

to carry out the work. In addition, the Bendigo Rotary Club received from the Victorian Government £2,000 for placing 25 boys. Many of the boy employment movements in the Eastern States are supplied by their respective Governments with free postage, or its equivalent. The league in Western Australia does not even receive free postage, or any grant for that purpose. A similar organisation for the placing of girls in positions in Western Australia, according to the Auditor General's report, received in 1931-32 over £6,743; in 1932-33, £4,121, and, for the portion of 1933-34 to the 7th September, £2,577. The Boys' Employment League does not complain about the assistance rendered to the movement for the girls, but points to the difficulties experienced in carrying out the work it has in hand. In placing over 4,000 boys in work, not one has displaced an adult worker, and the lads have been saved from losing their morale through inability to secure work. We know how degrading it is to the youth of the State to waste their time in idleness. A lot has already been done by the league, and the service rendered has been of advantage to the State both from an educational and a moral point of view. For these reasons alone I would commend the request of the league to the Minister. It does not require much, only a little cash to help these lads with their transport to the various jobs.

MR. GRIFFITHS (Avon) [10.31]: The hon. member has stolen my thunder.

The **CHAIRMAN**: The hon. member must not reflect on another hon. member.

MR. GRIFFITHS: I do not wish to do so. I have had some conversations with members of this league, and I know from experience the fine work they have been doing on behalf of youths waiting for employment after leaving school. The league have had practically no assistance from the Government. The figures given by the member for Perth as to what has been done by the league have been most illuminating. Only to-day I heard from a member of the league that there is some move to put them under the auspices of the Technical School. I hope the Minister will see to it that some assistance will be granted in the direction indicated by the member for Perth, and I trust that the activities of the league will not be curtailed in any way.

Progress reported.

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

- 1, Forests Act Amendment.
- 2, Soldier Land Settlement.

House adjourned at 10.34 p.m.

Legislative Council,

Tuesday, 30th October, 1934.

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

ADMINISTRATION ACT (ESTATE AND SUCCESSION DUTIES) AMENDMENT BILL SELECT COMMITTEE.

Extension of Time.

On motion by Hon. J. Nicholson, the time for bringing up the report was extended to Tuesday, 13th November.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE (No. 2).

Second Reading.

Debate resumed from the 25th October.

HON. H. SEDDON (North-East) [4.35]: This Bill is the usual annual measure to extend the operations of the Industries Assistance Board. It is unfortunate that we have not before us the report of the board for the year just closed, and therefore can only discuss the Bill in the light of the information supplied by the Minister. I should like

to direct attention to two provisions in the Industries Assistance Act. Section 28A provides that a report and balance sheet of the operations of the board shall be laid before both Houses of Parliament by the Minister in charge of the department on or before the 30th day of September. Section 28B provides that a printed report and audited balance sheet of the operations of the board shall be laid before both Houses by the Minister on or before the 30th day of September. The Chief Secretary might direct the attention of the Minister in charge of the department to those two sections and, when replying to the debate, inform us why the report and balance sheet are not before us. Although we have not the report of the board we have certain figures supplied by the Minister that can be compared with the figures of previous years. A further amount of £30,000 was advanced during the year just closed, compared with additional advances totalling £25,000 in the previous year. The total number of clients under the board was 393 last year compared with 1,425 in the previous year and 1,339 in the year before that. The difference, I understand, is due to a number of settlers in the Yilgarn area having been brought under the board. There has been a reduction in the amount outstanding. Last year the figure was £1,904,923, compared with £1,972,109 in the year before. Unfortunately we have not the details before us, and therefore do not know exactly how the improvement has been effected. We are told that quite a number of the settlers operating under the Act must be carried on. I do not know why they should be. If I were engaged in one of the ordinary avocations of life and made a mess of the business, I should have to show cause to my creditors in order to be allowed to carry on.

Hon. H. J. Yelland: That would not be due to acts of God.

Hon. H. SEDDON: It might be.

Hon. R. G. Moore: It might be when the farmer is concerned.

Hon. H. SEDDON: Yes. If I could not show reasonable prospects of making a success of my business and recovering my position, I should get short shrift from my creditors, and rightly so. I cannot see why similar conditions should not apply to farmers.

Hon. H. J. Yelland: The farmers have to carry all the other industries on their backs.

Hon. H. SEDDON: Do they? I was under the impression that a good many other industries were carrying the farmers on their backs. The report of the Royal Commission on the Agricultural Bank indicates who are carrying other people on their backs. If the ordinary principles of banking caution had been exercised in administering the Agricultural Bank, such a report would not have been placed before us by the Royal Commission, a report that contains very caustic references to the operations of the board. Every year the advisableness of continuing the board has been questioned, but we persist in carrying on, and apparently no discrimination is made regarding the accounts handled. I consider that it would be within the bounds of good business methods if we stipulated that no client should be carried on by the board for a longer period than, say, five years. We know that a lot of farmers have been carried on by the board for a much longer period. There should have been discrimination, particularly in view of the statements contained in the report of the Royal Commission.

