do so to such an extent as would contravene the provisions of the Agricultural Bank Act. No one would dream of charging the trustees with having contravened the provisions of the Act, but equally do the trustees recognise the propriety of being subservient to the Minister for the time being regarding matters of major policy, such as the extension of the operation of the Act to new districts. I should like to make some comments upon the visit of the Commissioners to the Narrogin district office. I understand the Narrogin office was the first to be visited by the Commission, and perhaps that and the fact that the Commissioners were strange to the work are the reasons why they saw so little of what they should have seen and why they misconstrued the little they did see. The Narrogin investigation, I presume, since it was the first made by the Commission, coloured the attitude of the Commissioners towards the other branches. Consequently it is a great pity that they permitted themselves to be so misled, and misled so frequently, on certain very important matters. Extremely little time was allowed the Narrogin office to prepare answers to the many questions submitted. That of itself makes it evident that the branches visited later would show up in a far better light from the fact that they had much more time in which to prepare their answers. Let me refer to some very ill-judged comments by the Commission on the work of the Narrogin office. On

page 110 of the report the following appears—

Although the Bank has absolute control over the settler, it takes no interest whether its clients consign their wool by road or rail, or whether such clients sell their wool privately or send it to Fremantle for auction at the stores.

The trustees have not that absolute control that is alleged. Far from it. Nor would it be desirable for them to exercise it, even if they possessed it. If such complete control were attempted, it would certainly be rebelled against by every farmer under the Bank. I do not need to outline what would have happened in 1930, 1931 or 1932 had we taken the absolute control of the 8,000 farms that the Commissioners regard as being proper. A great deal more tact and sympathy was necessary in those years—as a matter of fact, it is still necessary—than the Commission were apparently aware of. On page 111 of the report, references are made to the late delivery of super and the consequent late seeding. I agree that few things are more necessary to the farmer than the timely arrival of super. Any institution dealing in a slovenly way with super orders would certainly be deserving of censure. The point I wish to make is that the Commission should have been careful to saddle the blame on to the right horse. Let me refer to a matter that was rife throughout the period of the Commission's investigations. All along they seem to have been quite prepared to listen to tittle-tattle, and regard it as sound evidence, and include it in their report without taking the trouble to verify it by reference to the personal files in the district offices, or by reference to the other interested party. It is quite an easy matter to verify complaints of that kind, and I consider that the Commission should not have been satisfied until they had secured verification. I have ascertained the procedure adopted regarding the normal super order. The farmer arranges his own supplies with the super merchant, who takes a bill of sale over the crop, which bill of sale is endorsed by the Bank. There is little room for delay provided the farmer makes his arrangements at the proper season.

Mr. Coverley: That was not always the arrangement.

Mr. DONEY: Since the Agricultural Bank has been operating, there have been quite a variety of arrangements. I am dealing with

the arrangement operating at the time the Commissioners made their inquiries.

Mr. Coverley: The evidence refers to complaints based on previous years. Surely that is understandable!

Mr. DONEY: The arrangement I am quoting is that which was in force last year, and I imagine that most of the complaints related to that period. Had the Commissioners taken the trouble to make inquiry in the right quarter, they would have been informed of what I have just mentioned. In some instances, the merchants will not supply settlers unless a guarantee for payment is given by the Bank. I agree that in certain isolated instances it may happen that the season is somewhat advanced before the super is supplied, but I have been careful to make inquiries along those lines. I have asked respecting the office whose experience I am quoting whether any complaints of late delivery had been received, and have been informed that there were no such complaints. Further, insofar as this year is concerned, there were no deliveries later than May. There is nothing in that upon which to hang a serious complaint. I am quoting the experience of the Narraggin office at some length because presumably that is typical of all the other offices. If I can show that there are considerable inaccuracies attached to the Commission's work there, no doubt the same condition of things can be said to appertain in respect to the other branches. The Commission say—

The most serious aspect, however, to a business man is that the trustees personally considered all these petty applications and gave their decisions. The trustees having control of millions of taxpayers' money, being called upon to decide whether a settler should receive five or eight tons of super, or three or four bales of cornsacks.

