

pointed and that this very intricate measure will be framed in a manner that is equitable and that can be understood.

On motion by Hon. A. Thomson, debate adjourned.

House adjourned at 6.2 p.m.

Legislative Assembly,

Wednesday, 26th September, 1934.

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

QUESTION—RABBIT PEST.

Mr. J. H. SMITH asked the Minister for Lands:—1, Is he aware of the dreadful plague of rabbits West and South of Manjimup and also in other parts of the district? 2, Is it not a fact that road board and other bodies, also bank inspectors in the district concerned, have urgently stressed that immediate action be taken? 3, Will he arrange to send an officer down to combat this awful menace, as stock are dying every day, thus creating a great national loss?

The MINISTER FOR LANDS replied: 1 and 2, Yes, the Bank inspectors have reported regarding the prevalence of rabbits, and the local authorities have probably

communicated with the Department of Agriculture. 3, This is a matter for the Department of Agriculture, under whose control the Vermin Act is administered.

BILL—FORESTS ACT AMENDMENT.

Returned from the Council without amendment.

BILL—TIMBER WORKERS.

Introduced by the Minister for Works, and read a first time.

LEAVE OF ABSENCE.

On motion by Mr. North, leave of absence for the remainder of the session granted to the member for North Perth (Mr. J. MacCallum Smith) on the ground of urgent public business.

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

Second Reading.

MR. WARNER (Mt. Marshall) [4.35] in moving the second reading said: This is an amendment to the Act from which the Bill takes its name for the establishment of a relief fund for aged sailors and soldiers. The Returned Soldiers and Sailors' League of Australia is the only recognised member in the Commonwealth of the British Empire League. Membership of the association is confined solely to sailors and soldiers who fought in the Great War or earlier Empire wars. It is the organisation we look to for the preservation of the Poppy Day Appeal for the league alone. There is a fear that some other organisation may step in and sell poppies on Anzac Day, which would be a serious blow to the league. Our Poppy Day Appeal provides the opportunity for the sale of an imitation of the poppy, which is recognised as a suitable emblem for the occasion. The appeal throughout the British Empire is carried out on the same day in the year, and that day is the only one in the year that the league in this State has always sought as the day for the sale of the poppies. It is desired that the league shall be given the sole right to sell poppies on

that day. Apart from that occasion the returned soldiers in Western Australia never approach the public for anything. Out of the proceeds of the sale of these poppies the legislation provides that 50 per cent. must go to the fund which will be operated on in 1940 and thereafter on behalf of aged sailors and soldiers. No matter by what sub-branches of the Returned Soldiers' League the poppy is sold or where it is sold, fifty per cent. of the proceeds must go to that fund. This is the only appeal the league makes on behalf of the fund. The call upon the league in this State may well be understood. It is the organisation that is not only looked to by returned sailors and soldiers, and the widows of those who did not return, to say nothing of the children, but it is looked upon by the people of Western Australia as the means of protecting returned sailors and soldiers who might become a charge upon the State. I cannot think there will be much opposition to this Bill. The league is charged with the care of the widows and orphans of those men who faced death in the Great War, and met it, that those who were left behind might live in the quietude, peace and security which is guaranteed by our laws. Those brave men have left their dependants in our care, and it is our duty to protect them. I hope there will be no opposition to the Bill, so that the league may have the sole right to collect the necessary funds on Poppy Day for this worthy object. I move—

That the Bill be now read a second time.

On motion by the Minister for Mines, debate adjourned.

MOTION—TRAFFIC ACT.

To Disallow Regulation.

Debate resumed from the 29th August on the following motion by Mr. Latham:—

“That Regulation 50A of Part V. of the Traffic Regulations, made under the Traffic Act, 1919-31, published in the ‘Government Gazette’ on 29th June, 1934, and laid upon the Table of the House on 7th August, 1934, be and is hereby disallowed.”

THE MINISTER FOR WORKS (Hon.

A. McCallum—South Fremantle) [4.40]: This regulation provides that “push-bikes” shall keep within three feet of the kerb of roads, except when they are passing station-

ary or other vehicles. Although it is admitted the regulation is not a perfect one, any reasonable person will acknowledge that it is a long way ahead of anything that was previously in force, in this respect. Although the Leader of the Opposition opposes the regulation, he has offered no substitute for it. I think every driver of a motor car in the metropolis will say that he has had very narrow escapes from running down cyclists. The regulation was not framed in the interests of motor drivers, but of cyclists. The more mature man is not the offender; it is those who belong to the younger generation who are mostly at fault. Bitumen roads have effected a marked improvement in our thoroughfares, and represent a distinct advance upon the old type of road, but they have created a new problem, namely, that on a dark wet night the headlights of a motor car are not effective. The driver of a car is not able to see any great distance ahead of him when travelling along a bitumen road on a wet night. I have received numerous complaints not only from the police but other people. I know that when going home at night from the House it has been only by the merest chance that I have escaped running down some cyclist. These young fellows frequently ride three or four abreast, and have got into the habit of getting a swing-on. They come right across the road, straight in front of an advancing car, and the driver does not know when at some instant he may run into one of them. The object of limiting the track of a cyclist to within three feet of the kerb was to give him a kind of safety zone. I cannot say that it is actually a safety zone, because our roads are not wide enough or finished in such a way as to preserve that strip to cyclists altogether, in the way we would like. The regulation, however, is an indication to cyclists to keep within that area so that a motor driver has to look for them. If then he runs down one of them a greater obligation is cast upon him because of that fact. The cyclist is a long way safer because of this regulation being in force, than he was before it was brought in. There is another provision. A little while ago we required riders to carry lights at the rear of their bicycles. That has effected an improvement, yet on wet nights the cyclist usually wears a coat, the tails of which hide the light. I defy anyone to detect a cyclist on a wet, dark night, particularly on the bitumen roads. Even under existing conditions, the drive from Perth to

Fremantle on a wet night imposes a severe and continuous strain upon the motorist in keeping a look-out for cyclists. Nevertheless, with the present regulation in force, the motorist knows that if he drives more than three feet away from the side of the road, he is comparatively safe, although not entirely so. Certainly he is more safe than he was before the regulation was promulgated. If the motorist drives within three feet of the side of the road, he runs a grave risk of overtaking and injuring a cyclist. The regulation was introduced to provide greater safety for push cyclists. The more mature man usually rides with care, but the young bloods do not. I doubt if any single member of this House who drives a car round the metropolitan area has not had numerous narrow escapes from running down cyclists. We do not want such accidents to occur, but rather to restrict the possibility of their occurrence. What harm has resulted from the regulation?

Mr. Raphael: What about the insurance risk?

The MINISTER FOR WORKS: There is no difficulty in that regard.

Mr. Raphael: If the cyclist is 4ft. out from the edge of the road, will it not be used as an argument against him?

The MINISTER FOR WORKS: That may be so, but I have received legal advice that it would not affect the cyclist's claim for damage or his position with regard to an insurance claim, nor yet his legal position with regard to workers' compensation. If the cyclist were within his margin of 3ft., it would certainly disarm the motor driver of any reasonable argument that the cyclist was in his road, and that he could not get past him, hence the infringement of the traffic regulation. No hardship is imposed on the cyclist in compelling him to ride within 3ft. of the kerb. I look forward to the time when our road construction programme will extend to the point that will enable us to set aside a strip for the exclusive use of push cyclists, but under existing conditions that cannot be done. It is realised that the regulation cannot be enforced on all roads. It cannot be enforced in Hay-street, for instance, but it can be enforced on the principal thoroughfares such as the Fremantle-road, the Canning-road and those leading to Midland Junction and Armadale. No difficulty would be experienced in

enforcing it there, and it would be to the advantage of the cyclists themselves. The regulation is by no means perfect, but it does represent an improvement upon previously existing conditions. If, during the course of the debate, any suggestion can be made for an improvement, I shall be only too ready to act upon it, but to merely disallow the regulation and to revert to the conditions that operated previously, does not appeal to me. No one with regard for the safety of life and limb would support such a course, which would be fraught with additional danger to the travelling public. I regard the regulation as a step in the direction of ultimately providing a reserved area or safety zone for the exclusive use of push cyclists. I recognise the weakness of the provision, which does not assure absolute safety, but it will provide additional safety until our roads are wider. To suggest that we should not make even this provision for the safety of the push cyclist is to ask the House to take altogether too great a risk. I can give instance after instance, within my own experience, of narrowly escaping cyclists on my way home from the House.

Mr. Raphael: You must be a fast driver.

The MINISTER FOR WORKS: May be, but I have not yet realised that. Owing to the condition of the bitumen-surfaced road and the fact that neither the headlights nor the road lights show up the cyclists, I have on occasions noticed riders only when they were a little ahead of my front wheel. The slight restriction imposed, the small degree of hardship or the slight element of inconvenience arising from the regulation should not influence us when the consideration is the protection of human life. I hope the House will agree to leave the regulation as it stands. I will give sympathetic attention to any practical suggestion for an improved regulation.

MR. FERGUSON (Irwin-Moore) [4.57]: I support the disallowance of the regulation because I regard it as utterly impracticable. The Government and Parliament should set themselves against the promulgation of regulations to which practical effect cannot be given. Notwithstanding what the Minister for Works has said, there is greater danger to life and limb under the regulation than existed prior to its enforcement. I do not ride a push bike but I drive a motor

car, so I shall not be accused of unduly favouring the cyclist as against the motorist. A regulation that insists on cyclists remaining within 3 feet of the kerb and allows motorists to wander at will over the road is lopsided.

The Minister for Works: You can see a motor car, but you cannot see a bicycle.

Mr. FERGUSON: My main objection to the regulation is with respect to the greater danger to the cyclist than exists if he is allowed to go anywhere he pleases on the road. I shall give the House particulars of a demonstration I carried out in order to test the regulation. I asked a young cyclist friend of mine to help me in carrying out the test over Beaufort-street, between Newcastle-street and the Beaufort-street bridge. I found there were 27 vehicles drawn up at the kerb along that half-mile of roadway. I told the cyclist that he must keep within 3 feet of the kerb wherever he could and the only time he would be allowed to go beyond the 3 feet was when he desired to pass a vehicle. He had to leave the kerb 27 times and each time his life was in danger. I was driving behind him and it would have been extremely easy for me to strike him 27 times. He came from behind each of those 27 vehicles almost before I could see him, whereas if he had been allowed to ride his bicycle along the road just outside those 27 vehicles I could have seen him all the way. That is a simple illustration of the danger of this regulation, and the folly of putting it into force. The Minister says that if we wish to object to the regulation, we ought to suggest something in its place. I cannot suggest anything to take the place of this regulation, but I do suggest that if the existing regulations were carried out, they would obviate a lot of the danger that exists to-day. For instance, if the regulations pertaining to lights on bicycles were religiously carried out, the danger would be greatly minimised. On most nights such lights can be seen, but on wet nights it is very difficult to see them on a black road. However, generally speaking a light on a bike is a safeguard, and it ought to be the responsibility of a cyclist to see that his light is showing. If he allows it to be covered up by his overcoat, then it is his responsibility and risk.

Mr. Nulsen: But they carry no rear lights.

Mr. FERGUSON: They are supposed to do so, and it is their responsibility. The

Minister claims that the time has not yet arrived when a portion of the roadway should be reserved for cyclists. I say they are just as much entitled to the whole of the road as is the driver of any other vehicle. But the time will never arrive when our roads will be wide enough for us to do as the Minister suggests. For instance, when will Beaufort-street be sufficiently wide for that purpose? It is not going to happen. I am opposing the regulation, only because I think it means greater danger for life and limb than existed previously.

HON. N. KEENAN (Nedlands) [5.3]:

The Minister in defending the regulation asked for anything in the nature of a suggestion to improve that regulation. I think there are two ways in which it could be improved and which would meet the objections made. In the first place, I do not think it possible to expect this regulation to apply in parking areas such as were spoken of by the member for Irwin-Moore, where cyclists are continually winding in and out between cars parked alongside the kerbing. So it would be wise to make the regulation apply only where there is no parking area. As members know, certain streets of the city are used, particularly at night-time, to a large extent for parking, and in such places it would be difficult to apply the regulation. Another suggestion I make to the Minister is that the regulation should not apply except at night. The danger to cyclists of being run over by cars is almost confined to the night-time, for during the day any person driving a motor car and using proper care can see a cyclist, and even if the cyclist be wandering all over the road, the motorist can take the necessary precautions to avoid him. But at night-time the motorist cannot see a cyclist on a wet bitumen road. I can say that definitely, from experience in a car driven by a young man with excellent sight. On a wet night, owing to the black surface of the road, and the reflections on the wet road from the lights of other cars, it is almost impossible to see a cyclist. And it must be remembered that the liability would not fall on the motor driver in those circumstances. If he cannot see the cyclist, and if that is the reason why he ran over the cyclist and possibly maimed him, the motorist would not be responsible.

Mr. Tonkin: The magistrate says he is responsible.

Hon. N. KEENAN: Only in certain circumstances, as, for instance, if it could be shown that the motorist did not keep a proper lookout, or if he were on the wrong side of the road. But otherwise he is not responsible, and I say it is not only possible but probable that some cyclist should be run down under existing conditions without any negligence whatever on the part of the driver of the car. It is simply because it is utterly impossible in certain circumstances for the motorist to see the cyclist. As the Minister pointed out, all it is intended to achieve by the regulation is to enforce on more or less careless cyclists what is done in every instance by prudent men. For instance, we never see an adult man riding a cycle up the middle of the street at night-time; he is always close to the edge of the road, for his own safety. That is all the regulation is trying to do, namely, to force all cyclists to take the same care that a careful man, without the force of the regulation, is taking to-day. And there is the further consideration that if a line of demarcation be made for the use of cyclists, and if a motorist should run down a cyclist whilst using that reserved strip, he would find it very hard to show that he was not guilty of carelessness; if the motor car driver swings in close to the kerb and comes into collision with a cyclist, undoubtedly he will find it most difficult to refute a charge of negligence. So it will throw an additional burden upon motorists using the road.

Mr. Lambert: And 95 per cent. of the witnesses would swear that he was within a foot of the kerb.

Hon. N. KEENAN: I do not know that, but certainly the line of demarcation would have to be a very distinct mark. Of course, if there is any question of the position of the motor car, assuming the motorist has put on his brakes, the marks of the locked wheels on the bitumen road would show very clearly, and so his position would be beyond any doubt. I want to make some general observations about the government of roads, because it is suggested that the road belongs to everybody. So it does, of course, and originally when roads were first made there was no portion of the road reserved for anyone or on which anybody could park. on horseback or in a vehicle, one could go

all over the road, and so too could any foot passenger. But as time went on it became necessary to have laws governing the use of roads, and so to-day in every civilised community there are such laws observed for the use of the roads. In the old days the road from edge to edge was for the use of everybody, but that is impossible nowa-days. And it is a curious commentary on our keeping up with the times in the matter of regulating traffic, that Perth is the only capital city in Australia where there are no rules regulating the use of the road by foot passengers. In Melbourne, Adelaide, Brisbane and Sydney, foot passengers are not allowed to stroll, as they do here, all over the road. There they have to walk over the road at certain regulated points, but here we are behind the times in that, and also in the use of roads by cyclists. I do not know that any other part of this regulation need be discussed by me, except to ask what is the liability arising in the case of a collision. If, for instance, one is using the road with any form of vehicle, or even on foot, there is a bounden duty on him not to use it negligently. In any accident that happens, the liability is cast on the negligent party. Suppose he is a foot passenger, crossing the road by jay walking, he does not thereby lose all his right as against another user of the road. If he were run down he would still be entitled to damages if it could be shown that the motorist was negligent. Even if a drunken man were to lie down in the middle of the road and go to sleep, and if some person with a vehicle were to run over him, that person would be liable for damages, because he should have seen the man sleeping in the roadway. That only illustrates what I wish to make clear, which is that it is always a question of who is negligent, for that is the party liable for damages. And so here, under this regulation, if a cyclist goes out into the middle of the road in the middle of the day, under conditions which we are told sometimes occur, such as flash riding, swinging out and swinging back again, even under those conditions, if some motorist runs down that cyclist, the motorist is liable unless he can show that he was not negligent in any way, or that it was impossible for him to see the cyclist.

Mr. Tonkin: That is not provided in this regulation.

Hon. N. KEENAN: The regulation does not alter the law, the one guiding principle

of which is that the negligent party is responsible. If a motorist were to knock down one of those cyclists who perform in the way we are told they sometimes do by swinging about, and if the motorist could have avoided him and did not do so, he would be guilty of neglect and therefore liable. Consequently the regulation will make no difference on the question of negligence. It will always be a matter for decision whether the motorist was negligent when he struck the cyclist. If he were not negligent, he would not be liable if the regulation were not framed; if he were negligent, he would be liable notwithstanding the regulation. I shall vote in favour of the regulation because the Minister has given an undertaking to make some necessary changes. One alteration I suggest is that it should apply only between sunset and sunrise. Those are the hours of danger. Another amendment—I do not know how it could be framed to make it in the best sense practicable—would be to make the regulation apply so that the cyclist would not be obliged to ride in towards the kerb at every yard on account of cars being parked alongside the kerb, or perhaps the parking areas could be more carefully regulated and not scattered indiscriminately as they are to-day. The regulation is desirable and, in my opinion, will save human life, and therefore it should stand, however necessary it may be to amend it in order to make it perfect.

MR. CROSS (Canning) [5.17]: I consider that the regulation as framed is not at all workable, for the simple reason that it will be extremely difficult, even with the amendment suggested by the member for Nedlands, to apply the regulation within parking areas. In almost every suburban street, cars are parked at night time.

Mr. Raphael: And some in the bush as well.

Mr. CROSS: Yes. Take the Albany-road through Victoria Park, cars are parked there all day and until fairly late at night. That street is one of the most dangerous in the metropolitan area, and I do not know whether any cyclist could consider himself safe even when within 3ft. of either kerb. People have been killed when within 3ft. of the kerb, and even on the wrong side of the road.

Mr. Sleeman: Some have been killed when on the footpath.

Mr. CROSS: Last week a motor car in a well-lighted part hit a post on the wrong side of the road, and the driver was not drunk, either. If the regulation requiring cyclists to carry a rear light were enforced, a good deal of the danger would be eliminated. If a motorist cannot see the rear light on a push cycle he should not be driving a car. I have been observing the cycles since the disallowance of the regulation was first mooted, and I consider that it is possible to see the tail light of a cycle.

Mr. Ferguson: If it is alight.

Mr. CROSS: But quite a number of cycles are not equipped with a tail light. If cyclists are compelled to keep within 3ft. of the kerb, particularly at night time, the danger when they emerge from behind a stationary car would be greater than if they were riding 6ft. from the kerb all the time. Some safeguarding regulation is necessary, and if the distance stipulated were 6ft., it would be more reasonable. The Minister said that a motorist would be more likely to keep a strict lookout if the cyclist were required to ride within 3ft. of the kerb. That is not so at present. Roads like Albany-road, Victoria Park, would be rendered safer if the parking regulations were more strictly enforced. If the Minister had witnessed the number of narrow escapes that cyclists have had on Albany-road, Victoria Park, he would marvel that there had not been twice as many fatalities. On any day, and at almost any hour, buses travelling at high speed and on the wrong side of the road may be seen passing stationary frams.

