**DISCHARGED SOLDIERS SETTLEMENT (RELIEF) BILL1925**

**House of Assembly, 10 December 1925, pages 2108-26**

Second reading

**The MINISTER of REPATRIATION (Hon. W. J. Denny)—**I think honorable members will agree that the history of the settlement of our returned soldiers along the River Murray is not one that can be regarded as creditable or viewed with equanimity. It is full of chapters of difficulties and disappointments, and as a returned soldier I may say that I feel it very keenly indeed that the high hopes and enthusiasms which were originally in the minds of the soldier settlers have been attended with such very unfortunate results. This Bill represents a practicable effort to solve these long-standing difficulties. For years past the position has been regarded as anomalous. In fact, in 1922 Parliament found that the position had reached such a position that it appointed the Irrigation Commission with legislative instructions to inquire and report upon--

1. Complaints made in writing to the Commission with regard to the administration before the commencement of this Act of the Irrigation and Reclaimed Lands Act, 1914, and the Discharged Soldiers Settlement Act, 1917- and
2. Whether the financial liabilities to the Government of the State under the said Acts of the lessees of irrigation blocks are such as will prevent the lessees from working their blocks with a reasonable likelihood of success.

That Commission has now presented its report, which is a very valuable document. Its members, Messrs. E. J. Field, R. Horsfield, and R. C. Tolley, have worked with great assiduity and ability, and sacrificed a great deal of leisure and convenience in order to present their report as early as possible. Their sole concern has been the welfare of the soldiers. The findings of the Commission indicate very many unsatisfactory features. The State will lose a huge sum, the settlers are not satisfied, and many of the acts which have been done indicate a great lack of foresight and judgment. The loss to the State on the irrigation settlements on the Murray must inevitably run into some millions of pounds. These losses have not all been incurred in connection with the settlement of soldiers, but a large part of them have. The precise amount of loss cannot yet be estimated, as, although the existing losses to the State are approximately known, the heaviest losses will be in the future. The probable existing loss is as follows:—(1) To be written off in reduction of soldier settlers’ advance accounts and the capital cost of swamp and other condemned areas, £443,000; (2) concessions of interest chargeable to discharged soldiers in irrigation areas for the first five years, £250,000; (3) special concessions in water rates to soldiers in irrigation areas (apart altogether from the concessions to civilians), £67,000; (4) administrative expenses and bad debts and other non-recoverable expenses, £490,000 (this latter sum is composed entirely of money spent by the State for the benefit of discharged soldiers and in respect of which the soldier is not called upon to reimburse to the State a single penny); (5) written off Jervois in order to enable land to be let at a price which will attract settlers, £400,000; (6) spent at Loveday (the exact amount of which cannot be estimated), £1,000,000; (7) accumulated working loss on irrigation areas (which last year amounted to about £80,000 but which showed a reduction of about £18,000 on the previous year’s figure), £500,000. Estimated total present loss, £3,150,000. In respect to that loss, I have included Loveday, which we can only hope may some day be utilised and the consequent loss minimised. But this total does not include the estimated future loss which must of necessity arise when the time comes for fixing the values of each block to the settler, which must amount to a very considerable figure indeed. It does not include other similar losses which have already occurred and will occur in the future in respect to soldiers settled in non-irrigation areas. As to the cause of the losses, I desire to say that no good purpose can be served by either regrets or recriminations. The proper course to pursue is for the Government to avail themselves of the experience of the past and turn those lessons to the greatest profit in future. What are the lessons which the work of the Irrigation Commission teaches? Firstly, it shows the need for very careful preliminary inquiry and investigation before the State embarks upon any scheme of settling irrigation lands. The Commission found with regard to the areas already opened up that “There was an entire lack of business acumen and foresight in regard to the opening up of the areas inasmuch as no thought appears to have been given to the question whether the areas when developed and settled could be run on a commercial basis—that is to say, whether the cost of supplying water, including interest on capital expenditure and sinking fund on pumping plants could be covered by a reasonable water rate.” The heavy losses incurred in the orchard propositions at Wall and Neeta and the Holder division of the Waikerie irrigation area, and the annual losses in working the other settled areas, are undoubtedly the result of the capital costs being underestimated and the failure to have a pro forma working balance-sheet prepared for each area., as such information would undoubtedly have prevented the opening up of many of these areas. Further, the Commission found that large areas of land were opened up without any proper soil survey being made. The Commission’s report on page 43 reads:—

Unfortunately this failure to have a proper scientific examination of the proposed irriga­tion areas applies in every case, with the result that considerable areas of land which should not have been, irrigated have been reticulated and allotted, resulting in disappointment and financial loss to the settlers concerned, and heavy financial loss to the Government.

These mistakes are partly due to the fact that various Governments over a period of 12 years failed to staff the Irrigation Department with officials possessing the necessary technical skill and administrative ability. Failure to select the right men, and a mistaken policy of economy in offering inadequate salaries resulted in having a staff totally inadequate to manage the very large and important business of the department. The need of the Government and the Commission, however, is to face the facts as they are, and use every endeavor to ensure that the huge sums which the State has spent in an endeavor to settle discharged soldiers on the Murray will prove, as far as possible, to be a reproductive investment. In this connection the interests of the State and of the settlers are identical. The State can only safeguard its own interests in connection with the settlers, by safeguarding the interests of. the settlers themselves. Every settler who is unable to make a success of his block represents a loss to the Government. The settler therefore can rely upon the Government using every fair and justifiable means to ensure the success of every individual man. The recommendations of the Commission may be summarised under three headings:—(1) Reductions in the charges for houses and other improvements in respect of which complaints were made. It recommends that these charges be reduced to what are considered to be reasonable costs, and further the Commission suggests the writing off of capital expenditure to enable reasonable rents to be charged on reclaimed swamp lands—the total estimated resulting loss being stated in the report at £443,594. (2) The capitalisation of all arrears and the consolidation into one account of all the debits against each particular settler. The consolidated debt to the Government so arrived at will be secured by mortgage, and in each case will be repayable over a long period of 60 years on the annuity system. Payments under the new scheme will commence not earlier than July 1, 1926, so as to relieve the settlers of the burden of accumulated arrears and lighten their payments in the earlier periods. (3) Power to be given to the Minister, on the recommendation of the Commission, to make further reductions in the advance accounts of settlers whose blocks are over capitalised to any extent that may be found necessary after investigation of each case, in order to place the settlers in a position to carry on successfully and meet their liabilities after retaining a fair remuneration for their labors. The Commission has indicated in the report that if the debits to the settlers were to be based on the prices received for dried fruits grown in 1922-23 and 1923-24 seasons a very considerable reduction would at once be necessary, but the Commission is of opinion that it is unfair to base any reductions on those prices because the boards which have been appointed by the Commonwealth and State Governments to control the dried fruits market have only just commenced operations and the full effect of the new organisation is not yet apparent. Other factors are operating to improve the outlook for the industry, of which the following may be mentioned:—(1) The preference granted in Great Britain to Australian dried fruit; (2) the preferential treatment granted by Canada to our fruit; (3) the operations of State and Federal Boards of Control which are having a marked effect in the packing and marketing of dried fruits; (4) the bounties and preferential duties on wines which have stimulated export and increased the demand for wine and spirit making grapes. A great improvement in the price of sultanas has already taken place, and it is anticipated by men who are in a position to judge that the returns to settlers for last season’s sultana crop may reach £45 per acre. As regards fresh grapes the opinion has been expressed by persons in a position to know that Doradillos and Gordos will return very remunerative prices for the coming season. Only this morning I noted the following telegram in the daily press:—■

Melbourne, Wednesday.—It is believed by the secretary to the Department of Markets and Migration (Mr. E. J. Mulvaney) that as the result of Federal legislation and other action, together with the substantial preferences granted by Great Britain, the serious problems which faced Australian dried fruits growers are on a fair way to being solved.