Hon. H. J. Yelland: Are there any of the original 1914 settlers under the Act now?

Hon. H. SEDDON: I have reason to believe that there are. That information was contained in a previous report of the board's operations. Let me refer to one or two statements made by the Royal Commission. On page 42 of the report appear the following:—

Almost from its inception the Industries Assistance Board was controlled by the trustees of the Agricultural Bank. Notwithstanding the bold policy of advancing 100 per cent. of the value of the improvements to the mortgagors, the trustees who were in control of the affairs of both Bank and board approved, through the board, of still further advances in respect to the same securities, with the result that the present high capitalisations of many of the Bank's properties are largely due to the operations of the Industries Assistance Board.

It would appear that advances were made year after year without fully considering either the personal equation of the client or the class of country upon which advances were made. Efficient farmers on good holdings very quickly paid off their Industries Assistance Board indebtedness, whilst poor properties, and still worse, inefficient farmers, have been carried on year after year, building up an enormous indebtedness which was eventually funded.

One of the field inspectors in the course of evidence made the following statement:—

When properties are abandoned they are unsaleable because of the state in which they are left. The bulk of the farmers are over-capitalised if you take in the Industries Assistance Board debt. In the early days the Industries Assistance Board handed out money with both hands. The credit authority was passed on the area actually cropped. I was always against that system.

The Commission further commented—

The Industries Assistance Board was of incalculable assistance to those farmers who appreciated the original intention of the Act, and were placed in a sound position as a result. On the 30th June, 1933, the board's capital liability was £1,972,109, an increase of £80,291 against that of the previous year, and 1,425 settlers were still indebted to the board

A little further on reference is made to the work that has been done by the board—

The board, as already pointed out, has assisted many farmers to make good. The heavy losses sustained, however, in the majority of accounts handled by the board, almost nullify the value of the work the board has done in this connection. The taxpayers of the State have already shouldered a loss of £615,498 upon which interest must be paid by them, and in 2½ years a further loss of £123,321 has accumulated, which will eventually place an additional burden of interest on them. Of the balance of principal and interest due to the board, outstanding at 30-6-33, namely, £1,847,350 (after allowing £36,332 reserve for the year) it is estimated that very little of these outstandings will be collected.

The losses sustained to date, as stated above, together with the estimated loss, particulars of which are shown in Part VI. of this Report, total £2,073,484. This would represent approximately the loss which the taxpayers of the State will be called upon to bear, as a result of the operations of the Industries Assistance Board to 30th June, 1933.

There is one note ringing through the whole of those paragraphs, and I would like to draw attention to it. It is the stress which is laid upon the personal equation in dealing with the accounts. Unfortunately, there is a responsibility which Parliament has evaded from year to year in not insisting, in view of the figures placed before us from year to year, on this very fact being taken into consideration, and on the operations of the board being considerably curtailed. The concluding words which I read from the Commission's report point out plainly what has been, of course, clearly understood

by hon. members, that the loss will be borne by the taxpayers of the State. I want to know how much longer Parliament will condone this state of affairs, how much longer the people of the State are to have placed on their shoulders losses which are incurred through waste, and also through the neglect of Parliament to carry out its responsibility of seeing that the affairs of the State are administered on somewhere near ordinary business lines. In the circumstances, I submit, the time has arrived when we should insist upon some provision being inserted in the Act to prevent the accounts being carried on from year to year, some provision whereby clients shall, willy-nilly, be brought to account within a limited period rather than be carried on indefinitely, involving the State in heavy loss. In the circumstances, I cannot support the Bill.

HON. J. CORNELL (South) [4.50]:

There seems to be some reluctance on the part of hon. members to discuss the Bill. There also seems to be a kind of atmosphere prevailing that because it has been, so to speak, customary to pass this continuance measure session after session without discussion, the present Bill ought to be passed without discussion. Evidently members have entirely lost sight of the report of the recent Royal Commission which inquired into the Agricultural Bank's affairs, or else they are reserving themselves for the debate which will ensue upon the Agricultural Bank Bill reaching this Chamber from another place. But we must not lose sight of the fact that, so far as we know, it is the proposal of the Minister for Lands to arm the new men who will take over the affairs of the Agricultural Bank with certain new authorities which the men about to be displaced did not exercise. We know, and Mr. Seddon has rightly pointed out, that practically since the inception of the Industries Assistance Act the affairs of the board have been administered by the Agricultural Bank Trustees. I understand it is proposed that that set of circumstances shall continue, that the proposed new commissioners shall administer the affairs of the Industries Assistance Board just as the present Agricultural Bank Trustees have administered them, and with exactly the same kind of machinery. While it is proposed to alter the personnel of the administration, it is not intended to alter the machinery under which the present administration has been