Mr. Thorn: Surely that is not so.

Mr. Wansbrough: It happens in the city.

Mr. CROSS: It is true of the Cannington bus. That bus has not been involved in an accident, but there have been a lot of narrow escapes. Often on Albany-road I have seen three lines of traffic with the tram nearest to the kerb, and the outside vehicle has been within 2ft. or 3ft. of the other kerb. Fremantle-road, Victoria Park, has kerbs on the left and on the right-hand sides, but there is a tramway on the right-hand side and the part of the road over which the tram runs is not macadamised. I do not know whether cyclists would be expected to ride over the rough surface within 3ft. of the kerb on that road. The regulation could not be enforced on cyclists travelling from South Perth to the city. At

a lot of the parking areas there are no footpaths. That applies to the Canning-road, the continuation of the Fremantle-road, the mad mile, as it is known. Frequently motors, including buses, may be seen travelling at 40 miles or more per hour along that section. I consider that the regulation in its present form is unworkable and would tend to increase the danger, particularly when cyclists emerged from behind another vehicle. If cyclists were strictly required to carry a tail light, a motorist maintaining an average look-out would be able to see them ahead. The younger generation of cyclists usually keep off the streets on wet nights.

The Minister for Works: Did you keep off the streets on wet nights when you were young?

Mr. CROSS: I did. About the only push cycles to be seen on a wet night are those ridden by people travelling on business. I could mention several accidents that have occurred at night to push cyclists when riding within 3ft. or 4ft. of the kerb. When I was in the Perth Hospital two cyclists were admitted suffering from injuries received in accidents on the Fremantle-road. One was an attendant from the Claremont Hospital for the Insane, who was knocked down while riding home after coming off night shift, and he was travelling on the side of the road when the accident occurred. If the statistics were studied, it would be found that quite a number of accidents to push cyclists at night had involved riders who were exercising every precaution. I am of opinion that motorists also should be required to exercise proper care to ensure that they do not run down cyclists.

MR. LAMBERT (Yilgarn-Coolgardie) [5.28]: There is a good deal in the contention raised by the member for Moore (Mr. Ferguson) and the member for Nedlands (Hon. N. Keenan). While I sympathise with the Minister, it appears that the regulation would be of little use in practice. In Stirling Highway the tramway hugs the kerb on the left-hand side travelling from Nedlands to Fremantle, and it would be impossible to apply the regulation there.

The Minister for Works: Why?

Mr. LAMBERT: Because there is not sufficient space.

Hon. N. Keenan: There is about 3 feet between the rail and the kerb.

The Minister for Works: Cyclists could ride between the two rails.

Mr. LAMBERT: And if a tram came in the opposite direction, the cyclist would be apt to duck out in front of a motor car.

The Minister for Works: What do cyclists do now?

Mr. LAMBERT: If they are travelling in the middle of the road, a motorist can see them. I know the danger that exists. It would be well for the Minister to take notice of the discussion and ascertain whether the Commissioner of Main Roads, when constructing main roads such as Stirling Highway, could not make provision for cyclists. There is plenty of room. To have a two-way road such as King's Park Road, all that is required is a width of 15 feet or 16 feet on each side. The time has come when the Commissioner of Main Roads should be notified that his ideas are out of date. He should be given another 12 months trip abroad to enable him to reconstruct his ideas.

The Minister for Works: The Commissioner has nothing whatever to do with this. It is under the Traffic Board.

Mr. LAMBERT: Who is responsible for the construction of Stirling Highway? I maintain that on that highway there is quite sufficient space to provide for the limited pedestrian traffic and also to ensure the absolute safety of the cyclist; that is, if the road is constructed with due regard to common sense and the requirements of modern transport. However, the highway is not being constructed with proper regard for modern transport. On that highway pedestrian traffic would not amount to more than a couple of men and a dog, and the section required should be separated from the road by an up-and-down kerb. Main highways on which high speed motors travel should always provide for two-way traffic. It is necessary for the engineers to be instructed to do what common sense suggests. Though I extend sympathy to the Minister, I am convinced by the forceful arguments of the members for Irwin-Moore (Mr. Ferguson) and Nedlands (Hon. N. Keenan), and therefore I shall vote for the disallowance of the regulation.

MR. SLEEMAN (Fremantle) [5.33]: I support the motion. In the first place, the regulation will be of no benefit to the cyclist; it will not render his life any safer than it is at present. The argument of the member for Irwin-Moore is perfectly sound. Except as regards the "mad mile," motors can be found parked at short intervals along the Perth-Fremantle road nearly the whole night. The cyclist has to swing in and out between the motors; and a motorist, before he knows where he is, finds himself driving on top of a cyclist who is passing a stationary motor. The regulation is unworkable and unreasonable. The Minister has admitted that the time has not yet arrived when portions of the road can be set apart for the use of various sections of the community. The cycle is the poor man's mode of transport, and therefore is as much entitled to the use of the road as is the motor car. In fact, the motor cycle is a worse danger than the ordinary cycle; and a man on horseback is still worse, as he has neither a light in front of him nor a light behind him. The cyclist, if he obeys the regulations, has a light on the rear as well as on the front of the cycle. To see a horse on the road is most difficult. One Saturday night I saw a drunken man riding a horse in the middle of the road. It is utterly unreasonable to expect the cyclist to travel without getting outside a width of three feet. Accordingly I shall vote to disallow the regulation.

MR. THORN (Toodyay) [5.36]: Many hon. members who have spoken on the motion have been hard on the Minister, who has to do something to protect cyclists against themselves. I agree with various other members that the proposed regulation will not work. The allotted space is too narrow. However, I commend the Minister for doing something to protect cyclists. Undoubtedly they are a danger to traffic nowadays, but the Minister might re-draft the regulation. Cyclists should be prohibited from riding more than two abreast.

The Minister for Employment: There is a regulation to that effect now.

Mr. THORN: The bulk of the blame for traffic difficulties is cast on the motorists, but the cyclists are careless. Often a cyclist practically defies motor drivers by riding in the middle of the road. Again, cyclists have

a habit of riding three or four abreast. Under those conditions the motorist is almost forced on to the cyclists. To require cyclists to keep within three feet of the kerb, however, is to ask something that is almost impossible. The cyclist is a real danger from the aspect that he needs protection from himself. The regulation in reference to tail lights should be more strictly enforced. The Minister for Employment has interjected that there is now a regulation as to cyclists riding abreast, and I would like to see it enforced. It can be enforced if the roads are patrolled. The Minister is proceeding on right lines, but the three-foot space is not workable.

MR. HAWKE (Northam) [5.39]: This regulation appears to have been promulgated more for moral effect than with a view to its legal enforcement. I understand that at present cyclists are permitted to take up any portion of either side of the road, and that in most cases they take up the whole of the portion allotted to them. It may be that the traffic authorities merely want the right to control cyclists in order to keep them as near as possible to the edge of the road. I venture to say that if the regulation becomes effective, there will be few prosecutions, though one or two might be launched just to impress on cyclists that the regulation is in force and must receive reasonable recognition. I cannot conceive that the authorities will bring wholesale prosecutions because cyclists happen to be 3 feet 6 inches from the edge of the road. If the Minister gave hon. members to understand that the regulation is intended chiefly for moral effect, and to develop road sense in cyclists, the motion to disallow it might be turned down. With regard to the general question of motors and cyclists, there is no doubt that the person in control of the speedier vehicle always looks down upon the other individual, and does not extend very much consideration to him. I have not had much experience of riding bicycles, but I have had experience of driving motor cars, and my observation and experience lead me to the belief that the man in control of the faster and heavier vehicle has no thought at all for the person in control of the lighter or smaller vehicle. There is a good deal more to be said regarding the question than has been said already. The cyclist certainly constitutes himself a nuisance on occasions when he begins to swerve and wobble on the road, but no more than does

the motor cyclist and sometimes the motor car driver. So unless the Minister can give an assurance that this regulation has been brought down more for the moral effect it will have, I shall be compelled to give my vote in favour of the disallowance.

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

Ayes	..	..	..	22
Noes	..	..	..	17

Majority for 5

AYES.

Mr. Clothier	Mr. Raphael
Mr. Cross	Mr. Rodoreda
Mr. Cunningham	Mr. Sleeman
Mr. Ferguson	Mr. P. C. L. Smith
Mr. Hawke	Mr. J. H. Smith
Mr. Hagner	Mr. Thorn
Miss Holman	Mr. Tonkin
Mr. Mann	Mr. Warner
Mr. Moloney	Mr. Withers
Mr. Needham	Mr. Lambert
Mr. Nulsen	
Mr. Patrick	

(Teller.)

NOES.

Mr. Brockman	Mr. Munsie
Mr. Coverley	Mr. North
Mr. Johnson	Mr. Sampson
Mr. Keenan	Mr. Troy
Mr. Kenneally	Mr. Wansbrough
Mr. McCallum	Mr. Welsh
Mr. McDonald	Mr. Wise
Mr. McLarty	Mr. Wilson
Mr. Millington	

(Teller.)

Question thus passed.

BILL—CITY OF PERTH SUPERANNUATION FUND.

Second Reading.

Debate resumed from the 29th August.

MR. RAPHAEL (Victoria Park) [5.53]:

It is the intention of the Council, if Parliament agrees to this Bill, to abolish a rotten practice of the past. By that I mean that some officers upon retiring—men and women—have been able to reach the ears of certain councillors and in that way secure to themselves retiring allowances under the Municipal Corporations Act. There has been considerable canvassing of councillors to obtain the payment of one month's salary for every year of service. There have been instances, however, of deserving cases not receiving this kind of recognition simply by reason of the fact that the individuals concerned were above making a canvass of the councillors. Those people have left their employment without that to which they were justly entitled. The proposal in the

Bill is that each and every one of the employees of the Perth City Council and the Electricity and Gas Department shall come under a superannuation scheme. This will not only protect the individuals themselves on retirement, but will give added security when it is realised that in the event of death they are providing for their families. The salaried staff of the City of Perth Electricity and Gas Department numbers 126 and the wages staff 224, whilst the salaried staff of the City Council numbers 59 and the outside workmen total 286. The amount that the City Council has paid by way of retiring allowances has varied from time to time. It reached the enormous sum of £2,258 in 1927. In all, £11,772 has been paid out to a few favoured employees, who have managed to get the ears of the councillors. I might instance the case of a returned soldier who retired from the army and who would not make a claim for a pension to which he was entitled. This man was employed by the Electricity and Gas Department and on his retirement the department decided to pay him one month's salary for every year of service. But because he was not too popular with some of the councillors, there was a terrific hulla-balloo, and if it had not been for me the man would never have got the money. All the employees should be put on an equal footing whatever annuity it might be decided to pay. Usually when a man is drawing a large salary he has the opportunity of making provision for his old age and he also provides for his wife and children in the event of his death. The working man on the basic wage does not have the same opportunity. If he is employed by the City Council, immediately he ceases work he usually applies for a pension or makes application to the Government for relief work, and very often his wife and family become a charge on the State. If Parliament agrees to the Bill it will mean that a responsibility will be removed from the Government as far as some of the municipal employees are concerned. There is no need for me to labour the question. Every member of the City Council is in favour of the Bill, which has already been accepted by this House but turned down by another place. I believe the scheme as outlined by Mr. Taylor, who appeared before the select committee, can be carried out in a practical

manner. The proposal will be a good thing for the Government, the City Council and the employees of the municipality.

MR. McDONALD (West Perth) [5.58]: I support the second reading of the Bill. I understand it has received the approval of the City Council. It is purely an enabling Bill to start a superannuation fund and the important part will come when the Council makes by-laws which will contain the details upon which the distribution of the money available will be carried out. Those by-laws will need to be carefully drafted, because it may be in the knowledge of many members that a good deal of trouble has arisen in this State in the interpretation of the Superannuation Act, which provides for the payment of pensions to civil servants. The Bill provides that the council may appoint a board to administer the fund. It says that any person appointed a member of the board shall be remunerated for his services. That might well be left to the discretion of the council. I should think that members of the board might be prepared to serve upon it without payment for their services, in the same way that members of the Perth City Council and other local authorities have served and are serving without salary or remuneration. It would lighten the cost to the board, and provide more money for allowances and pensions, if the members of it occupied their positions in an honorary capacity. It would be undesirable that the Act should say that members of the board administering the fund must be paid a remuneration for their work. The Act also provides that there may be paid from the fund pensions or allowances to the wives or children of employees, in the case of desertion or neglect by the husband or father. It does not say how that desertion or neglect shall be determined. It seems to me it would be putting members of the board who are administering the fund, or members of the City Council, in a somewhat invidious position if they had to determine whether or not there had been neglect or desertion. It might be desirable to amend that particular clause to provide that the board could pay an allowance to a wife or to children of an employee in cases where an order had been made by the proper court, based on desertion or

neglect having been proved before that court. There is only one other matter to which I need refer and that is the provision under which the council may take over the insurance policies of employees, pay the premiums, and when the policy becomes due upon the death of the employee, or upon the period of payment having arrived, the council may deduct from the policy moneys the amount that has been paid by way of premiums, plus interest at 4 per cent per annum. The Bill, as drafted, merely provides for interest at 4 per cent. In Committee the clause dealing with this matter will, I think, require amendment. Otherwise the Bill appears to be quite suitable, and I propose to support the second reading.

MR. CROSS (Canning) [6.3]: The Bill is a step in the right direction, and will give some of the employees of the Perth City Council an incentive to render good service, and to remain in their employment so that they may in their old age be cared for. Some proviso should be added to one particular clause. It is proposed to gazette the regulations, one of which will give power to the council to refund contributions paid by employees upon certain conditions and in certain circumstances provided for. An employee may have paid money into the superannuation fund for 20 or 30 years. As the result of some dispute, he may then be dismissed, and may lose all chance of getting his superannuation. Again, a man may work for the council for many years and, when an opportunity is presented to him to improve his position, he may desire to leave the service of the council. In Committee some safeguard should be inserted whereby a man in such a case is protected in that he will get back at least the moneys he has put into the fund. I have in mind certain insurance policies which have only a small surrender value. It should not be left to the council or to posterity to find out when the damage has been done, but Parliament should provide a safeguard in the cases to which I have alluded. I hope the member for Perth (Mr. Needham) will agree to the inclusion of some such safeguard as this in the Bill. I support the second reading.

MR. NEEDHAM (Perth—in reply) [6.5]: The member for West Perth (Mr. McDonald) referred to the remuneration the Bill proposes shall be paid to members of the board. I can see no reason to alter that clause. The hon. member has had sufficient experience in his own profession to know that when people are placed in a position of responsibility it is wiser to give them some remuneration so that there may be some hold upon them. Very often, in cases where work is carried out in an honorary capacity, the best results are not obtained.

Hon. W. D. Johnson: Could not that be arranged by the City Council without being included in the Bill?

Hon. N. Keenan: Why not use the word "may"?

Mr. NEEDHAM: That and other phases of the Bill were considered before it was drafted. Actually the Bill has been drafted on practically the same lines that guided the drafting of the Commonwealth superannuation scheme. The persons responsible for the drafting of the Commonwealth measure were consulted by the City Council before this Bill was drafted. When the scheme is in operation, it will be found to follow lines very similar to those followed by the Commonwealth scheme.

Hon. W. D. Johnson: Would this not be rather an extraordinary departure from what has usually been done in these cases; would it not be a new practice?

Mr. NEEDHAM: This is not the only measure that contains a stipulation for remuneration for work done. I have seen it in other Acts.

Hon. W. D. Johnson: I mean in connection with municipal matters; it is an introduction of a new principle.

Mr. NEEDHAM: This is simply a Bill to enable certain things to be done.

Hon. W. D. Johnson: The council would not be prevented from making a certain allowance for this work.

Mr. NEEDHAM: I see no valid objection to the provision. The member for Canning (Mr. Cross) need have no anxiety concerning the point raised by him. In the original draft, there was a forfeiture clause under which it was possible that an employee of the council, who had incurred the displeasure of his superiors, might forfeit the money he had paid into the fund. The danger of such a provision was seen, and I was

the means of having it eliminated from the draft. I assure the House there need be no anxiety concerning the refund of contributions in certain circumstances. The question of desertion might well be considered in committee. There is a danger of a miscarriage of justice occurring.

Question put and passed.

Bill read a second time.

To Refer to a Select Committee.

MR. LAMBERT (Yilgarn-Coolgardie) [6.8]: I move—

That the Bill be referred to a select committee.

This measure is bound up with a number of important phases dealing with superannuation. Members should have an opportunity of analysing the possibilities of extending such a scheme as is proposed to other municipalities. I am not opposing the Bill. My desire is merely to give greater effect to a scheme of superannuation so that it may be embraced by others who may desire to come under it. Other municipalities could perhaps profitably embrace a scheme of superannuation. A select committee would have an opportunity to scrutinise the machinery under which it is intended to launch this proposal. Members will agree that, whether it be in a modified form or an enlargement of the present scheme, other municipalities should be given the same opportunity as the Perth City Council of adopting this principle. So long as the machinery clauses of the Bill are sound, I will do my utmost to see that the Bill is carried into effect, but I should like the whole scheme investigated by a select committee.

HON. W. D. JOHNSON (Guildford-Midland) [6.11]: I second the motion. In the near future Parliament will have to give serious consideration to the establishment of a superannuation fund to cover all Government employees. If Parliament is going to do that, it might just as well see that we embark upon an innovation that we thoroughly understand. We should first see whether this Bill is capable of being extended with justice to all municipalities. We should be careful not to pass anything of the kind where its application is limited without realising that we are inviting others to embark upon a similar proposal. If we

can get the enabling legislation framed in such a way that we have reason to believe it can be made general in application, we shall be working on safe lines. If we can get full and complete information upon and knowledge of all matters appertaining to superannuation generally, that will be of valuable assistance to Parliament. If this Bill is referred to a select committee, a valuable opportunity will be afforded of educating Parliament upon this all-important matter. It is already occupying the attention of many employees in the State.

Sitting suspended from 6.15 to 7.30 p.m.

MR. CROSS (Canning) [7.30]: I oppose the motion for the reference of the Bill to a select committee, because in 1928 a select committee dealt with a similar Bill, and the delay involved in such proceedings might shelve this Bill as effectively as the previous measure was shelved. It is open to the member for Yilgarn-Coolgardie (Mr. Lambert) to support this measure and to move a general motion for a select committee to inquire into the whole question of superannuation.

MR. NEEDHAM (Perth) [7.31]: I hope the House will not carry the motion. I appreciate the motives of the member for Yilgarn-Coolgardie. He is desirous, on his own statements, of inquiring into the matter of superannuation. I agree with him as to the need for a comprehensive superannuation scheme embracing all who work in this State. In fact, I mentioned that in moving the second reading of the Bill. But I realise that the appointment of a select committee will not bring about what is desired. I fail to see how the committee could, within reasonable time, inquire into all the ramifications of superannuation. If the hon. member wants to secure information on the subject of superannuation generally, a perusal of schemes already existing in the Commonwealth and various States will supply him with what he needs. A Commonwealth scheme is operating, and upon that scheme this Bill is based. I believe other superannuation schemes exist in some of the other States.

Mr. Lambert: Only very partial schemes.

Mr. NEEDHAM: That may be so. As mentioned by the member for Canning (Mr. Cross), a measure similar to this was referred to a select committee in another place.