May I also quote from the leading article in the “Sunraysia Daily” of November 24:—

Nobody can say to what extent these factors will affect the productive value of land planted to currants any more than anyone could have forecasted a sale of 11,000 tons of our sultanas in the British market this year at an average of £69, with the corollary of increased value of sultana land. If the position of other grapes is examined, the same indefinite but very encouraging prospects are found. The preference given by Great Britain for Dominion wines, and the bounty from the Commonwealth Government, are only now beginning to have their effect. The outlook for the growers of wine grapes has not been so good for years, but it is still too early to place a market value on land under these varieties. If the figures of last year and the year before were to be taken as an indication, the productive value of the land would lie represented by a minus sign. Taken all round, there is more reason for confidence in the future of the dried fruit industry now—perhaps if would be more accurate to say that the reasons for confidence are more apparent now—than at any time since the days when the bottom fell out of the London market. The value is in the land, but it is a little too soon to assess it definitely.

In view of the improved prospects the Cornmission does not consider that the time is opportune to make an all-round reduction by which the cost per acre of every block would be forthwith reduced. The Bill, however, makes provision for authority to make the immediate reductions recommended by the Commission, and also any further reductions that may be considered necessary. Under the Commission’s scheme the settler will have all his arrears capitalised, and will not be worried about any immediate payments, as the Commission will be given a free hand to say when the first instalments will fall due. In the meantime the Government can review the whole position. Some of the settlers are disappointed with the report, because a substantial all-round reduction is not recommended to be made immediately; but it is difficult, in view of the present uncertain position, to arrive at any reasonable basis for revaluation. In any case it would be improper to make an arbitrary all-round reduction at any time, as there are many factors which must be taken into consideration in dealing with each individual case, of which the following are most important:—(1) The quality of the soil; (2) whether the settler has a sufficient area; (3) the class of vines or trees with which each block is planted; (4) the qualifications of the settler—that is to say, whether he is making the best use of his opportunities. (5) Expenditure of private capital by settlers on their blocks. The Royal Commission which recently reported in Victoria stated that “it remains to deal with each settlor on his merits and the merits of his case,” and this is the view taken by the South Australian Commission. The following paragraph from the Victorian report may be quoted to emphasise the difficulties of coming to any definite decision at the present time:—

The process of bringing soldier settlement into a solvent and satisfactory position will be a long one. There is no easy road by which that end can be attained. The difficulties to be surmounted are great, and it will mean long, patient, and anxious toil on the part of those to whom the task is committed if great injustice to individual settlers is to be avoided, as well as large preventable losses to the State.

The Berri settlers made a request for a reduction to a figure not exceeding £50 per acre plus cost of houses and sustenance. Any purely arbitrary basis, without any regard for past or future contingencies, or anything else but a rough, and ready estimate, is inequitable. Any proposal would be inequitable, because, if the best block is only worth £50 an acre, some blocks can only be regarded as worth £20, £10, or even less. There is no one who is more anxious to help these returned soldiers than I am. It has given me a great deal of thought and anxiety, and, if there is a possible way out at the earliest possible moment, I will use every endeavor to do it. In this Bill I am taking powers to do that, but that is a different matter to taking up what is thrown out without any regard to facts and possibilities of the future, because honorable members will remember when wheat was only realising 2s. 6d. a bushel in this State and wool 3d. or 4d. a lb., and if it were proposed that an effort should be made to fix for all time the value of properties on that basis it would be unfair. The soldier settlers deserve more consideration than the average man, and so far as I am concerned they will get it, but the Government cannot and will not be hustled into adopting a solution which, on first sight, appears to be very attractive, but which, on examination, cannot be depended on. We are not dealing with the open market, but a very delicate relation between the Government and the settlers, and the settlers are going to receive infinitely more consideration than if the relations were between two private persons.

Mr. McMillan—I think the settlers would be prepared to accept open market values.

The MINISTER of REPATRIATION—I do not know, but that point does not matter. The position is not analogous in any shape or form. Any proposal of that kind would be inequitable. The best block is only worth £50 per acre. Some would only be regarded as worth £20, or even less. That would be absurd. In addition to that a statement has been prepared showing that if this suggestion were adopted and payments were required under the present regulations the immediate annual payments would be much higher than for the full debits under the Commission’s recommendations, with the proposed annuity system of payment over a period of 60 years. It may be argued that these figures make an unfair comparison, because the annual payments under the present regulations will be largely reduced in a few years when the stock and plant is paid for, but the present system puts an impossible burden on the settler when he is at least able to meet it, whereas, under the annuity system and funding of debts, as suggested by the Commission, the compulsory payments in the early periods are much lighter. It was stated at the Berri meeting that under the proposals of the Commission for a 60-year period of payment the settlers would be passing their responsibilities on to their children; but there would be no bar to their reducing their capital liability in as short a time under one system as the other. I fully appreciate the feelings of the settlers who, after waiting for their blocks to come into bearing, find that prices for their products are un-remunerative, and that there is uncertainty as to their liability to the Government; but so far as prices are concerned, the outlook is certainly brighter, and I can assure them that their liabilities will, if necessary, be reduced to a figure that will enable the settler to meet his annual payments to the. Government after receiving a liberal allowance for his living and other expenses. The Commission has been accused of want of sympathy with the settlers. That is an injustice to a conscientious and sympathetic body of men. It is the business of the Commission to put the men on the Murray on a self-supporting basis; and the members of the Commission, like most other men, have a natural desire to make a success of their business. This consideration alone would suffice to compel the Commission to take a sympathetic view of the settlers’ difficulties. In this connection I may quote and endorse the words of the “Murray Pioneer ”:—

However far short of what they (the settlers) suppose to be the requirements of the situation the recommendations of the Commission may fall, it should be beyond question that no body of men ever set themselves to the solution of a most difficult problem with a stronger desire to probe the depth and reach a solution that would be fair, to all concerned. It would be well nigh impossible to find anywhere a fairer man than Mr. Field, the Chairman of the Commission, and nowhere could be found anyone more sympathetic with the soldier settler, or one more anxious to give him a fair deal.

A further valuable result of the Commission’s efforts will be an increase in the technical advice and assistance available to settlers. This matter is dealt with in the Commission’s report in a very important paragraph which will be found on page 5. I may quote for the information of the House the Commission’s remarks on this subject:-—

The recommendations of the Commission in regard to the financial obligations of the settlers will, it is hoped, help largely towards placing the settlers on a satisfactory basis; but there is, in the opinion of the Commission, another and perhaps more important aspect of the matter which requires the urgent attention of the Government, viz., the need for more activity in regard to scientific investigation and instruction to the settlers (both soldier and civilian), with the object of improving the yields per acre obtained by the growers from the various classes of vines and fruit trees. The Commission recognises that much valuable work has been carried out by the Department of Agriculture in this direction with the limited staff available, but it strongly urges upon the Government the need for increasing the staff sufficiently to enable the Department of Agriculture to carry on systematic experimental work in various centres by arrangement with progressive settlers so that the results would be easily available for instruction to surrounding lessees. In the opinion of the Commission specialists with scientific and practical knowledge should be available to devote the whole of their time to this experimental work and to give instructions to the settlers as to the best methods of working their blocks.

The latter work is partly attended by the Irrigation Instructor (Mr. W. E. Muspratt) employed by the Irrigation Commission, and valuable work is also being done by the Manager of the Experimental Orchard at Berri (Mr. Savage); but the Commission considers that the work should cover a much wider range and be wholly under the direction of the Department of Agriculture. Bigger yields per acre and better quality fruit are essential factors towards placing the irrigation areas in a pros­perous condition and the settlers in a position of independence.

In other parts of this report the Commission has pointed out that heavy losses have been incurred under the past administration owing to the absence of proper soil surveys prior to the opening up of irrigation areas, and the specialists who are now recommended for appointment would be available to give advice to the Irrigation Commission which would prevent, a repetition of the mistakes of the past. Coordination between the Department of Agriculture and the Irrigation Commission in this direction is, in the opinion of the Commission, most essential.