I cannot help wondering where the Commission got that stupid information from, for it is incorrect. They should have made an inquiry before writing down such misleading evidence as that. Had they made an inquiry they would have found that only on rare occasions, those which offered unusual features, have the trustees dealt with applications for super or cornsacks. The next paragraph outlines some astounding circumlocution with regard to orders for spare parts. I do not know where the Commission got that information from, or why having listened to it they did not take the obvi-

ous course of checking it up before committing themselves to paper. The idea that these applications for spare parts are held up because the branch manager happens to be away from the office is both childish and incorrect. Many other allegations are childish, particularly one which says there is no privacy in the Narrogin office. Anyone who knows that office is aware that the manager and the accountant have private rooms to themselves. The report complains that all the public business is transacted at the public counter. That is a stupid thing to say. If that had been inquired into it must have been shown that whilst a few inquiries must of necessity take place at the counter, the vast majority of them are dealt with by the manager in his private office. The references to the Narrogin branch manager are very mystifying. I have always understood that that officer was temperamentally suited to the task which he so ably performs. That is the common impression in the district that I live in. There are several contradictory paragraphs on page 111. In one place the Commission say that the present branch manager is popular, and possesses all the necessary qualifications of an outside man. Then they say that he is temperamentally unsuited for the worries and strain inseparable from the position of a branch manager. Next they say that in personality the accountant compares unfavourably with the branch manager, and then that the manager has little knowledge of what is required of a branch manager. With such contradictory rubbish as that, one cannot attach too much value to the report in general. To say that the branch manager at Narrogin is temperamentally unsuited to his work seems ridiculous to anyone who knows that officer. The branch manager has as practical an outlook upon the question of finance as he has upon farming practice, and that is saying a good deal. In the fifth paragraph of column 1 of page 111 the Commissioners deplore the absence of strict control over the farming operations of the settler and say—

It is well known that a pernicious system has always existed of granting blocks on which a Bank advance has been approved to men of no experience in farming.

A great deal might be said in refutation of that view, but I will content myself by con-

necting this up with the time when Mr. Donovan, one of the Commissioners, and a man I hold in very high regard, was a member of the land board. He, if anyone, should carry his share of the responsibility from this defect, if it is a defect, of granting land to settlers without experience. Mr. Donovan, despite his membership of the board, and I may agree that even if a man does lack the immediate experience he should not be denied a block provided he possesses other necessary qualifications of a farmer. The Commission must not expect to jettison this long standing practice merely by saying that it is a pernicious one. It is essential to prove that it is pernicious. In paragraph 3 of column 2 on page 111 the Commissioners discount the value of a practical man as a manager of an Agricultural Bank branch. They take the view that unless a manager has all the qualifications of a manager of an Associated Bank he is not fit to control a branch of the Agricultural Bank. That is purely a city view. The Commission overlooked the fact that all clients of the Bank are farmers, and that country finance and farming practice are intricately interwoven. The trustees and branch managers of the Bank must necessarily be practical agriculturists to understand the problems of their clients. Except for Mr. Donovan the Commissioners are men accustomed to the atmosphere of associated banks. It seems to me they cannot for some strange reason rid themselves of it. They insist upon seeing this mortgage institution with a banker's eye. They refer to the trustees and officials of the Bank as men having an untrammelled control over the Bank and its clients. They never made a greater mistake. I am inclined to question whether it was a mistake. I have the impression that they purposely deluded themselves for I cannot see how the peculiar functions of the Bank and the accountability of public servants to the Government can possibly have escaped their notice. Paragraph 6 contains the Commissioner's denial of co-operation between the Agricultural Bank and the Department of Agriculture. To some extent I agree with the statements made. According to my experience the assistance of the Department of Agriculture has very frequently been sought and very readily given.

It might be as well, however, if that co-ordination were intensified in the future. Paragraph 4 deals with finance and says—

The money sense of the branch manager and field inspectors has become atrophied.

What do they intend to convey by that? We know the meaning of the words, but it is difficult to ascertain in what sense they are applied, particularly as there is no supporting data. Insofar as these words apply to the manager of the Narrogin branch they have no meaning at all. If the money sense of the Bank officials is atrophied, what about the money sense of the managers of the Associated Banks who were responsible for making those huge advances upon securities which had been turned aside by the Agricultural Bank? On page 113 the Commission deal with, amongst others, the Abercorn estate, just on the border of the township of Williams. I agree with most of what is said there. The estate was purchased just after the war not by the Agricultural Bank but by the Land Purchase Board, at a price that was greatly above its proper value. Naturally, it soon developed all the attributes of a tragedy. Not one of the original settlers is left upon that estate. With one exception they were very good men, but had no chance. I have said many times that there falls upon the Government the onus to recompense them in some way for this failure, by giving them permanent positions of some suitable kind. Most of them are at sustenance work now. They were of a specially good type: I want that fact stressed. Although the intentions of the Government were good, they did a grave disservice to those men by placing them upon this estate. There is a further condemnation of the Bank on page 112, under the heading of "Abandoned and repossessed farms." It is wholly incorrect for the Commission to say that no register is kept of particulars in regard to abandoned or repossessed farms, as at Narrogin there are complete card indices and also, I believe, loose-leaf details in connection with all such properties. There again the Commissioners are mistaken. On page 113 of their report they say—