The principal reason why the select committee suggested that the Bill should not be proceeded with was that it did not contain a proposal to provide superannuation for all employees of the Perth City Council. That was the main objection to that Bill, and it does not apply to the present Bill. When the original draft of the measure was submitted to me by the Town Clerk of Perth, I pointed out that deficiency. The Bill as now before the Chamber embraces all the employees of the Perth City Council.

Mr. Lambert: If I remember rightly, the previous Bill provided only for the officers.

Mr. NEEDHAM: Six years have elapsed since that Bill was referred to a select committee. I venture to say that if the present Bill is to go through the same procedure, nothing much will be seen of it this session.

Mr. Lambert: That would not hurt.

Mr. NEEDHAM: The Perth City Council and all its employees are eager that this Bill should become law.

Mr. Lambert: A lot of people are eager for a lot of things.

Mr. NEEDHAM: The Perth City Council and its employees are eager to get this Bill into operation, having waited six years for it. We are now approaching a stage of the session when private members' business cannot receive much consideration. The measure is here, and a fair amount of information with regard to superannuation is at the disposal of hon. members. I do not think the select committee would be able to bring about a scheme of superannuation for all. Furthermore, the times are such as to preclude it. At any rate, I re-echo the sentiments of the member for Canning. If the member for Yilgarn-Coolgardie is desirous of obtaining more information, why not move for a select committee for that purpose? As the hon. member is such an ardent enthusiast for superannuation generally, he might in times gone by have moved for a select committee to inquire into the matter, without delaying the progress of this Bill. I hope the hon. member will not press the motion.

MR. LAMBERT (Yilgarn-Coolgardie—
in reply) [7.37]: Whether or not some previous Bill was referred to a select committee, and what the findings of that select committee were, are matters that have little or nothing to do with the present Bill. We

must consider the broad question whether we are justified in granting to a certain secondary body the right to set up a superannuation fund. The previous Bill was designed to create a superannuation fund specially for the Town Clerk and a few officers of the Perth City Council. Rightly another place decided, after investigation, that if there was to be a superannuation fund for the City of Perth it must embrace all the employees. That is provided for in this Bill. I strongly agree with the creation of such a fund, whether wholly or partly contributory. That does not affect the general principle. However, another place, having discovered that a superannuation fund was to be set up only for the officers of the Perth City Council, appointed a select committee, which reported certain facts. Now the Perth City Council come along and say, "We will embrace all employees in the superannuation scheme." The Bill emanates not from a desire to institute superannuation throughout the State, but from a desire to establish a superannuation fund for the officers of the Perth City Council. This reminds me forcibly of an impudent suggestion, made some few years ago, that the Perth City Council should be allowed to monopolise the whole of the marketing of primary products in this city.

Mr. SPEAKER: I hope the hon. member will not break new ground.

Mr. LAMBERT: I am merely drawing a parallel between the present Bill and an earlier insidious attempt of the Perth City Council to force through legislation which Parliament should not tolerate. I quite sympathise with the wishes of the member in charge of the Bill; but if superannuation is good for the officers and employees of the Perth City Council, it is good for the officers and employees of all the municipalities and road boards in Western Australia.

Mr. Cross: Let us make a start with the Perth City Council.

Mr. LAMBERT: Not so far as I am concerned. If a superannuation scheme is to be set up, it should have general application throughout the State. Municipal officers and employees domiciled in Perth should not have the privilege of superannuation if it is denied to all other municip-

pal and road board officers and employees in Western Australia. The Bill represents a preposterous suggestion, one that is in keeping with the proposal of Mr. H. W. Mann, when member for Perth, to give the Perth City Council control over all marketing within their boundaries. Possibly overshadowing that objection is the machinery provided. Here we have thrown down before us by a private member a Bill to provide a scheme of superannuation for all time. We have not the opportunity of analysing either the principles or the scope of the Bill, or the financial responsibility involved. If the member for Perth considers that the Bill has any merit at all, why deny to his fellow members in this Chamber the opportunity of scrutinising, by a select committee, the machinery of the measure? Is there anything to hide? The Bill is non-party, almost non-contentious. Why not appoint three or four members from each side of the House to explore the principles of the Bill and to recommend whether the measure should apply only to the City of Perth or to the whole of the State? Another question is involved. This Bill is like another measure drafted by the Perth City Council which this House was asked to swallow but ignominiously threw out, a measure suggesting a trust to carry out work which rightly belongs to Parliament. The present Bill is not sponsored by the Labour Party or the Nationalist Party or the Country Party. Parliament should not keep on, year after year, delegating authority to local bodies without narrowly scrutinising the proposed legislation. I do hope that notwithstanding the opposition levelled at my motion by the member for Perth—probably with the best of intentions—the House will definitely say that before delegating powers of this description we must know, firstly, that we are standing on sound principles and, secondly, that the machinery of the proposed legislation is based on grounds which the House can approve.

Question put and division taken with the following result:—

Ayes	..	..	..	..	21
Noes	..	..	..	..	16
					—
Majority for			..	..	5
					—

AYES.

Mr. Brockman
Mr. Ferguson
Miss Holman
Mr. Johnson
Mr. Lambert
Mr. Latham
Mr. McLarty
Mr. Mann
Mr. Munroe
Mr. North
Mr. Nulsen

Mr. Patrick
Mr. Rodoreda
Mr. Sampson
Mr. Sleeman
Mr. J. H. Smith
Mr. Stubbs
Mr. Wansbrough
Mr. Warner
Mr. Welsh
Mr. Hawke

(Teller.)

NOES.

Mr. Coverley
Mr. Cross
Mr. Cunningham
Mr. Keenan
Mr. McCallum
Mr. McDonald
Mr. Millington
Mr. Moloney

Mr. Needham
Mr. F. C. L. Smith
Mr. Tonkin
Mr. Troy
Mr. Wilson
Mr. Wise
Mr. Withers
Mr. Raphael

(Teller.)

Question thus passed.

Select Committee Appointed.

Ballot taken and a committee appointed consisting of Messrs. McDonald, Sampson, Needham, Tonkin, and the mover (Mr. Lambert), with power to take evidence, call for persons and papers, sit on days over which the House stands adjourned, and report on the 17th October.

BILL—DENTISTS ACT AMENDMENT.*As to Second Reading.*

Order of the Day read for the second reading of the Bill.

MR. LAMBERT (Yilgarn-Coolgardie) [7.57]: I move—

That consideration of the Order of the Day be postponed.

Question put.

Mr. SPEAKER: I would point out that if there is any opposition to the motion, the Order of the Day cannot be postponed.

The Minister for Works: There was distinct opposition.

Mr. SPEAKER: I will put the question again.

Question put and negatived.

Mr. LAMBERT: I move—

That the Order of the Day be discharged from the Notice Paper.

Question put and negatived.

BILL—ROAD DISTRICTS ACT AMENDMENT.*As to Second Reading.*

Order of the Day read for the second reading of the Bill.

MR. LAMBERT (Yilgarn-Coolgardie) [7.59]: I move—

That consideration of the Order of the Day be postponed.

Question put and negatived.

Mr. LAMBERT: I move—

That the Order of the Day be discharged from the Notice Paper.

Question put and negatived.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.*As to Second Reading.*

Order of the Day read for the second reading of the Bill.

MR. LAMBERT (Yilgarn-Coolgardie) [8.1]: I move—

That the consideration of the Order of the Day be postponed.

Question put and negatived.

Mr. LAMBERT: I move—

That the Order of the Day be discharged from the Notice Paper.

Question put and negatived.

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. FERGUSON (Irwin-Moore) [8.3]: Just before the last State general elections, the Premier, in placing before the country the policy of his party, said that if they were returned to power an investigation would be made into the activities of the Agricultural Bank. In carrying out that promise, the Government appointed a Royal Commission to make the investigation. It

seems to me that in this present discussion the Government have rather put the cart before the horse, in that private members have carried on the debate so far, while no Minister has spoken. It would have been more interesting, and probably more enlightening, had the Minister for Lands given the House an indication of the Government's intentions regarding the whole position. It has to be borne in mind that for many years the Agricultural Bank has been advancing money to its clients on what would be regarded to-day as a liberal scale. Four years ago, when the financial depression fell upon us, it became necessary for everyone, Government, private individuals, financial institutions and others, to tighten their belts and restrict financial advances in every way. The Agricultural Bank deemed it wise to make no new advances, to take on no new clients and to restrict advances to old clients considered worthy of being carried on, which, of course, meant the great majority of its clients. Those who felt the pinch most of all were those clients of the Bank who were on the borderline; generally speaking, those clients who had been more or less improvident, in many instances those on poor land, in other instances those on properties situated a long way from railway facilities, and those on unprofitable farms generally. Those people felt the pinch more than anyone else, and consequently there was some demand, not a very great demand, from those who thought the Bank was treating them somewhat harshly, that there should be investigation into the affairs of the Bank. At any rate, the Minister for Lands, on behalf of the Government, appointed this Royal Commission, and the Commission has presented its report. I venture to say that 99 per cent. of the people of Western Australia are surprised at the nature of that report, and I believe that those who clamoured for the appointment of the Commission are the most surprised people of all. The Commission, after its appointment, travelled extensively through the agricultural areas and took evidence from individuals, from organisations, from local authorities, from Government officials, from clients of the Bank, and from creditors of those clients. For many years it has been stated by Ministers of the Crown, and by prominent officials in Government depart-

ments, that the people of Western Australia who were prepared to take up a farming career could do so and make a success of it with the assistance of the Agricultural Bank and the liberal land laws of the State. No doubt many men went on the land believing that to be true. I myself am one of them, and I claim I have made something of a success of it, and that I started without any capital at all. Many of our successful settlers started on the same basis; as a matter of fact, had it not been for the Agricultural Bank, many now in a reasonably sound financial position on the land would never have been able to get a start at all. That, as I say, has been the policy of successive Governments for many years past. Those Governments were able to advertise far and wide that land in Western Australia could be obtained cheaper than anywhere else in the world, that it was fertile, that the seasons were safe, that the rainfall was reliable, and that the financial conditions which the Agricultural Bank would be able to make available to settlers more or less assured their success. It is a fact that the majority of those who went on the land in the earlier days of the activities of the Agricultural Bank did make a success of it, although some, a small percentage fortunately, were not successful. I am glad to say they were very greatly in the minority, and that is as it applies everywhere else in the pioneering days of any agricultural settlement. Unfortunately, the Royal Commission appointed to carry out this investigation seem to have blamed the trustees of the Bank for nearly all the failures that have occurred, and placed on the shoulders of those trustees the responsibility for all, or nearly all, the mistakes that have been made. The Commission seems to have been obsessed with the necessity for criticising the trustees of the Bank almost to the point of crucifixion; right through their report is to be traced what I consider unfair and unreasonable criticism. I notice that at a conference of soldier settlers in Perth during the last day or two the same opinion was expressed, and I understand a resolution was carried to that effect, regretting the tone of the Commission's report and the unfair criticism levelled at the trustees of the Bank. In one portion of the Commission's report, reference is made to certain districts in Western Australia which the Commission say should never have been

settled and for the settlement of which they blame the trustees of the Bank. It must be remembered that the settlement of those districts was effected purely in the carrying out of the agricultural development policy of the State. Personally I believe the development of those districts will in time justify the wisdom of the Bank in settling them. The trustees of the Bank, and the Bank itself, were only the instruments employed by the State in settling those districts in conjunction with other districts. Let us see if the Commission was wise in blaming the trustees for settling those districts. Reference is made to localities such as Bullfinch, Salmon Gums, Southern Cross and the Lakes district. I know those districts, with the exception of the Lakes district, and I am of opinion that the settlement there will prove to be amply justified. I suppose the most eastern farm in Western Australia is the Ghooli State Experimental Farm, which has been established for six years. It is interesting to note that from 1928 to 1933 the wheat averages on that farm have been as follows:—In 1928, 13 bushels; in 1929, nine bushels; 1930, 14 bushels; in 1931, 12 bushels; in 1932, 13 bushels; and in 1933, 21 bushels, or an average over the six years of 14 bushels. If the most eastern farm in Western Australia, practically in the driest district in the State, can produce averages such as those, surely it is sufficient refutation of the statement of the Commission that the Agricultural Bank should never have settled those districts.

Mr. Patrick: The Bank did not settle them.

Mr. FERGUSON: The Bank did settle them, for it financed the settlement. There are in Victoria and South Australia many districts where the land is not as good, the seasons not so safe and the rainfall not so assured as in those districts which I have mentioned and the Commission has condemned. Yet there is no talk of abandonment in those Eastern States districts. In South Australia there are districts where they have not had a crop for the last four or five years, yet there is no talk of abandoning them, for it is realised that in the process of time their settlement will be justified, just as the settlement of those districts I have quoted has been justified. Surely if in the driest part of Western Australia we can produce an average

of 14 bushels to the acre, those districts are worth carrying on. In my opinion it was absolutely wrong for the Royal Commission to condemn those districts. It has to be remembered that when the Victorian mallee districts were settled a great many mistakes were made in the initial stages, just as mistakes have been made in the initial stages of settling new country here. The pioneer families of the Victorian mallee and the pioneer families of the Gippsland district nearly all made a failure of it, but the second generation, and in some instances the third generation, made a success of it. They profited by the work done by their forefathers, and to-day those districts are flourishing. If there had been a Royal Commission such as we have had in Western Australia to investigate settlement in those districts, I venture to say they would have been condemned as well. The Commission mention what the Bank have done on the fringe of settlement. I should like to endorse the remarks made last night by the member for Guildford-Midland (Hon. W. D. Johnson). My memory takes me back further than his. I recall when Northam was regarded as the eastern fringe of the agricultural belt of Western Australia. I remember when settlement was taken to Meckering, and that point was regarded as the dizzy limit of eastern expansion. People in the metropolitan area said that the settlers going out to Meckering would make an unholy mess of their operations, and that there would be no chance of successful farming so far east. The Agricultural Bank in those days financed the settlers of Meckering. Later on they financed the settlers at Cunderdin and people said the same thing. Then settlement was carried to Kellerberrin, later to Merredin, and now it has been carried as far east as Southern Cross. Whenever the trustees were financing new settlement in any of those districts, there were always some croakers in Western Australia who prophesied that it would be an unholy failure. There has never been a great percentage of failures; we have had no more failures than there have been in any other new agricultural State in Australia or in any other new agricultural country in the world. We have to bear in mind what the activities of the Agricultural Bank have meant to Western Australia. Look at the amount of wealth that has

been produced as a result of the activities of the Bank. They have made possible practically the whole development of the State. Not only our wheat areas, but our sheep areas, our dairying areas, in some instances our apple areas, and in addition the viticultural areas around the Swan district have been developed through the help of the Bank. The finance that has been provided by the Bank has made possible the development of all those different phases of agricultural industry. To such an extent has the finance of the Agricultural Bank assisted development in this State that our agricultural production per head of the population is greater than that of any other State of the Commonwealth. The latest figures I have been able to obtain show the agricultural production per head of population as follows—

		£	s.	d.
New South Wales	..	7	13	1
Victoria	..	10	1	1
Queensland	..	13	19	8
South Australia	..	14	1	5
Western Australia	..	20	9	3
Tasmania	..	11	8	0

The average for Australia is £10 16s. 10d. Western Australia is the highest of the lot, and its agricultural production in that year alone represented a total of over £10,000,000. Such production has put Western Australia on the map. It has meant the development of the ports of Western Australia. It has been responsible for the construction of many miles of railway in Western Australia. It has meant the expenditure of many millions of pounds in wages, and it has built up the capital city of Perth to what it is to-day. Without that development and without the production year by year, where would Perth have been to-day? Surely all that effort and expenditure has been worth while. In my opinion the trustees of the Agricultural Bank have done a great work on behalf of Western Australia, and I think it a terrible thing that a Commission of Western Australians should condemn them in such a wholesale manner. Past trustees, some of them dead and gone, and the present trustees have done their job faithfully and well by the State that employed them, and it would be wrong for Parliament to allow the present trustees to leave the service of the State with a stigma on them of incapacity and

lack of business ability, such as has been placed upon them by the Royal Commission. Every member of Parliament who has spoken to the motion so far has in some measure defended the trustees. That was only right and fitting. The Royal Commission stated in one portion of their report that had the trustees stuck to the original practice of the Bank of granting small sums to individual settlers, fewer mistakes would have been made. It must be borne in mind that the original practice referred to by the Commission was the practice that always operates in any new institution that sets out to implement backward industry. The Agricultural industry of Western Australia was in a very backward state when the original practice of the Bank was adopted. Whether it was in the way of development of agriculture or of secondary industries, it would still have applied. There would still have been that original practice of extreme caution in the early stages. With the insistent demand of Parliament and of Ministers, the practice was extended until people were financed to practically 100 per cent. of their activities on the land, and the Bank was called upon by the country to do it. I think the same remark in a lesser degree would apply to the Associated Banks. In view of the fact that the Commission described the trustees of the Agricultural Bank as incompetent and lacking in business acumen, it is interesting to note what the managers of Associated Banks—men who were supposed to possess business ability—have done. We have been told that a considerable percentage—I think something like 20 per cent.—of the clients of the Agricultural Bank have been financed on second mortgage by the so-called business men of the Associated Banks. Farmers to whom the Agricultural Bank trustees considered they had advanced to the fullest extent were carried on by the Associated Banks. If the trustees of the Agricultural Bank were incapable of carrying on their work, what shall be said of the so-called business men, the managers of Associated Banks, who carried on clients after the Agricultural Bank had done with them? We have been told that there has been too much political influence, that Ministers and members of Parliament have interfered with the Agricultural Bank and influenced the trustees against their better judgment. So far as I am personally concerned—and I believe this applies to other members—I have been to the Agricultural Bank in an endeavour to place before

the trustees the position of certain of my electors, but never once have I attempted to influence them to advance a greater sum to an individual client than they considered was warranted. A member of Parliament, in my opinion, is justified in going to the Bank and placing before the trustees all the facts as he knows them of any particular client. I have acted similarly with managers of Associated Banks, and I have often been able to do more good for clients with the Associated Banks than with the trustees of the Agricultural Bank. I do not believe that any political influence has been exercised, unless it has been by the Minister controlling the activities of the Bank, and then he, as in every instance that I know of, only indicated to the trustees the policy of the Government and the policy of the people on behalf of whom the Government spoke. The Commission, in their report, said it was a pity that the trustees of the Bank had been made responsible for soldier settlement, and that another board should have been set up to deal with soldier settlement. That would have been futile. Another board would have been able to do no better than the trustees of the Bank have done, and it would have meant additional expense in the shape of overhead charges, which those clients of the Bank would eventually have had to pay. The Commission said that the cost of running the Bank had been too great, but it must not be overlooked that the running of the Agricultural Bank is somewhat different from the running of one of the Associated Banks. For instance, many of the officers of the Agricultural Bank are employed largely as agricultural advisers. They have been of wonderful assistance to many of the clients who were inexperienced in farm practice, and but for those field officers who have given sound advice to many clients, more mistakes would have been made through inexperience, and their indebtedness would have been greater than it is. When comparisons are made of the cost of running the Bank, that point should be taken into consideration. The Commission referred to the enormous prices paid for land on which to settle returned soldiers. When the soldiers were returning from the war and had to be settled on the land, in most districts local committees possessed of local knowledge and an idea of local land values, were appointed to assist the officers of the Bank. If it has been possible for those local men—in some instances successful farmers of the district—

to make mistakes or over-value property, was it not equally possible for the trustees to make similar mistakes?