The foregoing remarks refer to the fruit areas, but the Commission desires them to apply, perhaps, more emphatically to the dairying propositions on the reclaimed swamps. The Commission was greatly impressed by evidence taken in Victoria in regard to the results obtained by dairy instructors employed by the Department of Agriculture and the Water Supply Commission in improving the type and yield of cows in the various centres, and strongly urges that the Government should make available the necessary funds to enable the Department of Agriculture to appoint suitable officers with scientific and practical knowledge to give the whole of their time to the instruction of settlers on the swamp areas. The Director of Agriculture, when giving evidence before the Commission, stated that he had only two dairy experts on his staff, and they had to deal with the whole State. When informed that the Commission desired the men appointed to be equipped with knowledge that would enable them not only to advise a settler on the management of his cows, but also to guide him in the matter of the growth of fodders and the general management of his swamp area, the Director intimated that he could not see how any satisfactory work in this direction could be accomplished unless the Government provided the land and funds for an experiment station on one of the swamp areas, which had been repeatedly asked for and recommended by him, because on the swamps we have conditions which do not exist elsewhere, and no man can advise unless he has had personal experience in handling any particular class of land. The Commission was much impressed by the Director’s arguments, and recommends that the position be met by setting apart a portion of a reclaimed area for the purpose of an experiment station. This would be in accordance with a recommendation made by the Dairy Committee which furnished a report on the reclaimed swamp areas in 1922. There is an urgent need for direction and advice to the settlers, and in view of the large amount of capital involved the Commission is confident that the expense would be justified. In the meantime, any officers appointed could do good work by getting amongst the settlers and urging upon them the advantages—indeed, the absolute necessity for herd testing and culling their herds so as to increase their production per cow. In Gippsland, Victoria, the Commission ascertained that owing principally to the enthusiasm of the dairy instructor stationed in the district the average production of butterfat per cow had been largely increased by several settlers in a short period. Some of the settlers were culling cows which produced less than 280 lbs. of butterfat per annum—700galls. of milk at 4 per cent. test. These settlers and others in Victoria organise their own herd-testing societies and pay all the expenses, and it is hard to conceive that any of our settlers should not take advantage of the testing societies organised by the Department of Agriculture and subsidised by the Government. The Commission can only ascribe the failure of a large number to join the societies to a lack of proper instruction. Another important function of the proposed experiment station would be to investigate whether rural industries other than dairying, such as lamb raising and sheep fattening, pig raising, potato and onion growing, &c., could not be undertaken by the settlers to advantage.

The Government at once acted upon this portion of the report by asking for comments by the Director of Agriculture, which have been received, and are now under consideration. The recent decision of the Government to reorganise the dairy section of the Department of Agriculture is a step in the direction recommended by the Commission.

Mr. McHugh—The proposed experimental dairy farm would not be a training camp or anything like that?

The MINISTER of REPATRIATION—No, the day of that has gone past. It will have nothing to do with training but would be open to inspection at any time by any settler who desired to ascertain as to what were the best means to increase the products of his block.

Mr. Anthoney—Could it not be done on a private block without the necessity for extra Government machinery?

The MINISTER of REPATRIATION—I do not know. Those of us who have seen the Berri experimental orchard will agree that it is a highly desirable and efficient means of educating settlers and I think the same thing might be done in this respect as well. The improvement in the yields per acre from the fruit lands and the production per cow from the dairying propositions is almost as important to the settlers as the reduction of their liabilities. I have dealt with the reduction in settlers’ liabilities recommended, or to be recommended in the future. The other matter dealt with by the Commission is that of making the terms of repayment of advances easier for the settlers. The recommendations on this matter are explained in the first part of the Commission’s report. The Commission clearly found that notwithstanding the reduction in the liability of settlers to the Government on capital account, they would still be unable to work their blocks with a reasonable prospect of success, unless some provision were made for making the payments easier. If the existing scheme of repayment under the Discharged Soldiers Settlement Acts and the regulations were continued in force the annual payments would, notwithstanding the reduction of the capital cost, be such as would preclude the settlers from successfully working their blocks. The matter is summed up in the Commission’s report in the following terms:—

At present the advance accounts of settlers include advances under the following headings: —Sections A and B—For permanent improvements and buildings. Section C—For stock and plant and other movable items. Sustenance to provide food and clothing during the period that the blocks are unproductive. On account of the varying value of the advances as security the term of repayment has been fixed for different periods as follows:—Sections A and B, 44 years; section C, nine years; sustenance, 12 years. The charges for interest under the regulations are as follows:—Sections A, B, and C—First year, nil; second year, 2 1/2 per cent.; third year, 3 1/2 per cent.; fourth year, 5 per cent.; fifth year and thereafter, 6 per cent. Sustenance—Five per cent, over the whole period. For sections A, B, and C the rate in regard to the first batch of settlers for the fifth and subsequent years was fixed at 5 per cent. The next batch settled were charged 5 1/2 per cent., but the remainder, which comprise the large majority, have been charged at the rate of 6 per cent. The terms for repayment of principal are as follows:—Sections A and B—Repayable in 40 yearly or 80 half- yearly instalments, the first instalment being payable as follows:—Half-yearly instalments, four and a half years after the date of first advance, yearly instalments, five years after date of first advance. Section C—Repayable in seven yearly or 14 half-yearly instalments, the first instalment being payable as follows:—Half- yearly instalments, two and a half years from date of first advance; yearly instalments, three years from date of first advance. Sustenance— This advance is repayable within 12 years from the date of first advance. Interest to date of the last advance made under this heading is capitalised, and the first instalment of principal is payable 12 months from that date, the advance being repayable in equal yearly instalments over the remainder of the period of 12 years.

The. above-mentioned provisions for payments, which were designed to assist the settler in the early period of his occupancy, have the effect of placing him in a position of embarrassment, in the fifth year, when, owing to the fact that lie is unable to pay much, if anything, during the first four years, he has accumulated considerable arrears, and, in addition, his highest annual dues, so far as advances are concerned, are in that year. At this period his block has not reached full productivity, whereas 10 years hence, when he should have become more established and better able to meet added burdens, his annual dues would have become loss than half of the amount, due in the fifth year. The difficulty in regard to the accumulation of arrears over this unproductive period has given the Commission anxious consideration. Requests were made by settlers to have the interest for the first five years written off, but the Commission does not consider that this would be a proper course for the same reasons why the Commission does not recommend an arbitrary all round reduction in the settlers’ debits. The requirements for payment for stock and plant and for repayment of sustenance advances over such short periods as provided are also causing serious embarrassment, and it is absolutely essential to make some alterations in these pro­visions. The Commission is satisfied that the security for these two items does not consist so much in the goods or commodities supplied (which in the case of section C would diminish in value at a much faster rate than the regulation repayments, and in the case of sustenance would disappear immediately), but rather would rest upon the

improvements effected in the holding as a result of the work of the settler, which the sustenance enabled him to carry out, and in the use of the stock and plant supplied under section C so that, provided a settler has carried out his work in a reasonably satisfactory manner, the assets produced as a result of the advances under section C and sustenance should be almost as sound as those provided under sections A and B.

Having this in mind, the Commission recommends as an alternative to writing off large sums of money, that in approved cases all sections of advances be combined in one account together with accrued interest, water rates, and rent to be capitalised up to the end of the fifth year from date of allotment, and that a mortgage for the total debit thus arrived at be taken over the settler’s lease. It is further proposed that provision be made for payment of the amount owing, together with interest thereon, over a period of 60 years in equal annual instalments on an annuity basis similar to that adopted by the State Bank in respect of loans under the State Advances and Advances for Homes Acts, reserving the right to the settler to reduce his capital debit on any due date by £10 or any multiple thereof. The question of interest to be charged has given the Commission considerable thought, and, after consulting financial experts, it has been decided to recommend that 5 per cent, per annum be adopted. This is less than the current rate, but as the mortgage will extend over 60 years it is necessary to fix an average annual rate for the whole period, and it is considered that 5 per cent. is a fair estimate. Apart from this consideration the reduction in the interest rate must be viewed as an alternative to reducing the capital. Some blocks, for various reasons, have been slower than the majority in arriving at the productive period, and in such cases it may be necessary to extend the date on which the consolidation of the accounts is to be effected, but as a general rule up to the end of the fifth year may be taken as a sufficient period. It is proposed that in no case should the date fixed for commencement of payments on the new basis be earlier than July 1, 1926.

To test the effect of this recommendation the Commission has had statements prepared in respect of a number of settlers’ accounts, and the following figures may be given as an illustration of the advantage to the settler in a fair average case:—

Present conditions.—First full annual payment in respect of advances, water rates, and rent, £251.