working. Hon. members should take that factor into consideration when discussing the present Bill. They ought to take into consideration also that some 1,400 Agricultural Bank clients are involved in the Bill, since practically every client of the I.A.B. is also a client of the Agricultural Bank. While it is proposed to turn the administration inside out so far as the Agricultural Bank is concerned, it is not proposed to interfere in any way with what is being done under the Industries Assistance Board. My personal opinion is that the greatest weakness with which the Agricultural Bank Trustees had to contend was, not the Agricultural Bank Act, but the Industries Assistance Act, or clients who were clients of both the Bank and the board. There is to be, apparently, no attempt whatever at consolidation. It will be interesting to see what future developments are to be. Probably we may assume that in whatever direction the Agricultural Bank Act is amended, and in whatever direction the present administrators are dispensed with or are succeeded by other men with new powers, the Industries Assistance Act will be administered with the same old machinery, scraping along with it for the next 12 months at least. I readily acknowledge that probably this year there will be greater reason for continuing the Industries Assistance Act, or its machinery, than there has been for two or three years past, owing to adverse harvest conditions in various parts of the State. Presumably we can look forward to new I.A.B. clients, because one of the reasons advanced for this Bill is that it contains the machinery necessary for carrying on Agricultural Bank clients who have struck adverse conditions during the year, and who, may I say, have reached the limit of advances under the Agricultural Bank Act. It is safe to say the vast majority of clients now on the Industries Assistance Board have long ago exceeded the amount that can be advanced under the Agricultural Bank Act, namely £2,000. If hon. members are of opinion that the provisions of the Act which has operated for so many years are sufficient to meet the requirements of an adverse harvest, let us re-enact the measure; but if it is found, upon investigation, that owing to adversity in some parts of the State the existing machinery is harsh—in some respects it undoubtedly is harsh—now is the time for making some necessary amendments and for taking a long view in

order to provide adequately, in the light of past experience, for the adversity that probably confronts us in the near future. Perhaps it can be said that that part of the State which you, Mr. President, and Mr. Williams and I represent is singularly free from the operation of the Industries Assistance Board, particularly east of Merredin, southward to Ravensthorpe, and east of Noongaar. In that locality, and indeed throughout the whole of the Yilgarn and lakes district, the maximum advance made by the Agricultural Bank is £1,400, as against the £1,500 maximum fixed by the Act. Not in any case, I believe, has more than £1,400 been advanced. Certainly, in but the rarest cases has the £100 allowed for water supply been given. That being so, the Industries Assistance Board have not operated in those localities. The Board are coming into operation, I greatly regret to say, on the miners' settlement at Yilgarn, where there are some 80 or 90 settlers. The majority of these, because of special circumstances, and because of the special consideration extended to them by virtue of their being dusted miners, have exceeded the maximum of £2,000 laid down by the Agricultural Bank. Once that amount had been reached or exceeded, if any special consideration was to be given to those settlers, it had to be given under the Industries Assistance Act. Some of the miner-settlers have told me that although they did not reach the £2,000 maximum, they were forced to go under the Industries Assistance Act. Some refused, and have been given the cane ever since. As regards the men who are under the Industries Assistance Board—and some of these are up to £2,400—from what I have learned recently I am convinced that they will not be able to meet their obligations and that they have no possible chance of fulfilling their commitments for this year. There is only one way of carrying them on, and that is to let them get further into debt under the Industries Assistance Board. So far as that part of Yilgarn is concerned, we may expect the settlers to go on in the same old way with the same old methods, and probably to the same old end. There is another aspect from which I have long viewed the operations of the Industries Assistance Board in particular, and also to some extent those of the Agricultural Bank. I believe that

series of records are readily obtainable showing that some Industries Assistance Board clients have for the last three or four, or even five years averaged five or six bushels per acre of land seeded. There is only one place for that class of farmer, and that is the road. Either one of two things is wrong; either the land on which the farmer is settled is of very little use, or the personal equation of the individual is such that he will never make good. It is time we squared up the inevitable, and the inevitable is that the useless settler will be on the road. Therefore, the sooner he is on the road, and probably on the dole, the better will it be for the State and the farming community generally. Whilst this individual might have been calmly looked upon by other farmers who were doing their best during the period when prices were reasonable, he is viewed to-day by those farmers in a totally different light. He is viewed from the aspect that he was given assistance for the production of nothing, whilst the other section were given help for the production of something. Therefore the man now making ends meet would be mightily cheered by the other being refused any further help instead of the reverse which has for so long been the case. There is no alternative but to pass the Bill. I do trust, however, that in the future the Act will be administered a little more stringently as far as quite a few of the clients are concerned. If anyone will take the trouble to read up the doings of the board, it will be found that they will disclose their own story, which is that for a considerable period scores of men had accounts under the Industries Assistance Act, and that the only reason why a lot of them remained on the books of the board is that the people who are administering the board's affairs, and the circumstances surrounding the cases of the individual, have been such that those people have been allowed to carry on in the same old way. I support the second reading and trust that if we do meet adverse conditions, and the Industries Assistance Act is found inadequate to meet those conditions, members will not complain but will take a statesmanlike view and amend the Act in the direction considered necessary.