Mr. J. H. Smith: The board did not take the advice of the local committees as to values.

Mr. FERGUSON: That might apply to the district represented by the hon. member, but in my district the valuation placed upon the land by the local committees was accepted by the trustees, and not many mistakes were made, either.

Mr. J. H. Smith: It was a board at that time, not the trustees.

Mr. FERGUSON: It was possible for practical men acquainted with the district to make mistakes in land values in view of the depression that exists to-day. The values placed on properties by those men and by the trustees were in keeping with the productive values of the properties at the time, and no one, not even the members of the Royal Commission, could foresee the depression that was to overtake us. Why should they blame the trustees of the Bank for it? It seems to me that in doing so the Commissioners were absolutely wrong. The Commission have recommended the appointment of a new board of management, and have stated that the new management will have to deal with reverted properties. "Your Commissioners," they added, "have no doubt that they will do so with success." Perhaps the Commissioners had an idea of who would constitute the new board. Anyhow, they anticipated that the new board would deal with that matter successfully. The Commission seem to have lost sight of the fact that there is little or no value in farming properties to-day. None are changing hands. One cannot realise on any country security to-day. The Commission anticipate that if the existing board is ignominiously sacked and another appointed, the new board will be able to deal successfully with all matters. If another board were appointed, it would act on very similar lines to those adopted by the trustees, profiting, of course, by any mistakes the Bank may have made. A statement was made in the Press the other day by that social fan of the Federal Government, Senator Pearce.

The Minister for Lands: What?

Mr. FERGUSON: By that social fan of the Federal Government, Senator Pearce. He could not find time to come to Western Australia to assist his colleagues during the

last Federal election, but he can come here, now that the elections are over, to bask in the sunshine of the royal visit. That is the sort of eastern politician he is.

Mr. Sleeman: How often have you voted for him?

Mr. FERGUSON: I venture to say there are members opposite who have voted as often for him as I have. The senator in question was associated with members opposite long before he was associated with any party I have ever been connected with.

Mr. SPEAKER: Order! I do not think Senator Pearce enters into this debate.

Mr. FERGUSON: Senator Pearce made a statement that is damaging to Western Australia. All I can say is, it was worthy of the man who made it.

Mr. Coverley: No doubt you will help him to top the poll again.

Mr. FERGUSON: The trustees of the Bank have done some things that have not always been right, but they can be given credit for many good deeds. The report of the Royal Commission contains suggestions that might well be adopted. On the other hand, about 90 per cent. of it could be discarded as not being worthy of consideration. Let us profit by the valuable portions of the report. It contains, for instance, a reference to the rabbit question. The Commissioners say that a central fund should be initiated by the Government to assist agriculturists generally to cope with the pest. That is sound advice. The depredations by rabbits in the agricultural areas are enormous and represent a tremendous economic loss. Even if it is the farmer's problem, the State is the loser by thousands of pounds worth of crop and feed every year. I urge upon the Government to take into consideration this recommendation of the Commission. The Minister for Lands knows as much about the subject as anyone. The matter is of such importance to Australia as a whole that he might induce the Commonwealth Government to render some assistance. It is a matter of Australian-wide importance. Seeing that the Commonwealth Government have money to burn, and the State is impecunious, perhaps he could approach the Commonwealth Treasurer for financial assistance to help the farming community in coping with the pest. Such assistance would, of course, have to be rendered to all the States affected. The Commission also recommended that the officers of the

Agricultural Department should be deputed to assist local bodies and settlers to carry out the work of eradication. The Minister for Agriculture already has a small staff engaged on that work. If it could be increased at no great cost to the State, it should be done, so that the agricultural community in general may be assisted in coping with the pest. Then there is the question of the rehabilitation of the farming industry. This applies not only to Agricultural Bank clients. A duty is cast upon someone, either the State or the Federal Government, or the two in combination, to do something in the near future to rehabilitate the agricultural industry. It is not possible for the farmer to put himself back into the position he occupied a few years ago, without some assistance from the people of Australia generally. Although there have been some improvident farmers, the great majority have been conscientious and hard-working men. It is no fault of theirs that they are in their present distressful position. Something has to be done to lighten the load of debt under which they are labouring. If the combined efforts of the State and Commonwealth Governments could achieve something in that direction, it would be worth while. The Commission's report contained a condemnation of the methods employed by the Bank to develop the industry. Here we have a body of Western Australians condemning the activities of those who for the time being have been acting as instruments of State in financing its greatest industry. Whilst we have our own people who are prepared to attack the trustees, lock, stock and barrel, it is interesting to note what investigators from other parts of the world think about our development. I have here an article written by Mr. Lloyd Thomas of the London "Daily Herald." He wrote this article in Sydney after visiting all the States in Australia. It contains a couple of interesting passages which I propose to read. He says—

If Western Australia had been developed along lines similar to those adopted in New South Wales, it would have been derelict to-day. Had Kalgoorlie been in this part of Australia, it would not have survived to give up its treasure. There would have been no money for a water scheme which, from an engineering and financial point of view, has excited the admiration of the world. On the other hand, had New South Wales completed its development along the saner, safer, and less spectacular lines of Western Australia, there would have been an infinitely finer, greater, and richer

country. In the real things of life, New South Wales is still years behind Western Australia.

That is what this writer has to say about our development compared with that of New South Wales. He goes on to say—

In reasoned sensible development there is nothing to compare in Australia with the development that has taken place in Western Australia.

Had no depression struck Western Australia at such a vital stage in the development of its agricultural industry, and had the commodity prices quoted by the Royal Commission for the period 1920 to 1930 continued, instead of the trustees being condemned for their activities, they would have been hailed as the saviours of Western Australia. They would have been lauded to the skies, instead, as the Commission propose, of being sacked. They would have been regarded as the ablest men that ever directed any operations in Western Australia. It is a crying shame that those who have given of their best should be treated in this manner. I have come in contact with scores of Agricultural Bank clients since the Commission's report was presented. In no case have I met with a client of the Bank who agrees with the report. Even in the case of clients who have been treated somewhat harshly by the trustees, in that they have not had a continuance of those funds they had been in the habit of receiving somewhat freely in past years, they contend that the trustees have done the best that could possibly have been done for the industry.

The Minister for Lands: That is quite correct. They were in the frying pan. The Commission's report shows that they might easily have been in the fire.

Mr. FERGUSON: I do not think the reputation of the Commissioners has been enhanced by the verbiage they have used in their report, and I certainly do not think the reputation of the trustees will suffer very much because of it. The big thing that the Government and the people of the State must take into consideration is, what they are going to do, not only for the clients of the Bank, but for the farming industry generally. The State cannot afford to carry out the recommendations. The only effect of that could be to bring about the abandonment of many more farms, unless finance is going to be provided to keep the farmers on their holdings. Many farms

in the wheat belt are not highly productive, but with reasonable farming methods, and conducted by careful men, and with a return to normal seasons and normal prices, they may well be expected to produce a fair living. Under recent conditions it would have been utterly impossible for any man to make a living upon those farms and pay interest on the capitalisation. No one knows that better than the Minister. Many thousands of borrowed money have been spent on farms that are not altogether valueless, but if they are abandoned they will revert to nature and someone will have to foot the bill. Some means must be provided to finance these farmers so that their properties may be retained in production, and to prevent their becoming a breeding ground for foxes, dingoes, and other vermin. We must utilise these farms for the production of that wealth of which the State stands in such great need. If agricultural production is not continued, what will become of the railways and the ports, and what will happen in the case of the enormous expenditure that has taken place in the metropolitan areas? Surely it is not going to be said we have so little faith in the future of the State that we will allow these farms to be abandoned? Wheat can be grown in this State almost as cheaply as in any other part of the world. It is the duty of the State to see that those farms that are capable of growing reasonable wheat crops are maintained in active production. Those that are not entirely suitable for wheat could be used for mixed farming. Many of them could be put to profitable use if wool were at a reasonable price, and the present profitable price for fat lambs is maintained, presuming the areas were also suitable for the growth of oats and the carrying of sheep. But that cannot be done without some finance. Someone must find the money. I understand that the Prime Minister has expressed willingness to furnish several million pounds in order to assist in this direction. May I express the hope that the Government will take hold of their share of that money with both hands, and utilise it in an endeavour to maintain the farms that I have spoken of, instead of allowing them to revert to nature. In conclusion may I say that so far as I am personally concerned, I hold the opinion, in common with everyone else with whom I have come in con-

tact, that the trustees of the Agricultural Bank are not deserving of the extreme censure which has been levelled at them by those who were chosen by the Government to investigate the activities of the institution.

MR. BROCKMAN (Sussex) [8.46]: I have studied the Agricultural Bank Commission's report carefully, and I congratulate the Commissioners on having dealt fully with the wheat-growing industry. I appreciate many of their recommendations for the reconditioning of the various types of Agricultural Bank clients. Undoubtedly there is a difficult time ahead for whoever may be placed in control of the reorganisation of the institution and of altering the measures adopted in the past for the purpose of bringing to fruition the various classes of soils in this State. I hope that the Commission's report, with the various reports of other Royal Commissions who inquired into the subject, will enable the Government to bring down the necessary legislation this session. In my opinion, a Bill is long overdue for placing all branches of the agricultural industry on a much sounder footing. We must all be well aware of the fact that not only Agricultural Bank clients, but primary producers as a whole, are experiencing great difficulty in meeting their obligations, because of the low prices of commodities. The first step should be a Bill for organised marketing and stabilisation of the dairying industry. I desire to dissociate myself from the wholesale condemnation of the Agricultural Bank trustees, both past and present, and from the strictures on the administration of the Bank since its inception. The Commissioners made references to such men as Mr. Paterson, the first Managing Trustee, Mr. Richardson, Mr. Cook, and Mr. McLarty and his two associates, describing them as men who had neglected the responsibilities entrusted to them.

The Minister for Lands: No. The Royal Commissioners took the Bank as they found it.

MR. BROCKMAN: I presume the Minister will have an opportunity of replying to the debate. Looking back to the days when the Agricultural Bank was first established, we find that it was brought into being for the express purpose of assisting to develop all classes of agricultural lands for the production of wool, wheat, butter fat, and fruit. The institution has undoubtedly lived up to

its obligations in that respect. No one ever expected that the Bank would be a profit-making institution. It was inaugurated to enable men without capital to become producers of wealth, so that Western Australia might develop into a self-supporting community. At the time of the establishment of the Agricultural Bank we were dependent on the Eastern States for the bulk of our requirements. I well remember the time when all our requirements in the way of flour and many other products were imported from the East, whereas to-day Western Australia is a large exporter of all such commodities. This has largely been brought about by the liberal conditions extended to moneyless people to develop our broad spaces of land, which were then unalienated. The Bank has helped greatly to populate our country. In fact, I do not think that anything else has approached its usefulness from the point of view of populating the State and, of late, finding work for the unemployed. Had commodity prices remained as they were four or five years ago, there would not have been the occasion for all this hue-and-cry and condemnation of the Bank and its trustees. It is true that money has been advanced on all classes of soils, and it is also true that different methods should be adopted in the farming of various types of soil. A great deal has been said by previous speakers with regard to the wheat belt, and I do not propose to add anything in that connection, as the conditions generally are much the same as those in the South-West. I welcome many of the Commission's recommendations, particularly with regard to accrued and accommodation interest. That undoubtedly will have to go by the board to a great extent. I think the main object of the discussion of the Commission's report relates to the future.

MR. WISE: Do you agree with the reports of the auditors?

MR. BROCKMAN: Probably the Government should have laid those reports on the Table of the House for the information of members. It is regrettable to have to say that the development of our dairy lands has been far too costly. This has certainly been brought about by unpractical and unsound administration, but not the administration of the Agricultural Bank. It has been the administration of various Governments coming and going, and of Ministers without any idea of dairy farming or of the development of our heavily timbered lands. I can speak from practical knowledge, having

given the whole of my life to the development of this country and the dairying industry. I declare that this development has cost three times what it should have cost. Lands which I and others have placed in first-class pasture for £7 or £8 per acre have cost, under group settlement, £10 per acre.

Mr. Ferguson: That is not the fault of the trustees of the Agricultural Bank.

Mr. BROCKMAN: It is well known that group settlement was not at that time under the Agricultural Bank. The fault lies with various Governments that have come and gone—not one Government in particular, but four or five Governments. It is high time this was stopped.

The Minister for Lands: High time what was stopped?

Mr. BROCKMAN: High time wasteful expenditure was stopped. Nevertheless I have entire confidence in the country and in a great number of the settlers. I believe that if the settlers could see some future to give them heart to continue, a great many of them would make a success. It is true that there are 161 vacant farms in my electorate, and another hundred with caretakers. In my opinion, many of the settlers who have gone from their holdings through lack of confidence in the administration would have been better employed on a sustenance basis upon their farms than as relief workers.

The Minister for Lands: What administration are you referring to now?

Mr. BROCKMAN: To the administration of various Governments.

The Minister for Lands: Group settlement has been under the Bank for three or four years now.

Mr. BROCKMAN: I am aware of that. Many of the settlers who went off their holdings to go on relief work could have been far better left on their farms upon a sustenance basis.

Member: At £3 per week!

Mr. BROCKMAN: Probably they are getting £3 10s. a week on relief work. Most of them have families, and by far the better course would have been to keep them on their holdings by a small remuneration. Further, I consider it far better for the State to have those holdings occupied than to have them standing vacant, as is the case to-day. The Commission's report does not affect the South-West greatly. The South-West has been left entirely in the

hands of the Minister and the Agricultural Bank trustees. I regret that the Minister, when visiting the South-West, was unable to include my electorate in his inspection. I was anxious to visit these holdings with him, and to endeavour to point out to him the right procedure to be adopted in placing them on a profitable basis. I am confident that this can be done even now. I am also confident that a great many changes of administration will have to take place. The settler has no confidence in the administration, and the administration no confidence in the settler. I believe that is one of the greatest drawbacks. Many of the settlers in my electorate—perhaps the Minister will say they are dishonest—say that they could pay something but that they are so far behind with their interest that if they did pay into the Bank, probably within a week or ten days they would receive notice to go off their holdings. Accordingly they are holding back and not paying contributions into the Bank. The Minister may shake his head, but that is an absolute fact.

The Minister for Lands: Do I understand the hon. member to say that the settlers can pay something but will pay nothing, that they will end up by paying nothing?

Mr. BROCKMAN: They know their position to-day to be highly insecure.

The Minister for Lands: It ought to be very insecure indeed if they can pay something and will not pay anything.

Mr. BROCKMAN: I believe that if sound lines of administration were adopted, confidence would be restored on both sides, and that with a reasonable valuation of the properties on the basis of their earning capacity, and with the giving of a breathing space for writing-down of accommodation and accrued interest, a success would be made of this extremely important group settlement scheme, which has established the dairying industry in the State of Western Australia. That industry alone is of great value to the State, and I believe it will in time repay any losses that may have been incurred through group settlement. I know the Minister for Lands does not wish to hear anything in favour of the scheme. He is prejudiced against it.

The Minister for Lands: I am prejudiced against it?

Mr. BROCKMAN: The Minister does not wish to listen to anything in favour of a

scheme that he did not bring into being himself. Now I should like to quote from the report of the Royal Commission on Dairy Farming in the South West some remarks by Mr. F. Wigan, Senior Butter Grader for the Commonwealth—

Group settlements have made the development of dairying possible years ahead of ordinary methods, and in country the nature of which would retard and discourage the unaided settler. This system of settlement has many advantages, and with sympathetic administration should develop dairying in Western Australia into its foremost and most profitable industry.

Those remarks should be borne in mind by everyone who has the interests of the industry at heart. Of course, the blame for the losses on group settlement cannot be attributed to the trustees of the Agricultural Bank but rather, as I have indicated before, to political influence. It is all very well for members to laugh and say that that is not so. If they had made inquiries into this phase, as I have done, they would not seek to combat my statement. I could tell them of thousands of pounds wasted on the purchase and resale of stock, in respect of which the settlers are still asked to accept the financial burden.

Mr. Hegney: The taxpayers are carrying a burden of over £400,000 for interest.

Mr. BROCKMAN: Let me tell you—

Mr. SPEAKER: Order! The member for Sussex should address the Chair.

Mr. BROCKMAN: The money spent on the industry will prove of benefit to the State, and I do not think the taxpayers mind paying interest on the few millions involved, because the money has been invested in the development of an industry that is well worth while.

Mr. F. C. L. Smith: That is all it is worth.

Mr. BROCKMAN: The hon. member is—

Mr. SPEAKER: Order! The hon. member should not take any notice of interjections.

Mr. BROCKMAN: I am sorry that I trespassed, Mr. Speaker, and I will endeavour to have regard for your instructions in future. I agree with the Royal Commission in their contention that every inspector should undergo an examination and should have a sound knowledge of the value of the work to be carried out. It seems that the only qualification those men have had to possess during the last ten or 20 years has

been their failure as Agricultural Bank clients. That, of course, must be stopped. It can only mean disaster to any settlement. This has not been brought about by any one Government, but by every Government—through political influence.

Hon. J. Cunningham: Who wrote that report for you?

Mr. BROCKMAN: I wrote it.

Mr. SPEAKER: Order!

Mr. BROCKMAN: I am sorry, Mr. Speaker, that I trespassed again.

Mr. SPEAKER: The hon. member should not turn his back to the Chair.

Mr. BROCKMAN: I regret that I did so.

Mr. Withers: You should not be allowed to read your speech.

Mr. BROCKMAN: It would be advisable, if it were possible under the Imperial Agreement, to place these holdings on a conditional purchase basis, extending over 30 to 40 years, at a low rate of interest. If that were possible, very little further writing-down would be required, and the settlers would be given security of tenure. That is a grave consideration with them.

The Minister for Lands: Are you not aware that the properties are freehold; they are a gift?

Mr. BROCKMAN: They may be freehold to the Government, with the advantage of a 150 per cent. mortgage, not to the settlers, and the Minister knows it. Under my suggestion, if the settlers worked and met their obligations, they would have nothing to worry about regarding the future. To-day the settlers have no incentive to work. They seem to think that their future on the holdings is not secure, and that they may be told any day to leave them, as hundreds have been discharged already.

Mr. F. C. L. Smith: The Commission disclosed that possibility.

Mr. BROCKMAN: There are three classes of settlers to whom I wish the Minister to pay special attention when the writing-down takes place, if that task is to be undertaken. There are the ordinary Agricultural Bank clients who have brought their holdings to the present standard through hard and honest work, and who have been given nothing but the right to pay their interest when it falls due. Those settlers have met their obligations, and if others are to have theirs written-down, they should be given special consideration.

Mr. Wise: Could a sum be arrived at representing the cost of what it would take to keep the settlers on their blocks?

Mr. BROCKMAN: That interjection shows that the member for Gascoyne (Mr. Wise) does not know what he is talking about.

Opposition members: Hear, hear!

Mr. BROCKMAN: That is the unfair part of it all.

Mr. Wise: It was a fair question.