Proposed new system.—Total annual payment in respect of advances, water rates, and rent, £167,

It will be seen that this means a very considerable reduction in the annual debit against the settler, and by virtue of the fact that his arrears of interest, &c., have been capitalised, he will be given a clear start under the new conditions instead of having to face a large amount of accumulated arrears as at present.

Clause 6 enables the Minister to make any necessary remissions and reductions of principal, interest, water rates, and rent. I want to emphasise that this Bill gives the Minister plenary powers to take whatever steps may be necessary to solve the whole problem. The issues at stake are, however, too difficult and the public moneys involved are too enormous to permit a hasty decision.

The Hon. G. R. Lafter—Will those powers be exercised on the recommendation of the Commission?

The MINISTER of REPATRIATION—No. No doubt the Minister will confer with them, but if it were thought necessary this Bill gives authority to the Minister to take any steps he may consider necessary apart from the Commission. There would, of course, be the closest consultation between members of the Commission and the Government, but as far as the Bill is concerned it gives complete power to the Minister if he so desires to adopt any proposal he may consider necessary.

The Hon. G. R. Laffer—Is there any precedent?

The MINISTER of REPATRIATION— There is ample precedent. Members know that practically all transfers of pastoral leases are under the authority of the Commissioner of Crown Lands, who exercises his discretion. As a matter of fact in this regard there is power already in respect of the returned soldiers' lands not in irrigation areas. The Minister is also empowered to consolidate all advances to a settler in one account and provide for repayments on the easy terms recommended by the Commission. In order to avoid penalising the settlers unduly provision is made for exempting any instrument registered for the purpose of giving effect to the Bill, from payment of fees. The report also contains some recommendations relating to civilian settlers on the Murray. These recommendations involve some amendments to the Irrigation Acts and will be explained in connection with the Bill to be brought down for the amendment of those Acts. The Bill also embodies the provisions of the Discharged Soldiers Settlement Amendment Bill, 1925, which is already before the House, but which I propose to withdraw. In so far as the Bill embodies the provisions contained in the previous Bill, I shall make no comment on it, except to refer members to the remarks which I made when I moved the second reading of that measure. The Government desire the soldier settlers on the Murray to understand that at the very earliest practical opportunity every case will be carefully investigated, and recommendations made for a reduction in price of the blocks.

The Hon. G. R. Laffer—Who will investigate?

The MINISTER of REPATRIATION—The Commission is charged with that particular work. Many soldier settlers apparently were under the impression that recommendations would be made straight away for a reduction in the capital value of their properties. I cannot say that that will be done at once, but I can say that at the earliest practical opportunity the investigation I have indicated will be made. In revaluing the land we must take into account what is a fair and reasonable basis. I, for one, am prepared to say in regard to soldier settlers that they should have consideration over and above any other section of the community. They are entitled to that, first of all because Parliament said so, and secondly because they were put up on the River Murray in the belief that they were going to make a reasonable livelihood. In addition, the sacrifices they made in the Great War entitle them to special consideration.

Mr. Moseley—Placing them there was only an experiment, anyhow.

The MINISTER of REPATRIATION—At the time the Government and the soldiers believed that the men would be able to earn a good living and become permanent residents on the River Murray. For that reason we have to face this issue strongly and sympathetically, but at the same time it is obvious that any attempt to hustle us into an unwise or indiscreet settlement can have no effect. It was only the other day that the Commission’s report came to hand, and it was only the other day, too, that I gave instructions to the Parliamentary Draftsman to prepare a Bill to give the Minister the complete right of fixing what he considered a proper valuation on the blocks. That is the only reasonable method by which we can get a solution of this very serious difficulty.

Mr. Anthoney—On whose report would the Minister act?

The MINISTER of REPATRIATION—He would certainly act on the report of the Commission, though he is not confined to that report.

Mr. McIntosh—The soldiers’ complaint is that the Commission has not attempted to fix a value.

The MINISTER of REPATRIATION—That is obvious.

Mr. McIntosh—They ask that if past history is not a good guide for values, how long will they have to wait before a time will be reached when a valuation can be made?

The MINISTER of REPATRIATION—Mr. McIntosh knows very well that it was only the other day that the Irrigation Commission presented its report. Does he expect me, here and now, on the information I have got, to fix a definite price? We must first give the Minister the power, and then by close and anxious thought fix what is a reasonable price to be put on each block.

The Hon. Sir Henry Barwell—Each case on its own merits?

The MINISTER of REPATRIATION—Obviously each case must be considered on its merits. Surely nobody would argue that because the best block on the Murray was worth £50 an acre we should take that as a standard, go down the scale, and in consequence give many blocks on the river away at £10 an acre.

Mr. Crosby—Is the power given to the Minister in the Bill the only departure from the recommendations of the Commission?

The MINISTER of REPATRIATION—No. If members will look at clauses 6 and 8 they will see that no recommendation of the Commission need necessarily be adopted, but the Commission is a body of experts, and no doubt the Minister will confer with them.

The Hon. G. R. Laffer—Will the Minister explain why the Commission will not conduct the further investigation as to the cost of the blocks and then report to Parliament?

The MINISTER of REPATRIATION—That has received consideration, and I think there is good deal in its favor. In practice, however, I think it will be found that the Govern­ment will act only after a very close and careful consultation with members of the Irrigation Commission.

Mr. McIntosh—Do I take it that the Minister has now authorised the Commission to make a valuation of each man’s block?

The MINISTER of REPATRIATION—They are doing that now.

Mr. McIntosh—I understood you to say that the work of the Royal Commission was finished.

The MINISTER of REPATRIATION—The Irrigation Commission are a permanent body. They will go on, and are going on, with the object of fixing the price of each particular block.

The Hon. G. R. Laffer—How can they fix the price of a block on to-day’s value of fruit?

The MINISTER of REPATRIATION—That is reopening the whole issue.

Mr. McIntosh—If they cannot fix it to-day when will they be able to fix it?

The MINISTER of REPATRIATION— Would the honorable member straight away like to fix a hard and fast price?

Mr. McIntosh—You will have to start some day, and the present is as fair as any other time.

The MINISTER of REPATRIATION— Would the honorable member be prepared to say that that is the procedure, and that we should fix the value of the blocks on the basis that the best one is worth £50 an acre?

Mr. McIntosh—You could arrive at a basis on to-day’s values. Commercial men are doing it every day in regard to civilian blocks.

The MINISTER of REPATRIATION—It is all very well to be enthusiastic in the interests of one’s constituents, but we must face this in a strong, sane manner. I am asking the House for a great deal. It is a greater responsibility than personally I care to carry, namely, the responsibility of having to decide, as Minister, the values to be adopted. It may be said that that should be entirely the work of the Commission, or that the Minister should not move except on the recommendation of the Commission.

The Hon. G. R. Laffer—I think the proper course is to report to Parliament.

The MINISTER of REPATRIATION—Of course a very big sum is involved, but at the same time we must consider that very special concessions must be made in the interests of the returned soldiers, and it is a perfectly natural desire on the part of the soldier, or anybody else, to get finality, especially as it was understood that finality would probably be reached by the time the Irrigation Commission presented their report. The Government are endeavoring to get finality at the earliest possible moment, and it may be much earlier than most members expect. I hope it will be. The Bill makes an earnest attempt to grapple with a big- problem. It provides all the legislative machinery to deal with any decision which may subsequently be arrived at. On the whole it represents a great step forward toward surmounting the serious difficulties in which many of our returned soldiers are placed, and the Government hope it will inaugurate a new era of stability and progress among the men concerned. I commend the second reading to members in that spirit.

The Hon. G. R. LAFFER secured the adjournment of the debate until December 8.

**DISCHARGED SOLDIERS SETTLEMENT (RELIEF) BILL1925**

**House of Assembly, 10 December 1925, pages 2108-26**

Adjourned debate on second reading.

(Continued from December 9. Page 2082.)