HON. E. H. ANGELO (North) [3.5]: Mr. Seddon said it was about time that Parliament took drastic steps to clean up the operations of the Industries Assistance Board. I remind the hon. member that in 1922 steps were taken in the other Chamber to have the operations of the board closed as soon as possible. On the motion of Mr. Angwin, a select committee was appointed consisting of Mr. Angwin as chairman, Mr. Gibson, Mr. Latham, Mr. Lutey and myself, and that committee in due course presented a report. The final paragraph of the report which was submitted on the 4th December reads—

The board has been in existence for seven years, and during that period the farmers should have been able to make some recovery from the loss sustained during the 1914-15 drought. Conditions have again become normal, and your committee are of opinion that no new clients should be taken by the board. Steps should be taken to finalise the accounts of the board, and the board should cease to exist after its accounts have been finalised. In the event of any difficulty being experienced in finalising the accounts, the administration should be handed over to the Agricultural Bank trustees and, if necessary, the Agricultural Bank Act should be amended so that all assistance to land development may be granted under that Act. If this were done it would enable the security to be watched the more closely and the funds of the State to be protected better than is possible under the Industries Assistance Act with its wide and open provisions.

In taking evidence during the sittings of that committee, we found that two sets of books were being kept and that in some instances people had been allowed to sell their securities on the payment of the debt under one Act, while the debt under the other Act had been forgotten. We had such instances placed before us, and that is why we were so anxious to see the Act wound up as quickly as possible. The conditions then existing appear to be present to-day. Mr. Cornell has pointed out that there is a new Agricultural Bank Bill before another place at the present time and that shortly it will come along to us. May I suggest that we adjourn the further debate on the Bill before us until we see what the other Bill contains? Then perhaps we may be able to propose some alterations whereby the accounts under the Industries Assistance Board may be carefully considered. Those that have any chance of repayment in the future should be transferred to the Agricultural Bank books.

Hon. H. Seddon: The Agricultural Bank Bill provides for that.

Hon. E. H. ANGELO: And those that are hopeless should be wiped out altogether. It seems to me ridiculous, as we found during the investigation by the select committee, that there should be two sets of books and two sets of officers carrying out practically the same work, and in many instances working at cross purposes. The select committee also found that assistance granted under this Act extended to many things that were never anticipated. For instance, in addition to cropping, assistance was rendered for the purchase of cattle, horses, sheep, machinery, as well as medicines and even maternity cases. It is just as well that we should know a little more about the working of this Act, and I suggest that we do not completely pass the Bill until we have discussed the provisions of the Agricultural Bank Bill, which we hope to have before us in the near future.

HON. L. CRAIG (South-West) [5.10]: I have been informed that settlers under the Agricultural Bank, where they have failed to pay their interest, are charged 5 per cent. accommodation interest. That also applies to the settlers under the Soldier Settlement Scheme, but under the Industries Assistance Act, no accommodation interest is paid. I should like to ask the Chief Secretary whether that is so.

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

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Second Reading.

Order of the Day read for the resumption of the debate on the second reading from the 25th October.

On motion by Hon. J. Nicholson, debate adjourned.

House adjourned at 5.12 p.m.

Legislative Assembly,

Tuesday, 30th October, 1934.

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

QUESTION—LAND SETTLEMENT, ADVANCES.

The MINISTER FOR LANDS: With reference to the question asked last week by the Leader of the Opposition, the information that was given was not that which was asked for. I now supply the following:—

The position to date is—

	£
Amount received from Commonwealth	429,630
Expenditure to date	387,591
Balance unspent	£42,039

The instalments, which include principal and interest, due and unpaid, amount to £61,035 19s. 1d.

LOAN ESTIMATES, 1934-35.

Message.

Message from the Lieut.-Governor received and read transmitting the Loan Estimates for the year 1934-35 and recommending appropriation.

In Committee of Supply.

The House having resolved into Committee of Supply to consider the Loan Estimates; Mr. Sleeman in the Chair.

Vote—Departmental, £87,104:

THE ACTING PREMIER AND TREASURER (Hon. A. McCallum—South Fremantle) [4.32]: I intend to follow the usual course adopted in presenting the Loan Estimates, namely, to outline the main headings,