Mr. BROCKMAN: If the member for Gascoyne had harrowed what I have ploughed, he could speak with some authority.

Mr. Hawke: He knows more about camels than about cows.

Mr. BROCKMAN: Yes, or about bananas. Secondly, to continue my representations to the Minister, the same thing applies to many of our returned soldiers, whose blocks were purchased at high valuations that now require considerable adjustment through the fall in commodity prices. Thirdly, there is a percentage of group settlers who have met their obligations, and if others are to have their interest obligations written-down, those men at least should have what has been paid taken off their capital values, or, at any rate, a percentage of it. As a last remark, I hope the Minister will be cautious with regard to dispensing with the services of the present trustees, and the possible replacing of them by others who, when in their shoes, may not do so well. I should like to express my appreciation of the services rendered by the Managing Trustee, Mr. McLarty. I think he has done wonderful work for the State and deserves, not the censure administered by the Royal Commission, but the congratulations of every person who has the progress and welfare of the State at heart, for the work he has done. His task has not been light. It has been one of great difficulty. To my mind, he has been doing the work of half a dozen men. I think that in any reorganising of the Bank, the basis adopted should be a division into two sections or branches. In fact, I would welcome a change in the administration, but I think the Royal Commission started at the wrong end. The Bank should be divided into two sections, one representing the South-West and one the wheat areas, with a commissioner in charge

of each to carry out the routine work that has, so far, been placed in the hands of trustees. They should never have been asked to consider that routine work. If that had been done, more attention could have been given by them to the financial side of the problem, with which the Royal Commission dealt so critically. I do not worry about the few millions that may have to be written-down, nor do I think the taxpayers as a whole do. It is only the disgruntled ones who are not getting anything out of it who may grumble.

Mr. F. C. L. Smith: They got their cut all right.

Mr. BROCKMAN: If other members could look back, as I can, over the past 40 years, they would realise that in those earlier days there was very little development manifest in the State. It was not until the Agricultural Bank undertook the task that development really commenced throughout the whole of the State. I agree with the remarks of the member for Irwin-Moore (Mr. Ferguson), who spoke about the restricted area that had been developed prior to the advent of the Bank. I can remember the position in those days, too, and it is certainly wrong to censure so severely men who have given so many years of their lives to the task of developing the back country and assisting to achieve prosperity there. As some members have said, where would Perth be to-day, or our larger country towns, if it had not been for the development, assisted and forced, as a result of the operations of the Agricultural Bank? It may be necessary to write a few millions down, but the industries that have been developed will return many millions to the State. I hope we will not dwell in the past, but look forward to the future and do something that will be to the credit of the State. I hope that during the next few weeks the Minister for Lands will introduce legislation that will be such that we shall be able to support it. I, as a Western Australian, will extend him my earnest support if he does so. I trust the legislation to be introduced will be in the interests of the settlers who were brought to this country and that, as a result, we shall be able to place them and the industries concerned on a sound basis and assist the settlers to a profitable position. I shall defer any further comments I have to make until the legislation is introduced.

MR. HAWKE (Northam) [9.10]: I desire, for a few moments, to discuss some aspects of the Royal Commission's report. I am of opinion that had the discussion centred on the report instead of very largely on the question whether the trustees of the Agricultural Bank should, or should not, be retired, the debate would have been productive of much greater good than has been indicated so far. There has been a tendency to smother up the details of the report by diverting attention, in exaggerated fashion, to the benefits that have accrued to the State because of the expenditure of many millions of pounds by the Agricultural Bank. There can be no doubt, either, that, in discussing the advantages of the Bank's expenditure, there has been a tendency to overlook the burden of debt that has been created in that respect. It is quite easy to float an undertaking if sufficient money is expended in the process, but if we create something worth £1,000,000 at a cost of £5,000,000, the creation cannot be regarded as very successful nor yet very profitable. In addition, the taxpayers of Western Australia have been loaded with a tremendous and permanent burden in consequence of the expenditure that has been undertaken. On top of that, they are loaded with an interest liability that the settlers are not able to meet, and will not be in a position to meet for many years, if at all.

Mr. Ferguson: Not much of that was due to the activities of the Agricultural Bank.

Mr. HAWKE: I think so.

Mr. Ferguson: No.

Mr. HAWKE: I think I shall be able to prove that to the satisfaction of at least 90 per cent. of the members of this Chamber. When the Leader of the Opposition spoke, he gave the public to believe that the Royal Commission of inquiry had been appointed because of the influence of the Wheat-growers' Union upon the Government. On the contrary, he must have known, seeing that his Deputy Leader has drawn attention to the fact, that when the Labour Party went before the people at the last general election, it was their definite policy to institute a searching inquiry into the affairs of the Agricultural Bank. Obviously the influence of the Wheatgrowers' Union had no effect upon the Government, because they were pledged to do what has been done. It is true, as most members have claimed, that Parliaments and various Ministers have been

responsible in the past for the launching of certain developmental projects. It is true also that Parliaments and various Governments have decided that certain districts should be developed, and insofar as those districts have proved unsuitable regarding the productivity of the soil, those Parliaments, Governments and Ministers concerned in the opening up of those areas should accept the responsibility that is theirs. But although that is a responsibility of past Parliaments, past Governments, and past Ministers, the fact remains that those in control of the Bank's activities were charged with the responsibility of managing the financial side of the development of the land. And there can be no doubt it was upon their shoulders to see that every care was taken in the direction of ensuring that the advances made were wisely made and always made with a due regard to the ability and the qualifications of those settlers who were placed upon the land. It is true that a large number of men without any experience were placed on the land, and that in those cases they would need anything up to five years' probation for the purpose of judging whether they were capable of developing into successful farmers.

Mr. Patrick: That is not correct. Inexperienced men have made good in less than five years.

Mr. HAWKE: I merely suggest that the Bank in dealing with inexperienced men might be charitable to the extent of giving them a five year probation period. Some of those inexperienced men might become successful in two years, but I submit that if they had not become successful at the end of five years, and if they had shown no ability in the occupation they had taken up, there should have been some definite action by the Bank authorities in the direction of seeing that they made way for others likely to prove more successful. The question of political interference has been thrashed threadbare during this debate, but the trustees themselves have declared in their reply to the Commission's report that political influence did not carry any weight at all with them in their administration of the Bank's affairs.

Mr. Griffiths: But it did enter into policy.

Mr. HAWKE: I have already pointed out that farmers and Governments did

certain things in regard to developing new districts; but there has been no political interference whatever, according to the trustees' own statement, in regard to the administration of the Bank; and the administration of the Bank is the entire responsibility of those charged with the control of the Bank, and if they have failed in that vital duty then obviously quite a large portion of the Commission's report is justified and soundly based. I am inclined to think the magnifying of the development carried out by the Bank has been indulged in in order that the more detrimental phases of the Commission's report might be covered up. In one breath some members have stated that Parliament has been responsible for the initiation of land development in the State, that Parliament has been responsible for the policy, yet in the next breath they have given to the trustees 100 per cent. credit for the development that has been carried out. That appears to me to involve a very big contradiction. If Parliament and Governments and Ministers have been responsible for policy in regard to land settlement, then Parliament and Governments and Ministers are to a large extent entitled to the credit that might be due for the development that has taken place, for the wealth that has been produced, and are also entitled to a share of the blame for the failures that have occurred. But we cannot give the Bank trustees all the credit for the development, all the credit for the wealth production, and then take away from them every ounce of responsibility for the administration with which they are entirely charged. Therefore, it seems to me that is the aspect from which the Commission's report should have been discussed in this House. The Commissioners in their report brought forward definite instances showing where the administration was weak to the last degree. They showed, in the evidence they extracted from responsible witnesses, that district managers of the Agricultural Bank time and time again have urged that action be taken in regard to certain settlers. But the urgings of the district managers were not regarded, and as a result many unsuitable settlers who refused to stand up to obligations to which they could have stood up were not dealt with as the district managers advised, and in consequence many of those settlers are still a burden on the

Bank and on the taxpayers of the State. I was amazed to read during the taking of evidence by the Commission that the Managing Trustee of the Bank stated definitely that the Agricultural Bank had been a philanthropic institution for many years past. That is a very damning admission to be made by a man charged with the responsibility of administering the affairs of the Bank in the interests of the State and of the taxpayers. Surely no member of the House would argue that the Agricultural Bank trustees were justified in operating the Agricultural Bank as a philanthropic institution! One of the most surprising features of the debate has been the fact that Opposition members, who are continually preaching that there should be more business in government, and less government in business, should have got up here one after another and endeavoured to excuse the failure to exercise business principles in the conduct of the Agricultural Bank. Before this debate began I felt that members on the other side, who believed there should be more business in government, would be very strong in their praise of the findings and recommendations of the Commission, because in fact those findings and recommendations urged that more business should be introduced into the management of the Agricultural Bank. But no. In spite of the declared doctrines of the Opposition in that regard, they were unanimous in the opinion that it is a good thing that there should be no business principles, or very few, exercised in the management of the Bank. Evidently they agree that it is a good thing for the Agricultural Bank to be carried on as a philanthropic institution. Another important admission made by one of the trustees to the Commission was to the effect that the stock firms in Western Australia had been allowed to have a good "go" out of the Bank. When we have a responsible trustee of an important institution like the Agricultural Bank admitting that the stock firms have been allowed to have a good "go" out of the Bank, it shows definitely that the Bank was being controlled and administered in a very weak and unbusinesslike fashion. There was no justification for the stock firms being permitted to have a good "go" out of the Bank, especially when the trustees knew that that procedure was being carried out. Then the Commission's report

shows clearly that district managers in many cases had recommended the removal of certain settlers from their holdings; and not only were those recommendations made once, but in regard to many settlers they were made a dozen times or more. Yet in spite of the continued recommendations for the removal of certain settlers from their holdings, no action was taken; and no member in an endeavour to defend the trustees has made the slightest attempt to justify the refusal of the trustees to take the definite action recommended to them by the district managers.

Mr. Thorn: Because they could not—through political influence, as you know.

Mr. HAWKE: I have already pointed out, and for the sake specially of the hon. member—

Mr. Thorn: You need not do anything specially for me.

Mr. HAWKE: But I enjoy doing things for the hon. member, because he is such a genial, good-hearted individual. I point out to him again that the trustees, in reply to the Commission, said definitely that representation from members of Parliament, in other words political influence, had not swayed them in the slightest degree in any one single decision they made.

Mr. Thorn: Then I am afraid I swayed them more than once.

Mr. HAWKE: I am inclined to admit that the hon. member would sway anybody. But I ask, what must have been the result of the refusal of the trustees to act upon the continual recommendation of the district managers? What must have been the effect upon the district managers, and upon the field inspectors, who would make their reports to the district managers, and the district managers in turn would act upon those reports and forward them to the trustees in Perth; what must have been the effect? The district managers, naturally, would lose interest; and the field inspectors would feel that they were being slapped in the face by the trustees, and so they would be disinclined to take an interest and do those things which should be done in the course of the work they were engaged to do by the State through the medium of the Bank. There can be no doubt that refusal to act where action was justified must have had a demoralising effect on all Bank officials in country districts. Then there were the two definite cases dealt with by the

Commissioners in their report, where certain officers of the Bank were proved to have done things that were contrary to the principles which they were expected to practise. It was definitely shown that two officers had done things that amounted to absolute dishonesty, and despite recommendations by the district manager that one of the individuals concerned should be transferred or dismissed, no action was taken and the unsavoury business with which that officer was associated was allowed to continue until insolvency occurred. It is true, as submitted by several members, that the Commissioners in their treatment of witnesses and in the language used in their report were very extreme. I have no sympathy at all with some of the methods employed by the chairman of the Commission when dealing with witnesses. No doubt there was a great tendency on his part to bamboozle witnesses, to use the big stick over them, as it were. There is no doubt that much of the language in the report is far stronger than was justified, but that does not affect the facts of the report. If extravagant language is used to express condemnation where condemnation is justified, the use of such language does not overcome the fact that the condemnation is based on sound ground. So merely to condemn the Commission for their rough and brutal treatment of witnesses and for the extravagant language used in parts of their report—although there may be justification for condemning the Commissioners on that account—does not overcome the fact that the Commission elicited certain information and proved certain things that should cause Parliament to give fair and serious consideration to the report. It was suggested by one member that the reports of all Royal Commissions were useless, that they were never heeded or acted on. It was suggested that we were treating this report too seriously by debating the questions raised in it. Usually the reports of Royal Commissions are not worth a great deal. Too often they are very wishy-washy affairs, yes-no affairs by which nobody is convinced. But the fact that the Commission's report has created interest and caused debate in every part of the State as well as in this House proves that the Commissioners on this occasion have done their duty and presented a report that is not wishy-washy or yes-no, but one entitled to all possible consideration by Parliament and by the taxpayers of the

State. I admit with other members that the coming of the depression has had a great deal to do with increasing the difficulty of the Bank's position. I agree that perhaps 75 per cent. of the loss that will be suffered has been caused by the tragic fall in prices for primary commodities. But that does not overcome the vital fact in the Commissioners' report that they have proved in the most definite manner that the trustees were extremely weak and extremely unbusinesslike in their administration of the Bank's affairs. The coming of the depression has not affected the administration of the Bank in the slightest degree. It will undoubtedly increase the Bank's losses, and increase them very heavily, but the coming of the depression in no way justifies the failure of the trustees to take action regarding certain settlers when action was justified. I have no doubt at all that if the affairs of individual clients were closely investigated, it would be found that district officers for many years past have been urging definite action to be taken, and yet no action was taken. Although there may be a lot of circumstances that justify losses, and although there may be many circumstances that justify blame being placed upon the shoulders of Parliaments, Governments and Ministers, there are no circumstances that justify the failure of the trustees to administer the Bank in a way that would promote confidence and win the whole-hearted co-operation of their officers in the country districts. The Government have before them a very big and difficult problem. It is not for us to say whether the present trustees should be retired. It is not for us to say whether the Bank should be reconstructed on a new basis. That is the responsibility of the Government. It has been suggested that the Government will act to the extent of 100 per cent. upon the recommendations of the Royal Commission. It has been suggested that the Government will be bound to follow up the report of the Commission in its entirety. I submit that the Government are in a position to exercise their own discretion and power. Whatever portions of the report they consider justifiable, it will be for them to act upon those parts and do what is suggested. If the Government feel that portions of the report are not justified and that certain action recommended by the Commission would not be in the best interests of the settlers and of the State, of course no action would be taken along those lines.

I am prepared to leave that aspect in the hands of Cabinet. I am sure that they have already given the matter serious consideration and that they will continue to do so. In the near future probably we shall have before us the proposed legislation which they consider necessary to reconstruct or re-establish on a new basis the Agricultural Bank in Western Australia. When that legislation is introduced, it will be for members of this House and of another place to say whether the judgment of the Government is sound or whether alterations should be made in the plan submitted. I feel that the Commission have justified their existence, that they have done an unpleasant task in a very courageous manner. Whether their censure was entirely justified is not for me to say. I have already suggested that their language could have been more temperate, but on behalf of the Commission I do say that much of the condemnation or criticism contained in the report is based on solid ground, and that so far during the debate no successful attempt has been made to prove that the Commission's recommendations have not been soundly based.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet—in reply) [9.39]: I have been keenly interested in the debate and have listened attentively to the remarks of all the members who have spoken. With very few exceptions, however, members have not touched upon the Commission's report, the evidence and the conclusions. It appears to me that many of the remarks of members resulted from feelings of sympathy with men with whom they had been in contact for years, men whom they had found personally likeable. Against those men I have not one word to say. The Leader of the Opposition deplored the appointment of the Commission and prophesied that it would have disastrous consequences, and he placed the responsibility for the appointment of the Commission on the Wheat-growers' Union. The Leader of the Opposition forgets that it was part of the Government's policy enunciated at the last general elections that we would, in fulfilment of representations made to us by farmers of the State, appoint a Royal Commission to inquire into the activities of the Agricultural Bank. If the Country Party, as established, did not support the appointment of the Commission, many of the members now

sitting on the Opposition side of the House did. The Wheatgrowers' Union submitted a questionnaire and quite a number of members of the Country Party approved wholeheartedly of the proposals. Those members included Messrs. Seward, Patrick, Griffiths, Mann and Warner. Mr. Doney's was a qualified agreement, and it was also agreed to by the Leader of the Nationalist Party, Mr. Keenan. If any member doubts that statement, I have the letters of those gentlemen in which they agreed to advocate the appointment of a Royal Commission to inquire into the operations of the Bank. So members who now protest against the appointment of the Commission must take their share of the responsibility, because they agreed to it. Surely they will not now regard the appointment of the Commission as having been unnecessary and will not say that they were opposed to it at any time! Exception cannot be taken to the personnel of the Commission. Mr. Hale was the chairman of the Commission. He was selected because he had been previously appointed by the Mitchell Government as a member of the Royal Commission to inquire into the disabilities affecting the farming industry. His work on that Commission gave very great satisfaction to the farmers, and the present Government concluded that, in view of that fact, he was the man possessed of experience who should be appointed chairman of this Commission. The member for Guildford-Midland (Hon. W. D. Johnson) last night made a statement to which I must take very strong exception. He said that the chairman had made up his mind beforehand and that if members read the references to the Agricultural Bank on page 15 of the report of the Farmers' Disabilities Commission, they would find that Mr. Hale was prejudiced before he started on the Agricultural Bank inquiry. There is not a solitary reference on that page to justify the hon. member's statement. The Farmers' Disabilities Commission did not consist solely of Mr. Hale. He was not the chairman of the Commission. Mr. A. H. Dickson, who is well known in this State and at one time was manager of Henry Wills & Co., was the chairman, and the other members were Messrs. Harry Hale, Gilbert H. Carlisle, Ferdinand C. Farrall and Theodore Pelloe. Mr. Hale was one of five, and anything that the Royal Commis-

sion on farmers' disabilities had to say about the Agricultural Bank was an expression of all five members of the Commission. Hence it is utterly wrong and unworthy to say that Mr. Hale was prejudiced. If members read the report of the Farmers' Disabilities Commission, they will find nothing but sympathetic reference to the work of the Managing Trustee, together with an expression of opinion that the burdens placed on his shoulders were too great. Hon. members can read it for themselves. They say that the Managing Trustee had been overloaded with work. Not only was he managing trustee of the Bank, but also of soldier settlement, group settlement, and the Industries Assistance Board. What the member for Guildford-Midland said last night, that Mr. Hale was prejudiced, and that his prejudice existed in this volume, is by no means correct. I am surprised at the statement; it is an unworthy reference to make. Mr. Hale was the chairman of the Agricultural Bank Royal Commission. Politically he is not known on this side of the House. At the time he was appointed I had only met him on half a dozen occasions, and had very little personal contact with him. As the former Government had appointed him to the other Commission, and the farmers had approved of the report of that Commission, what could the Government do better than appoint him as Chairman of the Agricultural Bank Royal Commission? Mr. Diamond is a retired bank manager. He is well known in the city and the country. His bank had done considerable business with farmers, and he was fully qualified from his long association with finance to be put on the Commission. Mr. Donovan, to whom the member for Greenough (Mr. Patrick) referred, has had a long practical farming experience, and more than that has been a highly successful farmer. He has also had a successful business experience, and these dual qualifications fitted him for the position of member of the Commission.

The Minister for Works: And he had been a client at the Bank.