Mr. McHUGH—Last night, when I obtained leave to continue my remarks, I was dealing with the qualification committee. I stated that in many cases the. returned soldiers placed on agricultural land were not suitable to go upon it on account of having had no previous experience. Time has proved that they were certainly not fit, in many instances, to obtain that land, although the members of the qualification committee were gentlemen who would naturally be expected to have been able to select the men as they came before them. Mr. Laffer stated by interjection that the only qualification was that a man had been a returned soldier.

Mr. Collins—That is wrong.

Mr. McHUGH—I agree that it is wrong. They had to undergo a considerable amount of cross-questioning. I went through it myself, so I have had practical experience in that regard.

Mr. Hunkin—What killed them chiefly was the high prices paid for the land.

Mr. McHUGH—That is so in many cases, but in regard to Mount Remarkable I cannot say that the price of the land was the trouble. It was, I consider, reasonable.

The Commissioner of Crown Lands—It was low.

Mr. McHUGH—Yes. That is why I advised a number of returned soldiers when they wanted to apply for complete re-valuation that it would cut both ways. When we talk of revaluation in the broad sense that is a point worth consideration by the House, as well as the returned men. If the principle of revaluation is going to be adopted the returned soldier has to expect it to cut both ways. It would cut both ways, and not always in the interests of the soldiers. That is why I am opposed to the principle of revaluation generally. In dealing with the Qualification Committee and its results, it has happened that those men who were not suitable have gradually become weeded out. Better settlers who were more qualified, such as farmers’ sons, have had to come along and shoulder their liabilities. The land has not been worked to its full capacity, it has been managed inefficiently and has gone back, and the incoming settlers have had to shoulder the responsibilities and liabilities of the previous settlers. We know that they did that with their eyes open, because they signed agreements, but land was very scarce, and these men were so anxious to settle down that they signed the agreements. That is one phase of the question that is working very hardly on some good settlers. I agree with Mr. Butler in regard to soil surveys. The point he made was particularly practical, and it is a pity that all the States do not take that aspect into more serious consideration. Then there is the question of some of the small holdings, particularly in agriculutral areas. In the Mount Remarkable Estate the survey was not all that it might have been in many cases. In one case a soldier has a block of 300 acres which is all grazing land. He has tried to plough some of it, but to make a success of a small block of 300 acres from a grazing point of view is almost impossible. Some of the men there deserve special consideration on that account, because their holdings are too small to give them a reasonable chance of success. Mr. Reidy has suggested giving the same concessions to other soldier settlers as is granted to irrigation settlers.

Mr. Reidy—That is, the right of inquiry.

Mr. McHUGH—Your amendment is to give the same consideration in regard to the Minister’s power in dealing with specific eases on their merits to other men as is provided for those on the Murray. I understood the Minister to say that that was provided in the Bill;

Mr. Reidy—That provision is for irrigation areas only.

Mr. McHUGH—That is in the irrigation portion of the Bill, but this Bill is practically in two portions. There is a clause there which, gives effect to your suggestion.

Mr. Reidy—That is merely to capitalise the liabilities and extend the periods.

Mr. McHUGH—And also to deal with each individual case with regard to writing down. I hope the Minister will seriously consider that aspect if it is not in the Bill, because we cannot make fish of one and fowl of another. A returned soldier is a returned soldier whether he is at Mount Gambier or Oodnadatta, and no more privileges must be given to one section than to another. With regard to the 10 years’ period laid down in the agreement, the returned soldiers are not the only ones we have to think of all the time. We must also consider the prosperity and development of this country, and the general taxpayer. The stipulation is a good one. Mr. McLachlan maintained that the soldier should be able to sell if he could see a profit ahead, but a number of soldiers were placed on the land who did not have much experience and the tendency would have been for them to sell on the high and increasing values that have taken place. Had the Commissioner allowed those transfers to go on almost indiscriminately, it would have caused the blocks to revert to bigger estates, and would have accentuated the difficult problem of centralisation. If it can be proved that the soldier cannot carry on because of ill-health or other hardships, there is a clause to deal with that aspect. To say that he should be able to sell to the highest bidder at any time would be speculation, and not soldier settlement. I hope the Government will consider seriously the urgency of these matters. These men did all that was necessary so far as the war was concerned. They came back, and had, in many cases, just about as trying a time on the River Murray. To make it worse they had to take their partners there to go through what was an almost humiliating position. It took a considerable amount of courage, and they put in five or six years of the best of their lives. Some of them are not as strong physically as they would have been owing to their services at the front, and they should receive the most favorable and quick consideration by the Government. I feel the Government will give the matter consideration . I realise that many arguments have been put up for the soldiers who, however, do not expect undue preference and privilege. There is another side of the question, quite apart from preference and privilege. The State must be considered, and before we write down these blocks to a very low level we must consider the financial aspect. South Australia owes more than £70,000,000, and has to find £3,000,000 a year in interest. This is an aspect which must not be overlooked. While the soldiers do not want undue preference they desire to be treated justly. The rejection bythe Legislative Council of the Compulsory Repurchase of Land Bill was most disappointing, and meant that many men were deprived of the right to settle on good agriculture al land. Millions of acres could have been made available for the soldiers had not the Council, which is the home of the autocratic thought of this country, thrown out that measure. I hope the time will come when a Legislative Chamber, constituted such as our Upper House is, will meet its deserts because of its betrayal of the men who did so much for thig; country. In the main I support the Bill.

Mr. TOSSELL—Much criticism has been levelled at soldier settlement and the manner in which it has been carried out by the Government and the department. Some of the criticism may have been justified, but I do not intend to speak on similar lines, because captious criticism of past events does little good. I remember, when we decided to lock the river and spend millions in the Murray Valley, how public men talked about the necessity to people the country. Unfortunately the position to-day is different from what it was then. In those days markets were good and many civilians and soldiers were seeking homesteads on the river. I know men from my own district, who left good posi­tions because they thought there was an excellent opportunity to make a permanent home and a good livelihood on the river. Circumstances have changed, however, and the markets have gone against them. That is just about the substance of the whole thing. When the soldiers returned to Australia many of them desired an open life in preference to their old callings. Our one desire was to see them settled on the land. The Government and the department acted honorably in settling those men, and thought that when they placed them on blocks along the river they were creating permanent settlements and homes. Whether there has been all the mismanagement and extravagance some members declare, I am not prepared to say. Whenever a big venture is carried out by a Government mistakes are bound to be made. Probably mistakes would have been made if the work had been performed by private enterprise, but it goes without saying that Governments do make a costly job of big undertakings. To-day I heard a Minister say that usually he is guided by his officers, and I take it that, in connection with the settlement of the irrigation blocks, the Minister of the day was guided by his officers. One member said that, instead of placing many of these men along the river, we should have placed them on broad acres.

Mr. McHugh—Many of them.

Mr. TOSSELL—As a practical man, Mr. McHugh will admit that we could not have settled many soldiers on broad acres at the prices ruling at the time. If Parliament did not make enough money available to place the men on broad acres it is Parliament who is responsible.

Mr. McHugh—We did not have the land -available.

Mr. TOSSELL—That is not a logical argument. Does the honorable member think that £3,000 would have placed a soldier on a farm in good rainfall country, from which he could make a good livelihood!

Mr. McHugh—Yes.

Mr. TOSSELL—How things are to-day his plant would have cost him a considerable sum, so what acreage of land would he have had?

Mr, Butler—About 200 acres.

Mr. TOSSELL—Yes. However, Parliament is to blame, if sufficient money were not made available. Many, men in my district got assistance from their relatives and they have undoubtedly made good, in fact, I cannot recall one failure. Some speakers said that bad judgment was shown in valuing the land. We cannot blame the Government for that. Mr. Reidy showed how the country varied in his district and how difficult it was properly to value it.

No man has yet been born who could value land throughout the whole of South Australia. Whilst the Government had three men on the board they did invite a com­mittee to help them. They appointed a district valuer. That was a wise precaution, because the district valuer would have personal knowledge of his district, and that would bs valuable assistance to the board. The Government did not take the district valuer’s valuation. In a number of instances it was quite a conservative valuation, and on that account the Government lost a certain quantity of land which they ought to have bought.

Mr. McHugh—They lost land because too high a price was asked for it by some patriots.