The settlers at Mt. Madden must be given carting subsidy to Newdegate; at the present time these farmers within a carting distance of 30 clear miles of Newdegate are allowed the subsidy only if they cart to Ravensthorpe.

From information given me I believe it is not correct to say that Mt. Madden settlers carting to Newdegate do not receive the subsidy. They would be paid on the distance that their holdings are situated from Ravensthorpe. The subsidy, I understand, is payable on the nearest practicable route, irrespective of whether the wheat is carted to Ravensthorpe or to Newdegate. Without being too sure, I think this has been the subject of a regulation issued recently by the Minister for Lands. I have tried to indicate that insofar as office practice and accountancy matters go at Narrogin, the report contains a large amount of unauthenticated evidence. That, perhaps, will not be wondered at when we learn that out of the 70 or 80 or 90 of staff at the several offices of the Bank in the country, only one—the accountant at Kununoppin—was examined by the Commission. There is a great deal more in the Commission's report that could be controverted or fairly disputed, and also a mass of assertions, findings and recommendations with which I can cordially agree. Time, however, does not permit of a lengthy discussion of those matters. One thing that has impressed me right through the report is that what concerns the settler most is not whether the Agricultural Bank is guilty or not guilty, but precisely what is going to happen to the farmer himself when wheat prices rise, and with them, of course, the price of the farmer's own land. The farmer has every ground for fear in respect of that matter. The Agricultural Bank has no jurisdiction whatever on such a question, but I mention to the Government that they have that jurisdiction if they care to exercise it. I may make the same comment in respect of accommodation interest. That, as you, Mr. Deputy Speaker, will know, having had farming experience, has been for many years the subject of constant complaint; but there again the Bank is acting wholly in accordance with the statute that governs the matter. The Bank has no jurisdiction, but by amendment of the Act the Government can have. Towards the end of the report appears some evidence—extremely interesting evidence, I grant—given by Mr. Carlisle, who was at one time the deputy accountant—I think that was his title—of the Bank. The suggestion underlying his evidence is that the operations of the Bank should be centralised upon Perth. I do not agree that that would be at all desirable, though I do not

mind admitting that from a purely accountancy point of view it might perhaps be of advantage. However, seeing that absolutely all the clients of the Bank live in the country, it plainly is more convenient for them to go to branch offices and have their business transacted there than to be compelled to refer everything to Perth. There is one other little matter I have noticed, one upon which the Minister might feel inclined to offer some explanation. In the list of those who gave evidence before the Commission appears the name of the Public Service Commissioner, Mr. Simpson; but I do not trace in the report any reference to the evidence given by that gentleman. Mr. Simpson is a highly-placed public official, and it stands to reason that the evidence given by him should be worth a few paragraphs in the report. I therefore say that to me it seems rather strange—though in fact it may not be—that such important evidence should have been omitted from the report. It is in my mind to make a brief reference to Esperance, in which district I have never been. It is a large district. To cover it to an extent which would give one the right to comment upon it would probably take some weeks. We know precisely how condemnatory are all the references of the Commission to the land at Esperance, and the unfortunate people who are made to suffer the strictures of the Commission. The point I want to stress is that the Commissioners were there for three days, or so I understand, and that three days were considered a sufficient period to enable them to put up a report from which probably the district will never wholly recover. I have considered the whole report of the Commission fairly thoroughly. I have tabulated a few of what I regard as necessary conclusions from that report. I do not say they are all the conclusions I could draw. I agree with the Commission that in future the Agricultural Bank should aim at a wider margin of security, say 30 or 40 per cent. I say that there is wanted—and here again I am backing up what the Commission recommends—a fund to replace worn-out machinery on good wheat lands, and also for the purpose of assisting worthwhile farmers on poor wheat country to change over to oats and sheep. I say, too, that there should be a co-ordination of the accounts of the Bank with a common interest rate, except for that variation in favour of soldiers which must necessarily be main-