The MINISTER FOR LANDS: Yes, and he paid to the Bank every penny he owed.

Mr. Ferguson: Do you see the result of his experience in the minority report?

The MINISTER FOR LANDS: He put in a minority report, but only in reference to a small section of the general report.

He does not dissociate himself in any way from the general conclusions arrived at. I suggest, therefore, that neither the honor nor the qualifications of these gentlemen can be questioned. It has been shrewdly and unfairly put about that Mr. Hale was prejudiced. That has got about in the House and in the city. It is based on as much evidence as the member for Guildford-Midland gave last night, namely, nil. When the personal equation was being considered an appointment was offered to Mr. Rudduck of Coorow, whose integrity and efficiency as a business man and practical farmer would have been of the greatest value to a Commission of this kind. Unfortunately, however, his health did not permit him to give his services to the State. As evidence of the fairness and impartiality of the Government the appointment was offered to Mr. Rudduck, a gentleman I had never met. I had heard of his capacity as a business man and of his great industry and capacity as a farmer. The member for Greenough knows him and will agree with me that, had we been able to secure his services, it would have been a highly satisfactory appointment.

Mr. Patrik: Quite right.

The MINISTER FOR LANDS: But his health was such that he could not accept the position. Mr. Rudduck wrote and thanked me, and said he would have been only too glad to have given his services to the State had his health permitted him to do so. The Leader of the Opposition taunted the Government with the appointment of this Commission, but such a taunt does not come well from him. The Government of which he was a member appointed no fewer than five Royal Commissions during their short term of office, but carried out the recommendations of none. For that reason they came into conflict with thousands of farmers at the last general election. The failure of that Government to implement the recommendations of the Farmers' Disabilities Report is well known, and has caused much discontent in the farming community. The Leader of the Opposition also stated that the time for such an appointment was inopportune. When was the time more opportune? That is the query I put to members.

Mr. Hawke: About two years ago would have been a very opportune time.

The MINISTER FOR LANDS: This is a time of national stock-taking. It will be for the benefit of the State and the farmer to get a realisation of where this most important institution stands in its relation to the farmer and the Treasury. The member for Irwin-Moore (Mr. Ferguson) said to-night he had not heard one farmer express approval of the report in its reference to the trustees. Before the Commission reported, thousands of farmers were complaining about the Bank. This report gives them no further cause for complaint. They find the complaints they made regarding the Bank's want of generosity and its disregard for them are now shown to have been without proof, and it is quite natural they should react. They have all reacted. A farmers' organisation has been holding a conference during the last few days. The agenda is full of complaints about the Bank. They have reacted because of the salutary lessons which have resulted from the recommendations of the Royal Commission. Is the time inopportune? There is a general outcry amongst the farmers that their properties are over-capitalised, and that their prospects are hopeless. We have heard it stated in the House, and there is continuous propaganda to that end. Most farmers are clients of the Bank, and it is to their interest to have their financial position understood in this country. I am not alarmed concerning any possible injury to this State as a result of the report. It must ultimately have a very good effect. If it brings all parties concerned to a realisation of the true position it will be of lasting benefit to Western Australia. In this State we have passed through an era of alleged prosperity. We have had the enjoyment of good prices for our primary products. We have had an era of large loan expenditure, which has encouraged extravagances by Parliament and people outside Parliament, but which we know now must, for the national good, be corrected, unless we can secure almost immediately better commodity prices, though this does not seem likely for the next few years. It is certain that for political purposes several people have been making capital out of the Commission's report. Mr. O'Sullivan, the Chairman of the Associated Banks of Victoria, is one of these. But the Associated Banks were very interested in the recent Federal election. It is very natural, therefore, that Mr. O'Sullivan should magnify statements in order to influence the

electors. We could have retorted in this State that inasmuch as the Associated Banks had taken second mortgages amounting to four million pounds on properties over which the Agricultural Bank had secured a first mortgage, the shrewdness and business capacity of the private banks were not a matter altogether for congratulation.

Mr. Patrick: Second mortgages are bad business at any time.

The MINISTER FOR LANDS: In the case of Mr. O'Sullivan it was not a matter for congratulation as regards the Associated Banks. The statement of Senator Pearce, which has been condemned in the House, was wilfully inaccurate. It came from one who represents this State in the Federal Parliament and who knows better. Portions of that statement were absolutely untruthful. Senator Pearce stated that the Bank was managed by a board of trustees, but that political influence was allowed to creep in; that members of Parliament, even Cabinet Ministers, pressed claims for advances to clients, with the result that advances were made in unsafe areas where there was insufficient rainfall.

Mr. Wansbrough: He did not say he had been rejected by the trustees.

The MINISTER FOR LANDS: He further stated that the Managing Director had said in evidence that he had been directed to advance money on bad securities, and that he knew if he did not do so he would lose his position. Nowhere in the Commission's report does any evidence appear supporting Senator Pearce's statement. On the contrary, the Managing Trustee insisted that he had never at any time been influenced by members of Parliament or Cabinet Ministers, and that no pressure had been brought to bear upon him to advance moneys to clients at the instance of Cabinet Ministers. I support the Managing Trustee in that statement. I have never known of any Cabinet Minister insisting upon the general manager giving money to clients when he was opposed to doing so. I do not by any means agree with everything that has been said in the Commission's report, but I do agree with much of the criticism and conclusions and with the major portion of the recommendations. I regard these recommendations as a basis on which the Bank can be reconstructed, strengthened, and made a more effective institution to safeguard and advance the interests of the farmer and the State. I am very glad the Commission criticised adversely some of the settle-

ment which was inaugurated during my former administration. That affords further evidence that the criticism was impartial. I was a member of the Government which inaugurated these policies, and yet the Commission showed no diffidence about criticising a subject in which I had been personally concerned. The settlements adversely commented upon as major tragedies I and other Ministers took over as heritages from the former administration. Under the Collier Government I accept responsibility for the settlement of the areas in the 3,500 farms scheme. I have no objection to the Commission's point of view, but entirely disagree with their conclusions. The settlers at Lake King, Lake Camm, Lake Carmody and Lake Varley, forming portion of the 3,500 farms scheme, have during all the years of their farming operations secured higher yields than 80 per cent. of the wheat belt, and much higher yields than many localities settled over 20 years ago. The average amount of the advance to these settlers is only 50 per cent. of that in the Lake Grace and Newdegate districts, whereas the crop results from the 3,500 farms area have been consistently better than from the older settled districts. In May last the branch manager at Narrogin reported as follows—

I consider that these settlers have done exceptionally well, considering the prices they have received for their wheat, and they compare more than favourably with those clients in the Lake Grace and Newdegate districts, which, of course, are the older settled districts adjacent, and to which railway communication has been provided.

Despite the fact that they are 50 miles from a railway, and this is their greatest handicap, these settlers have paid 50 per cent. of their interest. In fact, the percentage of interest paid by these settlers equals that of the settlers in the Bruce Rock area, which has been settled nearly 25 years, and enjoys all the facilities and advantages which make for success. Were it not for the depression, these settlers would now have been provided with railway facilities, and that is the chief thing necessary to secure success for them. I hope before many years the State will be able to provide these settlers with facilities without which they are so heavily handicapped. The Murchison miners' settlement in the Northam district has also been referred to as a "minor tragedy," but the results show that this reference is entirely misleading. These miners started farming in

the very first years of the depression, and they have not ever enjoyed even fair prices, nor anything like payable prices. Moreover, they are situated at some distance from the railway. The branch manager at Northam states that of the 22 miner settlers in his district no less than 18 have discharged in full the Bank's statutory claim for interest, and that in the aggregate he expected to receive something like 75 per cent. of the interest due.

Mr. Thorn: And that is called a tragedy!

The MINISTER FOR LANDS: It is called a tragedy in view of the distance from railway communication, I should say. The average advance per holding is only £524, and the Northam branch manager states that the Murchison miner settler compares more than favourably with other settlers in the Northam district. Occupying the land for a few short years only, the improvements in clearing alone average nearly 500 acres. As regards the 14 Murchison miner settlers in the Kununoppin agricultural district, the interest outstanding is only £627, while the interest paid amounts to £506. The Kununoppin manager reports that these men are highly regarded by the inspectors as hard workers and intelligent citizens, and that they compare quite favourably with other clients in established areas with regard to interest payments. I am very proud of the accomplishment of these Murchison miners. The miners' settlement at Southern Cross has not done so well, but this is in some respects due to their physical disabilities. The experiments made since 1929 at the State farm established at Ghooli by the Collier Government indicate that the rainfall is sufficient to grow, at reasonable prices, payable crops, and during the last four years the crops grown on the State farm have averaged from 12 to 14 bushels per acre. The average for the State is only 10.9 bushels for the last 23 years, from 1911 to 1934. At the time of the establishment of the Southern Cross miners' settlement, I was Minister for Lands; and I insisted that no crops were to be put in except under fallow conditions. As a result, in the first year of their farming operations these settlers harvested 18 bushels per acre from 30,000 acres, which for a similar acreage I do not think has been exceeded anywhere in Australia. Certainly the season was a good one, but there have been several subsequent seasons of a similar character.

Unfortunately, however, the system laid down in the beginning by the Collier Government is not now being adopted. I regard the Southern Cross district as a safe farming area where, if proper farming economy is exercised, payable crops can be produced and the rainfall is as sure and reliable as that of many of the established wheatgrowing districts in the Eastern States. In order that settlement should not proceed east and north of Southern Cross and Bullfinch until the results achieved at the Ghooli State Farm had over a term of years justified further settlement, I instructed the Lands Department to refuse applications for land in these areas, and the Surveyor General was advised to create no additional subdivisions for settlement in those districts. Prior to that, settlers had been in the habit of applying for any land available, stating that they did not require Bank assistance, but eventually using every possible lever, every political force, to press the Bank to come to their assistance in areas which the trustees did not approve of. That pressure was removed when the decision to make no land available in these areas became the policy of the Collier Government. The comparative success of the Murchison miners and of the settlers in the 3,500 farms scheme during the years of the depression constitute a lesson which in any scheme for the reconstruction of the Bank should not be lost on this Parliament. These settlers were unable to get the advances and assistance that other settlers received in the more prosperous times. They were largely required to do the work of clearing and improvement themselves. They worked for their experience, and did not buy experience by the employment of labour; and the inability of the Bank to help, which may have been a temporary hardship, will in the end be a blessing, because the settlers will have learned how to economise, how to get the best results from their expenditure, and how to keep their capitalisation at a figure which will enable them to pay their way and, should times improve, enable them to reap a handsome competency. The farming economy of Western Australia has been different from that of the Eastern States, with the result that the Eastern States settlement succeeded at less cost—I speak now of early settlement—and was based on sounder principles, in that the settler was compelled to depend more largely on his own initiative and resources. The attempt to speed up

settlement in this country has not developed that caution and that economy, and, as a result, in a few years the properties have become over-capitalised. No area of land on which settlement has taken place in Western Australia lacks sufficient rainfall to grow productive crops. The land is virtually given away, the average price being approximately 7s. 6d. per acre spread over 30 years; but all the improvements have been largely paid for by the Agricultural Bank, and the easy manner in which money and credit could be secured by any class of settler has not taught that prudence which is so necessary if the enterprise is to be successful. It has been claimed in this House, during the discussion, that Governments forced upon the trustees certain policies which ended in disaster, or which brought the trustees under censure. To that I would say it is true that the development of agriculture in Western Australia was a policy of all parties, without exception, and that the Bank was the instrument in this process. For a number of years the development was on sound lines, but with the speeding-up of settlement the State entered upon the policy which has begotten those weaknesses in settlement which are evident to-day and which must be remedied if the agricultural industry is to be put upon a sound basis. Within the four corners of the Agricultural Bank Act, the trustees are a law unto themselves. The member for Sussex (Mr. Brockman) spoke about the attitude of Ministers. He commended the trustees, but deplored Ministerial interference. The trustees controlled group settlement matters, and he commended them; but he tried to drag Ministers into the picture. I have always adopted the policy of supporting the trustees of the Agricultural Bank when I knew they were acting within the scope of the Act passed by Parliament. No member can accuse me of saying one thing when sitting in Opposition and another when occupying a seat on the Treasury bench. Whenever I found the trustees had adopted a course that Parliament had allowed them to do under the legislation enacted, I supported them. I have always adopted that course in my position as a Minister. When I took office in the present Government, I attempted to find out my powers with respect to the Agricultural Bank and I was informed by the Crown Law Department

that the Minister in charge of the Bank had no power except to appoint two trustees when the terms of those officials expired and that the Managing Trustee is a permanent officer appointed under the Public Service Act. So I can state accurately and truthfully that a Minister has no power to direct the trustees. If Governments directed the trustees to develop new areas, the trustees could have objected, or they could have adopted the policy of the Government. In most instances I think they agreed to adopt Government policy. It is true that Governments have directed the policy with respect to the opening up of new country, but that did not prevent the trustees from voicing any objection they thought fit. In fact, it is on record that on at least one occasion, the trustees strongly stated their objections, but they were apparently over-ruled by the Government of the day. Even that course, the trustees could have opposed. In the instance referred to by the Royal Commission in which the trustees did voice an objection, they were over-ruled by the Premier of the day. But the trustees could still have opposed the Government's decision and voiced their objection, had they felt inclined to exercise their powers and oppose the policy of the Government. I do not say they were unwise in not opposing Government policy. Governments may direct that new country may be opened up, but the trustees will always be consulted. I admit that by opposing any Government, the trustees would have run the risk of not being re-appointed—the Managing Trustee, of course, could not have been interfered with—and that fact probably may have made their position difficult. If the two trustees who are appointed for terms of two years only, saw fit to oppose Government policy, they would certainly run the risk of not being re-appointed. In my opinion, that has always been a great weakness in the management of the Agricultural Bank. If members refer to the report of the Royal Commission appointed in 1931 to inquire into the disabilities affecting the agricultural industry of Western Australia, they will find the following statement—

Under the Agricultural Bank Act, 1906-30, the affairs of the Bank are administered by three trustees, viz., the Managing Trustee (a permanent official) and two co-trustees, who are appointed by the Governor in Council for

two years. The remuneration paid to these two trustees is five guineas each for every sitting, but the maximum amount to be paid to each trustee is fixed at £250 a year. The two trustees are also paid three guineas a sitting, when sitting as members of the Industries Assistance Board; the latter payment is not taken into account when arriving at the £250. The two co-trustees have outside interests to which the major part of their time is devoted.

That Royal Commission condemned that position, and I agree with them. I repeat that it is a great weakness with regard to the Agricultural Bank. It is hardly to be expected that the two co-trustees would be re-appointed at the expiration of their two-year term if they took up a strong stand against Government policy, or in their dealings with clients, if they knew those clients had some strong political friends. It is merely human nature, and it cannot be expected that they would act differently. If the two trustees desired to be re-appointed, they would adopt a very risky attitude if they opposed the policy of any Government or were discourteous to any member of Parliament who might press the interests of clients upon them. It has been urged that the trustees have been compelled to accept any type of settler and any type of country. It is unfortunately a fact that there is no way of trying out a settler except by experience, and in many instances the experience has been over-costly. It is entirely a matter for the trustees to determine whether a settler is to be retained after he has been found unsatisfactory. The Royal Commission condemned the trustees for not doing that, and also for re-establishing on the land, settlers who had formerly proved themselves unsatisfactory. The Royal Commission also condemned the trustees for having re-established on the land men who had been found dishonest and who were found still dishonest after they had again been placed on the land. It was reported to the trustees that the men were dishonest, and that is what the Commission condemned. They did not condemn the administration of the Agricultural Bank because someone outside had made the charges. They condemned the trustees on information obtained out of the mouths of officers of the Bank themselves. During any time I have been charged with the administration of the Lands Department, the trustees have not

been compelled to accept any class of land. I can remember the trustees objecting to the quality of the land affected by the 3,500 farms scheme, and they were justified in doing so, because the classification of the Lands Department was misleading. I regret that the Leader of the Opposition is not present; I shall have to address him in his absence. He referred to the criticism of the retention by the Bank of clients who neither had the capacity nor the willingness to make good. That that is the position, no one will deny. I do not know how many such clients there are, but the carrying on of that type of settler year after year has been responsible to a great degree for the over-capitalisation of some properties and for the losses that must eventually occur. Furthermore in any community that type of settler must be a demoralising factor. The more than reasonable consideration extended to him at the expense of the community is a source of discontent to other settlers, who regard it as evidence of the Bank's weakness, inconsistency and maladministration. It may not be politic to say it, and I can excuse members of the Country Party for shrinking from such an admission, but it is a fact that the yields of too many farmers in this State over a number of years make their prospects of success, with their heavy capitalisation, almost hopeless. In the year 1931-32, of 9,805 wheat growers—

152	produced less than 3 bushels per acre.
633	" " 6 "
1,643	" " 9 "

and in the year 1932-33—

235	produced less than 3 bushels per acre.
869	" " 6 "
2,087	" " 9 "

The position of settlers operating with such returns must be hopeless, unless some other commodities produced on the farm meet the major cost of production. Surely it cannot be denied that an institution which continues to advance money in such cases can expect other than great losses. Neither can it be said that there can be any great expectation of regaining the money advanced in the majority of such cases. Coming to the Commission's report, I do not agree with the Commission's estimate of the Bank's losses. But unless a miracle happens, great losses are sure to occur, as they have already occurred, inasmuch as the Bank has used £1,983,000 of principal and

loan money to pay Bank interest. This represents the shortage between receipts and payments of working expenses and interest. From the I.A.B. alone the trustees took into Bank interest £1,193,000, the bulk of which was loan money provided by the Treasurer for the I.A.B. Later the trustees wrote off more than £300,000 of the I.A.B. indebtedness, representing excess cost of administration and interest on capital over interest earnings, which was a dead loss to the Treasury. Not only does that not appear as a Bank liability, but it was taken into the Bank's revenue as interest and inflated the Bank's receipts by that amount. That is what the Commission complains of, namely that the Bank's losses have been misrepresented. I do not know whether that is the trustees' responsibility or a Treasury responsibility, but no one in the House can say that the Commission did not state a fact, because the facts are stated in the Treasury reports and in the Bank's reports. Yet, in face of that, the trustees in their reply to the Commission's accusation state that their ascertained loss at the 30th June, 1934, is only £299,759. In my opinion the trustees have not stated the facts, and the Commissioner's criticisms have not been satisfactorily answered. The charges made by the Commissioners were that the trustees used loan money through the I.A.B. to pay Agricultural Bank interest, that an unfair distribution on administration expenses of both institutions relieved the Bank's funds, and that subsequently the amounts so taken were written off against the Treasury as excess cost of administration and interest on capital. In my opinion those charges remain unanswered. This is not the talk of the man in the street, but is based on the evidence submitted by the officials concerned to the trustees. Coming to group settlement, I am glad my hon. friend is in his seat.

Mr. Brockman: Have a go.