Mr. TOSSELL—I am aware that the board had to be very careful. We are blaming a Government for many things in regard to which we must take a fair share of the responsibility ourselves. Mr. McHugh stated that he did not believe in revaluation, but on the figures quoted yesterday by Mr. Collins there appears to be some justification for saying that the cost of these blocks ought to be written down. I see no objection to a soldier transferring to another if he so desires. I believe in a revaluation, but do not think the Minister is wise in accepting the responsibilty. When a board has been appointed to take the responsibility of revaluation in connection with soldier settlement its valuation ought to be accepted. I intend to support Mr. Reidy’s amendment in that regard. I hope there will be no opposition to it as it is reasonable. The men went on to those blocks without any knowledge of values, and they find themselves loaded with valuations which are beyond reason. Surely, if we are going to be just to these men, we ought to have a revaluation of the blocks. The soldiers did not know what they would have to pay. Each case should be dealt with on its merits.

Mr. McHugh—That is different from a general revaluation.

Mr. TOSSELL—I am sure that applications for revaluations would come in wholesale, but it does not follow that the board would recommend every application that comes in. The board would make a revaluation in respect to every application.

Mr. MOSELEY—There is no question that very serious mistakes have been made, but there is no necessity to rush into panic legislation. We have had mistakes made previously and surmounted them. What is required in this case is revaluation and extension of time. The Bill should leave the entire matter to the board.

They are competent men and experts at their business, and I would give them full responsibility to deal with every ease on its merits. It is idle to say that there should be revaluation all round, as no doubt some of the blocks are worth the money charged on them. The land at Mildura, where people have done remarkably well, is no better than some of these irrigation blocks. It will be recalled that on one occasion the Government revalued pastoralists ’ improvements and leases, and made very big reductions in respect to them, but with the turn of the wheel of prosperity they again became worth as much as was placed upon them in the original valuation. I was under the impression that we would write off a few million pounds in respect of these settlements. We have to bear in mind that it was a rush question. In the first instance only about 1,500 soldiers applied for land. The others at that time wanted to work in and around the city. Then there was an improvement in the outlook on the land, and a rush of applications set in. It was an immense question, and we had no experts to deal with it in its enlarged aspect. The result was that mistakes were made. If we had sent away and obtained competent men from America who really understood their business, instead of educating people up to make mistakes and then finding out that they made them, we would have been much better off. We have heard it stated that millions of pounds are involved in this business, but did not Mr. Hughes distribute millions among the soldiers without any return being expected from it? The whole cry was to give these men a start on the land as soon as possible. That was done at a huge expense, which we now have to meet. We are all wise after the event, but there has been no attempt at solution of the difficulty. We cannot simply sacrifice these blocks. There is the taxpayer to be considered as well as the settler. The board should be instructed to take every case on its merits, and where it is shown that the man cannot make a living the board should either enlarge his holding or reduce his valuation. The man ought not to be turned off the land and another put in his place, as the best man to work it is the one who has been on it for a number of years and has had that amount of experience in connection with it. I am confident that the English and Continental markets will eventually absorb all the produce they can grow. The board ought to take the whole of the responsibility of revaluation and the matter should not be left to the Minister, although in the event of a. dispute arising he should be the final authority.

Mr. WHITFOBD—I have very mixed feelings concerning this measure. We have been told that we ought to let bygones be bygones and make the best we can out of a very bad proposition. We have lost something like £3,500,000 and some members opposite are now speaking of that sum of money as if it were a mere bagatelle. They want to smooth over the difficulty for the reason that they are at fault. If the Labor Party had been in control of the settlement of these soldiers, few members opposite would have let the matter pass without very severe criticism.

Mr. Moseley—It was the Labor Party under Mr. Vaughan.

Mr. WHITFORD—The Labor Party had very little to do with it. The great bulk of the maladministration took place after Mr. Crawford Vaughan left this House. I was in a very favorable position to judge the cause of the waste of money on the river, because I was an organiser in the A.W.U. looking after the men employed along the river. The maladministration was not the fault of the workers. The Government of the day were responsible, and they have no excuse. Resolutions were moved in this House asking for a Commission to inquire into the establishment of soldiers on the river. They were ridiculed and laughed at, and told that everything on the river was being carried out in a workmanlike way, whereas any individual who had had any experience in big undertakings knew that the soldiers would have to be given consideration in the future. I object to the principle of spending taxpayers’ money and heaping up the national debt, which means extra taxation to the people generally, for the express benefit of private profit. Take the locking of the River Murray, on which the Commonwealth is spending millions of pounds . Who is going to receive the direct advantage from that? The people who own the land contiguous to the river. They will reap the lion’s share of the benefit, and they are paying a disproportionate amount of the cost because every taxpayer in the Commonwealth has to pay for the construction of those locks and weirs, whether he is resident on the river, or lives in the Northern Territory, or Western Australia.

Mr. H. C. Richards—Will it not assist the State as a whole?

Mr. WHITFORD—Very likely, but the people along the river will benefit mostly by the expenditure of the taxpayers’ money.

Mr. H. C. Richards—They deserve it for their enterprise.

Mr. WHITFORD—But the people who live in the Northern Territory will not receive any benefit, and already they have made protest. I object even to the construction of railway lines which in the end do not pay and will never recompense the taxpayer. When a railway line is proposed I would like to see all the land resumed which is going to be benefited. The land along the banks of the river should have been resumed by the Government at the then price before one barrowful of cement was tipped into the construction work. That policy was advocated by the Right Hon. W. M. Hughes. He said the increased values of the land, for which the construction of the weirs and locks along the river were responsible, would have paid for the whole business.

Mr. McMillan—It is not increasing the value of agricultural lands one iota.

Mr. WHITFORD—Will you say that the pumping plant at Moorook which supplies the agricultural land has not been of benefit to that land? When the river is locked you will have a supply in it all the year round, and similar pumping plants along the river; and who can tell what the value will be to agricultural lands far distant from the stream! Before the Commonwealth attempted to lock the river the land should have been resumed, or a tax on the unimproved value applied. Then we would have been able to meet our liabilities in regard *to* the construction of these locks. I admit that there are some men who are incapable of being agriculturists, horticulturists, or persons fit to develop land, but on the other hand there are a number of good men on bad soil, and it is impossible for them to make it a paying proposition. If I were advocating the social system which honorable members opposite stand for, the best method by which you could have recompensed the soldiers would have been to have given them a lump sum of credit; that is, to back them up individually,

Mr. Crosby—That was done in many cases.

Mr. WHITFORD—Yes. Their proposed could have been examined by the: bank authorities, similar to what is done now. Quite the reverse was done. The Government bought large tracts of country. Soldiers had discovered other propositions elsewhere that would have suited them admirably. They went to the Government and asked that they might be settled, but the Government of the day, even the present Government, said "No. We have certain areas for the settlement of soldiers, and there you must go or you will not receive consideration.” That is ridiculous and absurd. I had a friend last year who had sufficient capital, if he could have got his advance from the Soldiers’ Settlement Department, to buy a going concern as a dairy, but, because there was something which disallowed that, he was not able to purchase. They sent him down towards Goolwa, but he could not take on that virgin soil, with the result that he was lost to agriculture. He took on a hotel and is doing well. Because they wished to compel him to take up an unsuitable proposition they drove him to a hotel. Honorable members opposite have a sort of pie-bald policy—fifty-fifty socialists and individualists. They are prepared to accept socialism as regards the construction of a railway which will improve property in value; they are quite prepared to lock up the Murray and spend the taxpayers’ money to improve the land along the banks, but past that point they say socialism, is absurd and ridiculous. It is only because they can see that if they go past that point the profits which are derived by the public in the construction of public utilities would return to the pockets of the people who spend the money, in order that these things might be constructed, instead of into the pockets of private individuals who do not pay their fair proportion towards the construction of public utilities.

Mr. McMillan—Do you know how much the Commonwealth get from that land in the shape of excise duty?