tained, because there are certain agreements in force which require that to be done. Interest should be computed and charged annually, to be paid at the point when wheat and wool proceeds are brought to account, and not six-monthly as at present. The reason for that requirement will be obvious to every member. I think, too, that for the convenience of clients generally, and for the convenience of working, the Agricultural Bank and the Lands Department should be housed in one building, and that that building should be the present office of the Lands Department. Above all, we should regard the Commission's report as just a stepping stone to the bigger job of revaluing and reconditioning our farms. If that is not done, the report will be of very little value indeed. In my opinion, too, the trustees or the board—I do not care what term is used: it will not make a great deal of difference to the men whether they are regarded as trustees or as members of a board—should in any case be independent so far as their individual relationships with clients go; but in matters of policy, I agree with other members and, I think, with the Minister, they should conform to the Government ruling. The complete independence that is sought by the Commission is, to my mind, an impracticable ideal. Upon that point I feel no doubt whatever. In my opinion, the Commission's suggestion of absolute control of the farmer should be discarded entirely. To me the idea of absolute control over the farmer is repugnant; and I believe that all members of this House, and all farmers, would regard such a control in precisely the same light. I do not think it any exaggeration to say that if this stupid notion of absolute control is carried into effect, probably some two or three thousand farmers will be forced, filled to the neck with disgust, to leave their farms. In the minds of those farmers who pressed for this report there was the idea prevailing that the Agricultural Bank was far too hard. It happens that the Commissioners hold the opinion that the Bank has been not anything like hard enough. The worst feature of the report—and it has plenty of bad features—is this dictatorial notion of absolute control. To me it smacks altogether too much of the new Germany, and shows how completely out of touch with matters in the country and with the sentiment of the countryside were the Commissioners, despite the

long time they necessarily took to gather material for their report.

Mr. Tonkin: Are you not going to say just one word complimentary to the Commission?

Mr. DONEY: The hon. member has brought an extra two minutes upon himself. I have already said some few kindly things, but I would like to do the Commissioners the further compliment of reading out something which at all events in part takes a little of the sting out of other of their remarks. On page 2 of their report we read—

Against the complaints received of delays occasioned by the faulty administration of the Bank, there is to be set off evidence from the type of Agricultural Bank settler who is making good, and who states that at all times he has had full attention paid to his requests by the Bank. Your Commissioners have again the evidence of the Primary Producers' Association, in answer to Question No. 3084 the president of that association says, "We have written to our branches, and have advertised in our paper for anyone who had grievances, to send them in, in connection with this inquiry of yours, and the result has been practically negligible."

I certainly am obliged to the Commissioners for having inserted that reference. They go on to say—

Your Commissioners hereunder have summarised the complaints which, during the course of various inspections, have been received from the settlers

Then they proceed to give a long list of complaints. It furnishes evidence of the one-sided attitude of the Commissioners towards the trustees of the Agricultural Bank.

Mr. Tonkin: Your remarks are rather one-sided too.

Mr. DONEY: The Commissioners have gone to the trouble of outlining the complaints, but they say not one single further word about the evidence of those settlers who have made good and had such complimentary things to say about the Bank.

On motion by Mr. Wansbrough, debate adjourned.

BILL—ROMAN CATHOLIC CHURCH PROPERTY ACT AMENDMENT.

Returned from the Council without amendment.

House adjourned at 9.47 p.m.

Legislative Council,

Thursday, 20th September, 1934.

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

ADDRESS-IN-REPLY.

Presentation.

The PRESIDENT: I desire to announce that this morning, accompanied by some members, I waited on His Excellency the Lieut.-Governor and presented the Address-in-reply to His Excellency's Speech agreed to by the House. His Excellency has been pleased to make the following reply—

20th September, 1934.

The President and Honourable Members of the Legislative Council—I thank you for your expressions of loyalty to His Most Gracious Majesty the King and for your Address-in-reply to the Speech with which I opened Parliament. (Sgd.) James Mitchell, Lieut.-Governor

BILL—SUPREME COURT CRIMINAL SITTINGS AMENDMENT.

Third Reading.

Read a third time and *passed*.

BILL—FORESTS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

THE CHIEF SECRETARY (Hon J. M. Drew—Central—in reply) [4.35]: I wish to express my appreciation of the support accorded to the Bill. I should not have moved the adjournment of the debate last night had it not been that Mr. Mann voiced some doubt as to whether the figures I had used were correct. Those figures were taken from a statement supplied by the Under-Treasurer to enable me to reply to the debate on the Supply Bill, and it seemed to