The MINISTER FOR LANDS: Certainly, but not more than is necessary. For the loss of £4,695,000 written off, the Bank is not responsible, but I anticipate further great losses in group settlement as, since the revaluation, no less a sum than £136,500 has been advanced by the Bank, and the advances from the Loan Development of Agriculture Vote amount to £252,482. As the interest payments from group settlers

are infinitesimal, and the State has to find £400,000 annually, the losses on the system must in future be very considerable, no matter what institution is responsible for the administration. The Leader of the Opposition the other night stated that at the time the losses on group settlement occurred the scheme was under Government control. But I do not hold the Bank responsible for those losses, although I would say one of the trustees was for a time chairman of the Group Settlement Board. But I acquit him entirely of any responsibility in regard to those losses. The member for Sussex to-night was not fair in his remarks. He cannot have it both ways, cannot commend the trustees and applaud anyone else for group settlement, and blame the Minister because the trustees alone administer group settlement. I have never given them any direction in respect of the relationship between the Bank and the clients.

Mr. Brockman: They did not come under the Bank until 1932.

The MINISTER FOR LANDS: The hon. member said I was prejudiced toward group settlement, but I can claim to have done more for group settlement than any other member or Minister. I went down and reconstructed the settlements when I found them in a most deplorable condition. Let members go down and see some of the wretched sandplain country the settlers were originally put upon. We abandoned 900 locations, and none of them has been taken up again, except to be once more abandoned.

Mr. Brockman: A lot of those condemned locations have been taken up and some of them converted into successful farms.

The MINISTER FOR LANDS: Those put on abandoned farms were sustenance men who were paid £2 per week. I said then that the policy of putting sustenance men on to abandoned locations would not work out well. Some of those sustenance men have purchased blocks with buildings on them, on terms, for a few hundred pounds, and now, when I want to put them on their own resources, some of them are leaving, for they claim to be sustenance men at £2 per week. According to the hon. member, it is only necessary to give every farmer in the country sustenance, and they will all be happy. What a wonderful policy! And the hon. member told me when he was a Royal Commissioner—other members will be surprised that he should ever have

been a Royal Commissioner—he told me when I came back into office that all a settler needed was not to be pressed for interest. They are not being pressed for interest; some pay interest, but the interest is infinitesimal. Yet still the hon. member is dissatisfied. What more can we do? The settler has a home, a farm with improvements and machinery; if his cows are starving we take them off and put more on. What more can we do after 12 years, and after having spent 10 millions? The hon. member's sole cry is for sustenance.

Mr. Brockman: They are on sustenance now.

The MINISTER FOR LANDS: That is the hon. member's policy. Of course I sympathise with him, and with the member for Nelson also.

Mr. J. H. Smith: I don't want your sympathy.

The MINISTER FOR LANDS: Both those members are deserving of sympathy. I do not wish to quibble with them. I have never done so, nor have I tried to make them unpopular amongst the settlers; in fact, I have always taken an attitude which has made me unpopular; but I tell them they will not do any good by putting up propositions which no one in his right sense would adopt, such as placing the settlers on sustenance. We have not asked from many of those settlers one penny for interest. The amount of interest we are collecting is infinitesimal. No one would be prepared to do more than I am if the hon. member would only give me a decent lead. I have done much for the settlers and would do it again. The Agricultural Bank trustees and nobody else control group settlement and members have never brought me a substantial complaint. The hon. member the other night spoke to me about a settler in his district. The hon. member moaned and groaned about the settler being badly treated and told other members of it also. He said that man was paying his principal and interest—

Mr. Brockman: That is not correct. I did not say that he had paid his principal.

The MINISTER FOR LANDS: The hon. member said the settler had paid the whole of his interest, and that the trustees were pushing him off because he would not pay his principal. I have that settler's file before me and, as usual, there is not a tittle of truth in the statement. That man went

on the land two years ago and the Bank wiped off some hundreds of pounds when he took over the land. Since then he has not paid a shilling of interest. He will not even pay the insurance; the Bank is paying it. He is not developing the farm, which is going back. He is doing business outside and the farm is his home. Yet the hon. member mentioned it as a case of maladministration. He said the settler had paid all his interest when he had paid none at all. If the hon. member will bring me a settler who has paid all his interest, I will embrace him.

Mr. Brockman: The settlers do not want your embraces.

The MINISTER FOR LANDS: There is only one way in which a man can succeed anywhere and that is by showing will and perseverance. There is no occupation in the world in which a man can succeed unless he displays perseverance, grit and industry. No Government under heaven, and not even the archangel Michael, could make successful settlers of those who lack the qualifications I have mentioned.

Mr. J. H. Smith: You do not mean that the settlers down there have no will?

The MINISTER FOR LANDS: I am speaking generally now.

Mr. J. H. Smith: There are many who have the will.

The MINISTER FOR LANDS: I am aware of that, and to such settlers I have given assistance and ample assistance. I have given many of those men more assistance than the hon. member's Government gave them, and yet his colleague says I am prejudiced. I am only prejudiced when I am called upon to expend money that is not justified. When I find a settler ready and willing to do his best, I am prepared to do my best for him, and by so doing I am doing my best for the State. I assure the hon. member that I have no prejudices. If he puts forward a reasonable proposition, he will find that I am not prejudiced, but he should not put up propositions containing nothing, propositions by which he may attempt to score off the present Administration. As I have given a great deal of time and sympathy to those people in the past, I am prepared to do so again. The Leader of the Opposition stated that the average Bank liability was calculated at between £1,250 and £1,300 per thousand-acre farm and that calculating on those figures there would be no losses. If

his statement is correct, the farming industry in this State is solvent, and if we accept the statement, we must conclude that there is no justification at all for the assertions made here repeatedly that the farmer is over-burdened with debt and that there must be a rehabilitation scheme and a writing off of liabilities if the industry is to be saved. How can the Leader of the Opposition claim that the industry is solvent while his party are repeatedly carrying on propaganda to secure a writing-down of liabilities?

Mr. Ferguson: Did not the Leader of the Opposition say that that was the liability to the Agricultural Bank? There are other liabilities.

The MINISTER FOR LANDS: The hon. member does not desire that the liability to the Agricultural Bank should be written down? I understand he regards the position as perfectly safe and that he has no complaint about the Agricultural Bank liability. I accept that statement. The hon. member is satisfied that the farmer is not over-capitalised as regards the Agricultural Bank.

Mr. J. H. Smith: I would not agree to that for a moment.

The MINISTER FOR LANDS: If we accept the dictum of the Leader of the Country Party we can only conclude that the proposals of the Primary Producers' Association and the Wheatgrowers' Association for a reconstruction of the industry on the basis that the farmers' properties are over-capitalised are not serious at all, and that they are merely put forward in the competition for membership or for political propaganda.

Mr. Ferguson: You must take into consideration all the liabilities of the farmers.

The MINISTER FOR LANDS: The hon. member cannot have it both ways. He cannot say that those men are solvent, and then put forward proposals for writing down their Agricultural Bank debts as well as their other debts. If we accept the statements of members opposite they are indulging in political propaganda and nothing else.

Mr. Ferguson: That is not right.

Mr. Thorn: It is you that has made the statement.

The MINISTER FOR LANDS: I consider that some of the farms are probably over-capitalised. Let us see how far the assumption of the Leader of the Opposition is correct. In the Bruce Rock district, the district of the Leader of the Opposition, one

property has a liability with the Bank of £4,684, while others total £5,769, £4,875, £5,467, £5,197 and £4,919. The estimated value of all those farms is much less than the Bank capitalisation. I ask members opposite whether they regard those farms as solvent.

Mr. Patriek: No.

The MINISTER FOR LANDS: The Leader of the Opposition said that the Bank would get all its money back and that there would be no loss.

The Minister for Works: Are the totals you quoted Agricultural Bank figures?

The MINISTER FOR LANDS: Yes, all of them. Here is another farm with a liability of £4,200. According to the file the settler is a fair worker, but lacks method, with the result that his farming operations are not carried out in their seasonal periods; he will never make good and in any case the capitalisation makes his prospects hopeless. The Leader of the Opposition said they were solvent. The case I have just quoted is that of a man in his own constituency. There is another case of a settler who owes £2,762. He has been operating under the Farmers' Debts Adjustment Act. He owes a lot of money to the department and has other liabilities. The report on this man is that he lacks sting and a desire to make good. There is a case of another settler who owes £5,700. He is classed as a good worker and a good farmer, but his property is over-capitalised, and the load of debt makes the proposition a hopeless one.

Mr. J. H. Smith: Was he an original settler?

The MINISTER FOR LANDS: There is another settler whose indebtedness amounts to £3,981. With the slump in wheat prices, he appears to be in a hopeless condition, and from last year's harvest only obtained proceeds worth £250. His Bank liability is £3,981, but his return of £250 is not sufficient to pay his superphosphate and bag account. I could quote similar cases with regard to every district. In some places we have the combination of a hopeless settler and over-capitalisation, and in other places that of a good settler and hopeless prospects. Yet the Leader of the Opposition stated that the farming industry was solvent, and that the Bank would not lose a penny. The comments upon this return are very interesting. It is evident that things are not as right as the Leader of the Opposition would make out. Replying to the Commissioner's charges, the

trustees refer to the wealth which has been created as the result of Government expenditure. They make an extraordinary statement that in the interests of sanity I must repudiate. They say—

If the whole of the moneys advanced under the provisions of the Agricultural Bank Act, the Industries Assistance Act, and the Discharged Soldier Settlement Act were lost, the State would still have a heritage of wealth from 20,000 farms which owe at least their beginnings to these enactments.

In other words, the trustees lay down the maxim that we can eat our cake and have it at the same time. We have it on the authority of the farmers themselves that their holdings will not carry certain liabilities. There is a party in the Parliament of this country pledged to the policy of securing a reduction of the farmers' liabilities. We know we have the farms, but unfortunately they are burdened with heavy liabilities, and we do not own the farms. Where is the asset if the asset is not free? That is an important thing. And yet the trustees say, even if that be lost we still have the farms and the production. The statement is a ridiculous one, and I must take exception to it. If the annual wealth that is produced from these farms is subject to a burden of interest and debt which the farmer cannot pay and sees no expectation of paying, the philosophy of the trustees is not based on any sound economy, although I am aware that it has many acceptors in the community at the present time. The philosophy of our age is that we can waste our substance, and have it; but that is not a policy which responsible men should encourage. The Commission have come in for a great deal of condemnation, possibly because of what members regard as their intemperate language. The Commission had a duty to perform. The Government appointed them, and laid down the terms of the Commission. Within those terms the Commission had to report. They did not accept gossip, but took the facts, and on those facts made a report to Parliament. The Commissioners' charge was that reports as required by the Agricultural Bank Act were not produced for the years 1913-14, 1914-15, 1915-16, 1918-19 and 1919-20; that neither balance sheets nor reports as required by the Act were presented to Parliament for the years 1913-14 to 1922-23

inclusive with the exception of the year 1917-18; and that interest and interest on unpaid interest in respect of abandoned properties, some of which had been abandoned for many years, had been taken to the credit of the profit and loss account. It was interest which could not be collected, but the Bank brought that interest to revenue. The interest was never received, and was not actually a revenue item. The accounts as presented do not disclose the Bank's correct position, and the trustees have not replied to those charges. Members must have regard to that. The profit and loss account presented by the Bank on the 30th June, 1931—I understand this is typical of all the previous years—shows the total interest charge for the year, irrespective of whether it is collectable or not, as £651,351, and against which no reserve for losses had been established. For that year the Bank showed a net profit of £73,096. That was not a real profit, but, from the manner in which the accounts were presented, Parliament was entitled to regard it as such, and to assume that the position of the institution was sound. In the following year, 1932, a change of accountant occurred, and a reserve fund of £60,947 was set apart for that year as provision for bad debts. The alleged profit of £73,096 was brought forward from the previous year, but the provision for bad debts reduced the profits of the subsequent year to £7,851, and by the further provision of £64,156 for bad debts and sinking fund contributions in the following year, converted the alleged profit of £7,851 into a loss of £117,724. In the year 1930-31, when the Bank showed a profit of £73,000, the total amount of shortages at that date, being principal and loan moneys taken to pay the Bank's working expenses and interest, totalled £1,586,841. The Royal Commissioners' charge is that Parliament was never informed of this position. Is there anything wrong with that statement? The Commissioners say this alleged profit never existed. The Commissioners charge the trustees with lack of control, and with neglect to collect interest and principal instalments during the time of high prices, 1921 to 1929. In those years the price of wheat averaged over 5s. 4d. a bushel. The trustees in their reply give the percentage of interest out-

standing to principal indebtedness as follows:—

	30th June, 1922.
Ordinary borrowers ..	9.0 per cent.
Soldier settlers ..	5.6 "
	30th June, 1929.
Ordinary borrowers ..	9.82 per cent.
Soldier settlers ..	8.43 "
	30th June, 1933.
Ordinary borrowers ..	17.9 per cent.
Soldier settlers ..	17.2 "

These figures are given by the trustees in their reply to prove that the percentage of interest outstanding to the principal indebtedness for the year 1929 was very little in excess of that for the year 1922, despite the fact that in the interval new advances had been made amounting to £3,346,501. These figures are a little misleading. The interval between the years 1922 and 1929 interest on account of soldier settlement amounting to £501,475 was recouped from the Commonwealth grant. From 1916 to 1929 the Industries Assistance Board paid to the Bank interest amounting to £1,161,829, the major portion of which was from loan funds. These amounts inflated the Bank's interest collections. They were actually loan funds taken into revenue; and if allowance is made for these payments, the percentage of interest to principal indebtedness would, on the 30th June, 1929, have been much higher than the figure quoted by the trustees. At the same time the Repatriation Department were purchasing farms to settle soldiers, and when a farm was purchased with Commonwealth money the amount paid included the interest due to the Bank, and that was taken to the Bank's receipts. All this money swelled the Bank's receipts, with the result that the interest outstanding at the end of the most prosperous years was in excess of that in the years before the prosperous term began. In this respect I support the Commission's point of view. I have always held that if the trustees had forced the settlers to meet their commitments in the prosperous years, the majority of these settlers would have been in a solvent position to-day. The Commissioners did not jump to conclusions. Their recommendations, if harsh—and I admit they are harsh—were based upon the sworn evidence of many of the field officers and branch managers of the Bank. When they charged

the trustees with failure to collect interest in the good years, such charges were based upon evidence given by departmental officers. As regards interest owing by inspectors, the duties of the inspectors include, where possible, the collection of interest; and one of the worst features of the administration which the Commissioners comment upon is the fact that no less than 20 inspectors have interest arrears outstanding, amounting to £3,784 at the 30th June, 1933. One of these inspectors owes no less a sum than £1,461 for interest; another owes £574; another £317; another £309; another £238, and another £236. On this matter the Commission report as follows:—

The intolerable position created by a field inspector employed by the Bank owing such a considerable amount of interest arrears, despite any reason which may be advanced, is a challenge to the Bank's management and an embarrassment to its officers in the collection of interest due to the institution.

I do not think anyone can reasonably object to that remark. If portion of an officer's duties was to collect interest, it was not proper for the collector to be in arrears with his own interest. I am surprised that the trustees allowed that position to obtain. Whilst I am on this matter, let me say that I am at loss to understand the attitude of the trustees with regard to the discipline and business morality of some of its officers. In the course of their report the Commissioners state, on page 32, that—

during the course of your Commissioners' inquiries, statements were made regarding the actions of certain officials employed by the Bank, and in two instances, as a result of definite complaints submitted to them in respect of land transactions, your Commissioners made investigations, and after a perusal of the files decided there was sufficient evidence to make full inquiries.

One instance concerned the transactions of a branch manager, the other those of a field officer. The branch manager concerned was at the time of the offence on loan to the Lands Department as a group settlement supervisor, and he subsequently rejoined the Agricultural Bank, a little before the groups were taken over by that institution. His offence was that on the 4th November, 1927, he came in contact with certain persons in search of land. He told them that he held a property which would suit them, and that if they would wait a week or two he would send them full particulars. They were to pick him up in Perth, and proceed

to the property for inspection. On the 12th November, 1927, a friend of the officer concerned, whom the Commission refer to as Mr. X., took an option over an abandoned Bank property at Nungarin for £5,600, promising to confirm not later than Monday, the 21st November. On the 18th November, 1927, the would-be purchasers arrived in Perth and interviewed the officer referred to. He informed them that he would make arrangements in the office so that he would not have to be there on Saturday morning, at the same time informing them that he wished a friend of his, Mr. X., to accompany them on the trip. I can find no record at all of any leave granted to the officer during that morning. On the 19th November the officer, his friend and the purchasers inspected the property, returning to Perth on the 20th. On the night of the 20th the purchasers decided to buy the property, and paid a deposit of £300 to Mr. X. On the 21st November a cheque for £300 was banked, and the option over the property was exercised that day by Mr. X. The option with the Agricultural Bank was exercised, as hon. members will note, after the property had been sold by Mr. X. In giving evidence before the Commission, the officer stated that Mr. X. wanted the property, and he suggested to him that he allow "his friends" to take it over. He also stated that he received £80 or £90 from Mr. X. by way of commission. Mr. X. in evidence stated that the officer was a partner with him in the property. The officer had previously denied it. Mr. X. also stated in evidence that the proceeds of the sale were divided between them. The purchasers purchased the property for £7,080 from Mr. X. Mr. X. is still responsible for the liabilities, and so is the officer of the Bank, as he is a partner under a deed of agreement; and yet the trustees have never called upon either of those persons to accept one penny of the responsibility. It is only fair to state that at the time of the transaction the officer was not in the service of the Bank. He had been a Bank officer, but was on loan to the group settlement administration. He went back to the Agricultural Bank some three years ago. Replying to the Commission's strictures on this matter, the trustees state that "all they had to say on the subject was that the official implicated was not an officer of the Bank when the dealing took place, and was not in

any way under its control." But it is pertinent to ask here why, with a full knowledge of this secret transaction and the fact that the officer made a net profit of £110 6s. 8d., the trustees have not called upon that officer to accept his responsibilities as a part owner of the property in association with Mr. X. under a deed of partnership? I can understand the attitude of the trustees in that respect, but no member of this House will say that the Commissioners were wrong in any statement they made or any censure they passed on this matter. It would be an intolerable thing if a Government were to sidestep its responsibilities in regard to this Commission. The Commission was appointed by the Government. The Commission did its job. Everything the Commission said with regard to these matters was correct. And yet hon. members with a very superficial knowledge have, during the discussion, been condemning the Commissioners. Even with regard to interest collections the Commissioners quote the statements of officers. When the Commissioners charged that the trustees were not collecting interest when they could have collected it, they quoted from the officers of the Bank. Here are a few of the statements of the officers. The Commission quote evidence taken from Bank officials in support of their strictures. For instance, I quote the following extract:—

Field Officer (Question 2143, page 293)—I foreclosed on one property because I felt we were not getting the wheat. I also served a distraining notice on the man. The farmer, however, interviewed members of Parliament and he was reinstated.

Mr. J. H. Smith: What action did the Government take when the trustees summoned a man for selling wheat?

The MINISTER FOR LANDS: The field officer, whose evidence the Commissioners quote, said that the Bank was not getting the wheat from the settler. He served the distraining notice on the man, but when the settler interviewed members of Parliament, he was reinstated, although that man was £520 in arrears in the payment of interest. That statement was made by an officer of the Agricultural Bank, not by an irresponsible person. Here is another instance—

Mr. . . . owes the Bank £4,300 and £510 interest. His position is largely due to extravagance and bad management. He makes too many visits to Perth. I have reported him several times. He makes a point of having his file

sent to head office, and he gets head office to deal with his case.