Mr. WHITFORD—No, but they are getting- a considerable amount. The Commonwealth give something with one hand and take it away with the other, but to all intents and purposes they are giving them nothing at all. I am sorry that Mr. Reidy is not here, because he said this Parliament was responsible for the position and it was the obligation of every member to get the soldiers out of their difficulties. I will do everything to get the soldiers out of their difficulties, but individually I do not accept any responsibility for it. I made a speech in this House on September 21, 1921, over four years ago. I was an Australian Workers’ Union organiser, and used to ride my bicycle along the banks of the Murray. I saw what was going on, and it did not want a Commission to ascertain the maladministration and the fearful waste of the taxpayers’ money. Any man with a superficial idea of economy and public works could see what was taking place. However, this is what I said on September 21, 1921:—■

I would favor a board consisting of a man who has had practical experience in irrigation and reclamation, and another who is an expert engineer, and a third selected from the persons who are going to settle along the river.

That would have been a very good board at that time.

Mr. H. C. Richards—Don’t you think the Commission appointed was very competent?

Mr. WHITFORD—I have no complaint to make about the personnel of the Commission. They have done wonderful work, but their appointment was belated. When I was an Australian Workers’ Union organiser I saw hundreds of thousands of pounds going to waste along the river. No member who has spoken on this measure has referred to the bursting of the banks, which cost the department and the taxpayers tens of thousands of pounds. The whole of that expenditure could have been saved if the bank had been raised a few inches, when it was known that such a high river was coming down. The authorities were advised from the upper reaches that the flood was coming, and they should have been prepared to meet it. Take Jervois swamp, for example. A huge sum of money was spent there in pipes. At the time of the flood some of the pipes had been laid and some, were on .the ground. The bank was in imminent danger of breaking away, and one would have thought that the authorities would have hastened to remove the pipes. That was not done, however, with the result that when the banks broke the silt buried the pipes. For weeks afterwards I saw bullock teams there dragging the pipes out of the mud. All that expense was a charge on the settlement.

Mr. Butler—Perhaps they did not think that the bank was going to break.

Mr. WHITFORD—That showed how shortsighted they are. I am afraid that very little thinking was done. Look what happened at Cadell, where there was a huge heap of cement with 50 to 100 tons of chaff on top of it. When a steamer passed along the river the backwash from the vessel would nearly trickle over the top of the bank, but the authorities did not have foresight enough to raise the bank, with the result that one night the water rippled over the bank, and ultimately the chaff, cement, and many standing crops were inundated and ruined. You only have to go south-east of Lake Bonney to see the extravagance which occurred when they wanted to make an orchard out of a limestone cattle camp. The Government of the day are responsible for this bungle. If this side of the House were responsible for a loss of £3,500 there would be questions galore about it, but because a loss of £3 millions can be attributed to the Opposition they say that criticism should stop, that we should forget the past, and that everything will be all right in the long run.

Mr. Butler—Why not blame the officers responsible? Why blame the Minister?

Mr. WHITFORD—I blame him because he is the responsible person, and I censure the Government for allowing these things to occur. Undoubtedly the State is in a hole over this matter.

Mr. H. C. Richards—Well then, let us get out of it?

Mr. WHITFORD—We can talk like that, but any amount that is written off must be added to the national debt. It will not be repudiated or confiscated. The taxpayers will have to meet the interest on it. When you talk about writing off a liability some of the public seem to think that the amount is obliterated. They forget that the sum written off is added to the national debt, and it is such silly persons who have to carry the burden of the amount written off so far as interest is concerned. It is because of silly and absurd things like that that South Australia has the nice little national debt of £70,000,000. It is just about time the taxpayers and members woke up, because they must shoulder this responsibility. Last night Mr. Reidy told us that we must accept the responsibility for the scheme. I shall accept no responsibility for it, because four years ago I forecast what would happen. Speaking in the House on September 21, 1921, I said:— .

I have my doubts as to whether they will get their blocks for £150 an acre. I do not think they will unless the Government take up the Bolshevik policy of repudiation of debt.

Mr. Young—That is what you advocate?

Mr. WHITFORD—It is what the Bill provides for.

Mr. H. C. Richards—You have just told us that we cannot get rid of it.

Mr. WHITFORD—So far as the soldier is concerned you are. You are relieving him of something like 3 1/2 million pounds. Members who vote for this Bill, to all intents and purposes, will vote for the release of 3 1/2 million pounds of debt from the soldiers. I do not care whether you call it release, repudiation, or confiscation; it all amounts to the same thing so far as the soldiers are concerned. However, let me continue reading the extract from my speech in 1921:—

That is the only way they will get themselves out of this tangle. I am not saying that to be hard, but when I travelled along the river I lived with the men in their camps. I have known many of the sub-contractors, who have told me with their own lips that they would not think of selecting a block on the upper reaches of the Murray, because in a few years time every soldier there will be bankrupt, and they say they will be able to purchase the same block for a third of what it will cost now.

That was what I said four years ago, and the Bill before the House justifies every word of it.

Mr. FITZGERALD—Many members have spoken on this measure who knew little about it. Others wanted to show that they did know a great deal about the question.

Mr. Reidy—What class do you place yourself in?

Mr. FITZGERALD—I will leave you to judge that when I have finished. You appear to be a good judge of character. The word repudiation was used in the Chamber this afternoon, and I have much sympathy with those who uttered it. There are many soldiers, and others who assisted soldiers to go on the land, who want to repudiate the debt.

Mr. H. C. Richards—That is not so.

Mr. FITZGERALD—You want to write off the money and allow the taxpayers to pay.

Mr. H. C. Richards—We want to relieve the soldier and put the responsibility on the whole of the State.

Mr. FITZGERALD'—You are repudiating the debt. I am prepared to do the best I can for the soldiers on the land. Nothing has been accomplished without mistakes being made. I well remember the early settlements in the northern areas. Mistakes were made there. The land was put up to auction, and men came to South Australia thinking there was untold wealth to be .made in the north from the growing of wheat. They offered prices which their bank accounts could not stand, and the consequence was that the first bad year they struck placed them in a parlous position. Red rust got in their crops, and crops which looked as if they would go 16 to 20 bushels to the acre only returned 5 or 6 bushels, at a very low price. Those men were in the position similar to that of the soldiers to-day. The Government of the day had to do something, or turn the men away, and in their wisdom they introduced a measure which was known afterwards as Catt’s Act. That relieved those men of the responsibility of paying for a certain period and gave then the option of surrendering their right of purchase and taking leasehold or taking right of purchase at a reduced cost. That Act cost the taxpayers of South Aus­tralia considerably over one million pounds. Many of those settlers afterwards could have paid off the concessions given to them over and over again, but they were released from doing so.

Mr. Yardon—History may repeat itself.

Mr. FITZGERALD—Yes, by reviewing what occurred on that occasion and making it adaptable to the present we may be able to assist the soldiers without in any way repudiating the liabilities they justly owe. Unquestionably there was excessive expenditure, but the Minister of the day has admitted from his position on the Opposition benches that he did not know all that was going on.

Mr. H. C. Richards—He could not be expected to.

Mr. FITZGERALD—He took the responsibility. I do not think there is a Minister at the present time who is fully conversant with all that he presides over. Therefore, I quite believe that Mr. Laffer was right, though it was a big admission to make, that he did not know all that was going on. But when at any time advice is offered and insistently declined, those who decline it must take the blame when mistakes are made, and we are landed with hundreds of thousands of pounds liability. At that time "big business” saw the opportunity of exploiting the soldiers, and did not care whether it was soldier or civilian ,as long as a profit could be made. The soldier, seeing what the Government were advancing to him, probably went to a little excess. Many positions were kept going unnecessarily, without the men knowing that the cost of those positions was going to be added to the cost of their blocks. The result is that the excessive charges on the blocks are bearing heavily to-day on those who are living there. I favor revaluation, and feel that the Irrigation Commission might have been a little more lenient and written down costs a little more than they did. The valuation placed on that land to-day is excessive, and we would do well if we kept every man on his block for the actual cost of the water supplied to him. Those settlements are a splendid asset to the State, notwithstanding the opinion expressed that millions have been squandered upon them. There is no other industry in which so many men could have been placed with such advantage to themselves and the State. Mr. Robertson was right when he stated that more attention should be given to having a consuming population. In addition to the settlement of those men on the Murray we should have developed our mining propositions. The deposits at Iron Knob ought to be the means of employment for a hundred thousand men instead of about one thousand. If those deposits were in many parts of the world that would be the position. I do not know if it is the fault of the Federal Government, but I think it is a great deal the fault of the present and past Governments of the State that more activity is not connected with Iron Knob to-day. If we had developed our iron and steel possibilities to the fullest extent we would not to-day have such a slump in the products of the Murray irrigation settlements. Probably the Government will not accept the full responsibility of revaluation of those blocks. That should be the work of the Commission. Those river settlements, although some members have expressed pessimism in regard to them, are a splendid asset to South Australia. It is only regrettable that past Governments did not treat the position with the fairness they might have done and that they turned down advice offered. We had the spectacle of Ministers going up the Murray and getting some of the agitators thrown into a ditch and that sort of thing, but to-day we are suffering from the administration of men who could not devote full time to such a great activity. No doubt if the Minister had devoted more lime to it he could have made a better job of it, but there were many other big things engaging attention. Not only were the soldiers made a chopping-block in nearly every direction by those who had machinery to sell and others who were anxious to do business with them, but the Federal Government gave them a dole with one hand and took it away with the other. I got Mr. Lacey to ask in the House of Representatives what amount of revenue the Federal Government received from South Australia in excise duties. The reply given was:— In 1921-22*,* £902,791; in 1922-23, £927,198; in 1923-24, £922,113; and in 1924-25, £1,010,906. All that was taken from these men whom the Federal Government were supposed to be assisting because of the part they had taken in the great War.