That is the evidence of an officer of the Bank, and was quoted in justification by the Commission for their assertion that they have not taken information from irresponsible individuals but from officials of the Bank. Here is another instance—

Field Officer (Questions 2505/6, pages 529-30)—I reported continually regarding settlers who defaulted, but head office took no notice.

Here is the evidence of a district manager—

Gave names of several settlers whom he reported and recommended foreclosure, upon which no action was taken, and sustenance still given.

A field officer stated—

We report the indifferent farmers to the district manager, who reports to head office accordingly. Nevertheless, the men are kept on for various reasons, perhaps political influence.

Another instance—

Re Mr. Arrears of interest £617. I put the position before the district manager several times. The client earns £7 per week, and is in a position to pay. I have never known definite action to be taken by head office. Sometimes a man goes to Perth, and that is the finish of it to me.

All the condemnation of the Commission that we have listened to is unfair because this is evidence given by members of the staff of the Bank; it is not the tittle-tattle of someone in the street. Here is another instance—

Re Mr. Arrears of interest £1,800. He has a good property, adjoins the town; a late inspector of the Agricultural Bank. His trouble is the result of bad farming. No action was taken to dispose of the property. Instead, the Bank sold him an adjoining property, but have since foreclosed.

The evidence of another field officer was—

Fifty per cent. of my farmers paid interest. The other 50 per cent. went in for motor cars, etc.

In the face of the evidence I have quoted, what sort of a Government would we be if we did not defend the Royal Commission and did not justify their attitude where correct? I do not attempt to justify all their strictures by any means. Nevertheless, it is a sad commentary on the intelligence displayed by members, particularly by those who spoke from the Opposition benches, when one has regard to the

type of speeches delivered. They were quite superficial. The remarks of those members did not touch upon the evidence, but they condemned the Commission and their recommendations, despite the fact that the evidence, upon which the Commission based their conclusions, was taken from Bank officers themselves. I was dealing with the offence of a particular officer and in this regard I cannot understand the tolerance of the trustees. If I have to express some surprise at the manner in which the trustees viewed that transaction, I am more than astonished at the manner in which they viewed the transactions of another officer, to whom reference is made by the Commission on page 35 of their report. The facts regarding that officer are that a certain Mrs. B., who resides not far from my neighbourhood, and I know the lady quite well, made application for a loan on the 10th January, 1929, and the Bank inspector referred to inspected the property and classified it as comprising 296 acres of first-class land and 2,000 acres of second-class land. On this classification, the Bank approved of a £300 advance, £150 for clearing forest country at 30s. per acre, and £150 on a 50 per cent. basis. Although Mrs. B. had made repeated applications for loans, up to that time the trustees refused to make further advances, on the ground that the property was worthless. The lady wrote to me twice about the matter but the trustees, justifiably so I think, refused to grant the advances. Eight months later a further application was made for a loan of £400. On this occasion the inspector classified the land as including 900 acres of heavy forest country. In that brief interval the proportion of first-class land had risen from 296 acres to 900 acres. Within 10 days of the second classification, the inspector's wife entered into partnership with Mrs. B., and from the 10th September, 1929, the date on which the partnership between Mrs. B. and the field inspector's wife was signed, to the 11th July, 1930, a period of 10 months, £1,575 was advanced on this property, or a total of £1,929 advanced on a property originally classified with an area of 296 acres of first-class land. But the major portion of the advances were not made to Mrs. B. because, within three months of the signing of the deed of partnership, the

field officer's wife purchased, on terms, Mrs. B.'s interest in the property. In referring to this transaction, the trustees, in their report, make a statement that I regret to say is by no means accurate. They state that "the inspector's remissness consisted in accepting, without check, a classification made by his predecessor, which was subsequently found to understate the quality of the soil, and left the inspector open to the insinuation that he disparaged the land for ulterior motives." The inspector referred to in no way supports the statement of the trustees. Neither before the Royal Commission nor anywhere else does he state that he accepted, without check, a classification made by his predecessor. In his report to the trustees on the 10th January, 1929, he states definitely that he inspected the property and interviewed the holder, and the diagram he drew, showing the classification and improvements, is not identical or consistent with that made by his predecessor. Giving evidence before the Royal Commission, members will note on page 35, the inspector did not state that he ever understated the quality of the soil. He did not even state that he valued the security on the quality of the soil. On the other hand, he stated that he valued the security on the personal equation—and the personal equation was his own wife! I was very pained when I read that statement in the trustees' reply, because I realised it was not accurate. From an advance of £300, half of which was given to Mrs. B. on a fifty-fifty basis, the advances increased to £1,929, and of this amount advances totalling £1,575 were made within 10 months from the date the field officer's wife signed the partnership agreement with Mrs. B. These latter advances were made on 100 per cent. basis and, in this instance, the advances were made to the inspector's wife. The subsequent transactions will interest the House. On the 2nd March, 1931, 18 months after the inspector's wife became a partner in Mrs. B.'s property, she claimed the protection of the Farmers' Debts Adjustment Act, and it was found that the total liabilities amounted to £4,038, £3,139 being to secured creditors and £1,899 to unsecured creditors. At the meeting, no arrangements were made with the creditors to carry on the holding, and the Agricultural Bank assumed

possession. At that time the indebtedness to the Agricultural Bank was—

	£	s.	d.
Principal	1,786	7	10
Interest unpaid	105	9	7
Advance under the Farm Labour Subsidy Scheme	38	0	0
Total	£1,929	17	5

The inspector's wife did not pay the interest, and she did not even refund the advance made under the farm labourer subsidy scheme. Even though the Bank had advanced for the clearing, she owed over £100 to the clearers. All the officials in this matter are in my opinion open to the severest censure, including the branch manager at Geraldton, who on being asked his opinion of the whole matter stated that in his view the whole thing was very questionable. Yet he had known it was going on all the time. When asked if he were satisfied that the Bank's money had been spent on the property he replied, "No, I find that there seemed to be a shortage of improvements to cover the amount advanced." When the branch manager was further asked if he recommended the inspector's dismissal, he qualified it by recommending his transfer because he was an expert classifier. That is a perfectly astounding statement, since the man who classified the land did so on the personal equation of his own wife, and with such disastrous results to the Bank. Early in 1932 the Managing Trustee wrote to the Bank Manager at Geraldton that he had for some time been dissatisfied with the actions of this inspector, that his financial position and land transactions were likely to bring discredit upon the Bank. Mr. McLarty continued that he was forced to the conclusion that the field officer referred to was not a satisfactory inspector and that consideration should be given to his retirement. Of course he was not a satisfactory officer; indeed he was a dishonest and dishonourable man. Yet two years later the Commission found that officer still in charge of the same district! So I feel called upon to defend the Commission when I find them stating facts that reflect upon the administration of the Bank. It is difficult for me to speak restrainedly on this character of the administration, but the House will be further surprised to know that in addition to this transaction the inspector also had another property adjoining his wife's, in his own name, and he had

been advanced approximately £400 and that when the Bank was compelled to foreclose, the principal outstanding at the 30th June, 1933, was £399 19s. 5d. and the interest £62 2s. 4d. This officer I understand was recently retired, but everybody in the district knew what was going on, and we can imagine the contempt the settlers must have felt for the administration when the officer guilty of such a transaction was allowed to continue to hold his position. When I read the trustees' reply to the Commission I failed to see why the trustees should feel called upon to defend transactions of this character. I am quite sure that not one of the trustees would have been a party to any such transaction. Yet they felt called upon to defend this officer when, in the interests of the Bank and of the State, he should have been sacked years ago. In this matter the trustees have been badly let down by their officers. From the nature of their office they cannot be expected to be in touch with the details of the administration, and they do themselves less than justice in justifying transactions which, in their innermost thoughts, they know they should condemn. I do not agree with the Commission's remarks regarding the wool and stock position. I sympathise with the trustees in their difficulties in dealing with securities, the chief production of which is wheat and wool. The sheep are in a great many instances held under lien to stock firms, and, with the farmer, those stock firms take all the proceeds, with the result that the Bank, which provided all the funds for development, gets no portion of the interest due. The Bank is not in a position to finance the stock, but it is very unfair that the stock firms should be exploiting the State by taking all the proceeds and denying to the State any return in consideration of the large sums of money spent on the development of the property. And sometimes the Bank does not get a fair deal when it does put stock on such properties. Complaints have been made in the House of the Commission's method of taking evidence, which it is said was neither helpful to the Commission nor fair to witnesses unaccustomed to the environment of the witness box. It is contended that no intimation of the nature of the evidence to be taken from officials was given, but I am informed that only in one instance during the sittings of the Commission was any

complaint made. It is a fact that the trustees themselves instructed all branch officials to prepare for the Commission and I know that in at least one instance the chairman of the Commission and the secretary gave up the whole of one Sunday to assist a Bank manager in preparing his evidence. I do not think the general manager will complain that the Commission in any way treated him intemperately or discourteously. It has not been pleasant for me to take part in this discussion. I did not want the discussion. I was prepared to bring in legislation dealing with the Bank and allow the House to discuss that legislation. It is all the more painful to me because the department under discussion is also under my control. My relationship with the trustees has always been satisfactory. I have never had any quarrel with them and never received from them anything but loyalty, and I have always stood to them. I have discussed matters with them on many occasions, sometimes opposing their point of view and sometimes referring to matters which I regarded as weakness in administration; but on the whole my relationship with the Bank has been satisfactory, and I hold the Managing Trustee in very great esteem. Nothing has been said in the House of his personal character and qualifications that I do not admit, for he is a very honourable man and a loyal officer to the State. So I have found my position a very invidious one. The Government appointed the Commission, selecting honourable men of character and ability as Commissioners. Those Commissioners did their task, and in the House they are condemned for doing what they considered the country expected them to do. The language may have been considered harsh: probably it was, but their facts are the facts as they found them. If members consider the report carefully, they will find it is based on evidence, and much of it the evidence of Bank officials themselves. But what is the duty of the Government? Are we to appoint a Royal Commission and allow its members to be scoffed at and regarded in this hostile manner? If that were so, no honourable man would accept a position on a Royal Commission. I do not think the members of the Commission bother much about the criticism; they just shrug their shoulders. Much of the criticism directed at them has resulted from incomplete knowledge and a superficial acquaintance with the facts set

out in the evidence. Some of the speeches have been puerile and have displayed no knowledge whatever of the evidence adduced and the recommendations based on that evidence.

Mr. Lambert: Do you justify the finding of the Commission as regards the probable losses?

The MINISTER FOR LANDS: No, I do not, but I am sure there will be heavy losses. I am not called upon to justify the Commission. I have already stated that I do not agree with some of their findings and have told them personally. When the Commission might have blamed the Bank for advancing on the 3,500 farms scheme, I called them to my office and said, "I am responsible for that, not the trustees." I have always accepted my responsibility and will continue to do so.

Mr. Lambert: The probable losses as stated by the Commission are fantastic.

The MINISTER FOR LANDS: The Government will not let down the Commission who have done their best to serve the State. I do not wish to quarrel with the trustees. I repeat that I have a very high regard for the Managing Trustee personally, whom I consider a very fine citizen and a very honourable man. Still, I am distressed when I find the trustees excusing the corruption of an official when I know that not one of the trustees himself would have been guilty of such actions, but would have disdained them. They are not called upon to excuse officers who are not straight; their duty is to sack such officers in the best interests of the institution and its administration. I do not hold the trustees entirely responsible for the weaknesses disclosed, but at the same time I do not acquit them of their fair responsibility. Referring to the developmental policy pursued during the last decade, I have before me a letter written by Mr. A. R. Richardson to Sir James Mitchell, every word of which is prophetic, and when I read the concluding remarks I could not help thinking of the speech of the member for Sussex. In his valedictory letter, Mr. Richardson concluded thus—

To conclude with a few reflections, sooner or later we shall be compelled to realise that when Governments enter the commercial arena and are therefore obliged to show profits, they are faced with many complex situations, and when they further become money-lenders, they add greatly to their sorrows. The commercial money-lenders, when the borrower fails in his obligations,

can exercise the final right of recourse by realising his assets. They must be hard-hearted enough to do this, and also proof against criticism or the resentment of their clients. But is this safety valve accessible to popular Government, whose breath of life is not even in their own nostrils, but must first be breathed from a thousand throats, whose voices, if not agreed, bring death to the Government? And if a large body of these clients are affected by the seizure of assets, then the loud voice of their resentment will also resound in the ballot boxes as well as in the Press.

Mr. Lambert: Who said we could sin and remain pure?

The MINISTER FOR LANDS: That letter illustrates the difficulty of the trustees. They have had to consider aspects of Government policy. To-day they consider keeping a man on the land when he should not be kept there, because they think that in the end he might prove successful. They think it is better to keep a man on the land rather than have him go on sustenance, and so they continue to advance money, and to no good effect. This sort of thing has to be faced by the House when considering reconstruction. I regard the recommendations of the Commission as being very important in that respect, and if my wishes are accepted, I hope to see the trustees strengthened in their position and given power with which they can do some service for the State. Then the settlers would have to make good on a reasonable proposition or get out. That is all members ask, and that is what I hope they will stand up to. It has been urged that the institution is a humanitarian one. It may be humanitarian, but this must necessarily be within reasonable limits in a banking institution. The Bank must be administered in a spirit of justice to the taxpayers as well as justice to the farmers, as on this basis Parliament has prescribed the legislation under which the trustees should operate. I regret that the Leader of the Opposition is not in his seat, because I am making this remark for his particular benefit. In his remarks he condemned the Commissioners because they had referred to successful farmers having done odd jobs on Sundays. With a pretence at great indignation, he scornfully criticised the Commissioners, and compared their reference with the 44 hour week of workers in some other industries. That was a very cheap piece of political propaganda. The Leader of the Opposition well knows that in every walk of life success

awaits the most industrious and those who strive for efficiency. The farmer's occupation and opportunities are not comparable with those of the wage-earner. The farmer claims to be an individualist, working for himself. Every hour he puts in, whether on Sunday or Monday, is something which he is doing for himself in the hope that his labours and sacrifices will beget individual success. The same principle applies to every other occupation where, in this competitive age, success of one individual as against another can only be achieved by individual sacrifice and effort. The farmer works that he may achieve something greater than the wages man, whose opportunities are determined and limited by the Arbitration Court and by the capacity of the industry to pay. The wages man has no hope or expectation of owning a property, and with it that independence and security for which men in all walks of life hope and strive. That is the difference between the farmer and the wages man. The Leader of the Opposition was not sincere in his observations. He was merely attempting to grasp that reference in the report as a useful piece of political propaganda. The Leader of the Opposition himself works on Sunday, or any day in the week. He is working and striving for himself. He does not expect the men he employs to do that, for he knows their only expectation is to receive their wages. The farmer has the expectation of winning a competence for himself, a valuable independence, and that security in life for which every man strives if he has any ambition. He works all hours and any day in the week. On my own farm I did not consider time in any way. The farmer works for himself, and naturally does odd jobs on Sundays. In the course of taking evidence the Commission asked how it was that one man had succeeded where others had failed. They were informed that the farmer worked at odd jobs on Sundays as well as doing his ordinary work during the week, but that other men did not work even on week days, but took frequent holidays. The successful men became successful as a result of industry and sacrifice, and without such qualifications no man can succeed anywhere. The Leader of the Opposition's attack upon the Commission will, I am sure, be deplored by every right-thinking person. He attacked the Wheatgrowers' Union. That union some-

times attacks me, so I believe, but I protect myself against any criticism by neglecting to read their newspaper. The Leader of the Opposition said—apparently it was represented in the gallery at the time—that the union was responsible for the appointment of the Commission, and that if the farmers suffered, the Wheatgrowers' Union would be responsible. It is pertinent to ask here how any legitimate farmer can suffer as a result of the Commission's recommendations. The Commission recommend a writing down. How can the farmers suffer from that? The Commission recommend that inefficient and dishonest men shall not be retained on the land. How can a legitimate farmer suffer from that? It is distinctly in the interests of the farmers to have the Bank administered on sound lines, and that can only beneficially affect the industrious and responsible farmer. Every country member of Parliament, and every organisation representing the farmers, whether it be the Primary Producers' Association, the Wheatgrowers' Union, or the R.S.L., has insisted upon the elimination of the unsatisfactory settler. At every conference I have attended, and at every meeting they hold they talk about the elimination of the unsatisfactory settler, and the consolidation of existing settlements. The Commission go no further than that. If the recommendations result in the consolidation of existing settlements, the elimination of the unsatisfactory settler, and the writing down of impossible liabilities, the Wheatgrowers' Union may well say they have succeeded beyond their expectations. I have to thank members for the attention with which they have listened to my remarks. In the main I regard the recommendations of the Commission as invaluable in directing the attention of the community to the serious position of the Bank, and the need for immediate reconstruction. They have directed attention to the weaknesses and difficulties in administration and to the lapses of officers. In their recommendations they have strengthened the authorities controlling the Bank, and removed from them any possibility of pressure or undue influence. The officers of the Agricultural Bank admitted that they have been influenced. The recommendations will have vested them with authority to insist upon sound farming economy

and practice, and will beget from the settler a regard for his obligations which will result in his solvency and be to the good of the State. I commend the Commission for many of their recommendations, which will receive the consideration of the Government, and later probably the endorsement of the House. No Government worthy of their salt would appoint a Royal Commission, and having a knowledge of the recommendations and the evidence on which they were based would, because of superficial criticism by members of the House, desert that Commission. I sympathise with the trustees in many ways. I do not, however, by any means endorse their statements in answer to the criticism of the Commission. Far from doing the State any injury I feel sure the report will do good. If we can pull the State round now, by facing the position, and the Commonwealth Government will give the assistance the Prime Minister has talked about as coming to the farming community, we may then put the industry on a sound basis. The experiences of the farmers during these difficult times will, I hope, not be repeated, but that the lessons to be learned will not be lost by them and the people of the State.

Question put and passed.

ADJOURNMENT—SPECIAL.

THE MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle) [11.36]: I move—

That the House at its rising adjourn until Tuesday next.

Question put and passed.

House adjourned at 11.37 p.m.

Legislative Council,

Thursday, 27th September, 1934.

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

BILL—SOLDIER LAND SETTLEMENT.

Read a third time and *passed*.

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

Second Reading.

Debate resumed from the previous day.

HON. H. S. W. PARKER (Metropolitan-Suburban) [4.36]: This Bill appears to me a highly necessary measure, as there is far too much evasion of duties at the present time. Owing to the enormous amount evaded, taxes become heavier and heavier, whereas if everyone paid his just proportion, they would not need to be so severe. It is the honest citizen who suffers for the benefit of the man who is able to evade the taxation. The Bill is in the direction of tightening up probate duties generally. However, there are certain features of the measure with which I do not agree. While it is obvious that if everybody paid, the burden would not be nearly so heavy, yet taxes must not be made so severe that people are induced to exercise their ingenuity to avoid them. In this State it is a serious matter to take away, because a man dies, money that is in industry. That applies to the pastoral industry. When a pastoralist dies, property sometimes has to be sold at a loss, and the purchaser has not the necessary capital to carry on the industry as it should be carried on. That remark applies also to other industries in a young country such as this. The position is quite different in older countries, where people have acquired enormous wealth and large estates, and the policy of Governments for the time being is to break up