The Hon. G. R. Laffer—Does that excise duty include what is paid by the breweries?

Mr. FITZGERALD—It is the excise taken from South Australia as a whole. No doubt members opposite will admit that there is not much value in the assistance a Government will give with one hand and take back with the other. No activity in the Commonwealth that I know of has been hampered to such an extent as vine-growing on the settlements along the Murray in what they have had to put up with. If the same sort of duty was exacted from wheatgrowers there would be a great outcry about the injustice. The iron and sugar industries receive a big bounty, but in the case of these poor soldiers on the land a million pounds per annum is taken away in excise duty. What the men on the river settlements want is a fair and square deal and I think they will get it from the present Government of this State. We find to-day that the paternal Government of the Commonwealth, in whom Mr. Laffer reposes such confidence, were responsible for allowing cheap labor countries to compete with our soldier settlers with dried fruits which they put on the market in Australia. The report of the Irrigation Royal Commission states:—•

The preference granted in Great Britain has had a stimulating effect on the sale of dried fruits. The preferential treatment granted by Canada must also help considerably, especially in the sale of currants. It is understood that no effort has been made to exploit that market so far, as the quality of the currants was so poor last season that it was deemed expedient to wait until our average quality fruit was available. The appointment of State and Federal Boards of Control is having a marked effect in the packing and marketing of dried fruits. There is reason to hope that an efficient method to eliminate the grub trouble in packed fruit is being developed. The bounty and preferential duties on wines have stimulated export, and it is anticipated that there will be a good demand for wine and spirit making grapes in the coming season, and that payable prices will be realised by growers. The prices obtained for dried fruits in the Australian market are profitable, and under the new legislation every grower should get his due share of the home sales. With judicious salesmanship, more dried fruits should be con­sumed locally. At present roughly one-third of the dried fruit consumed in Australia is imported, and consists of dates and figs, which are grown and processed in the near East by cheap labor and under the most unhygenic conditions.

If there were a paternal Government at the head of affairs they would prevent dried fruits coming into Australia.

Mr. Young—They have a heavy duty.

Mr. FITZGERALD—If you have cheap labor under almost slave conditions you can afford a heavy duty. I feel sure this Government are alive to the welfare of the men, and should urge the Commonwealth to give them a fairer deal. The following extract will show how the soldiers are exploited when they send their fruit abroad:—

The problem of this age is not the production of wealth, but selling it. Machinery, increased knowledge, scientific organisation, added to the wonderful efficiency and industry of labor, has made it an easy matter to produce useful things in abundance. Ask the fruitgrowers of this State how they got on with their apple shipments to London. Is it the workers who block successful settlement, or is it the horde of capitalistic middlemen, who have made the business of marketing products a triumph of parasitism, rather than a public service? The facts illustrate the points. Mr. A.B. (he is a returned soldier on a small orchard) sent 100 cases of apples to London, and received a net return of 19s. 6d. on the whole consignment after paying all packing, transport, and marketing costs. The apples were sold at Covent Gardens. They realised from 8s. to 8s. 6d. a case, the gross receipts being £41 19s. Against this were the following

deductions:—

In London.

£ s. d.

Advertising 0 4 2,

Dock dues, cartage, &c 6 5 0

Commission 2 2 0

Port of London charges 0 2 1

Exchange .. . 0 10 11

Total London charges .. .£942

In Australia.

£ s. d.

Freight 23 0 4

Packing, at Is. 9d. per case .. 8 15 0

Total Australian charges .. £31 15 4

£ s. d.

Receipts for 100 cases -tl 19 0

Marketing expenses 40 19 6

Producer’s payment £0 19 6

Of course, the system of private enterprise for which Bruce and Mitchell stand for is great—for the shippers, the agents, the men who sell packing cases, and for all those who insinuate themselves between the producer and the consumer. But it retards the settlement of Australia because it gives to the agent who lives in the city a better living out of Australia’s wealth than it gives to the men and women who, toiling upon the land, produce the fruits of the earth.

As a result of the Fruit Pool the settlers on the Murray are going to come into their own to a certain extent. Because I believe that I support the Bill. No matter how much we wipe-off it may not all be written off as a dead loss. We could go 50-50 for a certain period of years, and, if at the end of that time they were not successful, we could write off the balance. The soldiers should be encouraged to go full steam ahead with the assurance that they need not trouble about the past, and that in the future they will be required to pay very little rent, but that they must pay for water supplies at very little over cost price. We should not make profit out of the water. The more they produce the greater will be the benefit to the State. I feel sure that in the near future, when the consuming population has increased considerably and the home market is exploited to the fullest extent, the Murray settlers will be able to help themselves the same as the wheat-growers have done.

Mr. YOUNG—We all regret the losses which have occurred and the mistakes made. The two previous speakers blame the Government for not assisting the settlers on the Murray areas. That is not quite fair, because it was the last Government which appointed the Commission to inquire into the whole situation and put the soldiers on a fair basis. Consideration of the matter had been going on for a considerable time, and the then Premier took a trip up the Murray, interviewed every settler and heard what was to be said, and the outcome of that visit was the appointment of the Commission.

We are not experts and we have not the opportunity of ascertaining the exact position. This House appointed the Commission, we all believe in it, and we have only one course to pursue, and that is to be advised by that Commission. Although many mistakes have been made, I am sure that, if we had an inquiry into any past business, we would find that a number of mistakes had been made. We could not allow the river areas to go under for all time. Although a loss has been made these settlements will be an asset to coming generations. The Commonwealth Government have treated the men fairly. They formed the Dried Fruits Pool, there is a heavy duty on dried fruits, and a bounty on wine which has got them out of their difficulties for the time being. It is the duty of every member of this House to give the men a fair opportunity and enable them to succeed. The crux of the whole thing is that it must be made easy for the men to buy and sell. That is what has made our wheatgrowing areas successful. If a man, for any reason, cannot carry on successfully, he sells out to some other person, and the thing adjusts itself automatically in that way. I do not believe in casting the responsibility on the Minister or giving him the power to adjust every case. We appointed the members of this Commission and believed that they were the best men we could get. It is quite clear that each case will have to be dealt with more or less on its merits, and I do not think the Minister is the proper man to do that. It is proposed to give him powers which he should not have. The Commission should make recommendations to this House, and it should be our duty to consider them. Every man here is vitally interested in the question. We are all anxious to give the settlers a good opportunity to make good, and we must do whatever we think best in the interests of the settlers and the taxpayers at the same time. Although the loss seems heavy, it has been unavoidable. It has not been due altogether to mistakes. It is partly due to the fact that the industries which they are carrying on are not really profitable. If dairying and fruitgrowing are not profitable we are not responsible for that. All we can do is to follow the Commission’s recommendations and give the men every opportunity to make good. That is as far as Parliament is entitled to go.

Bill read a second time.