

Mr. Munsie: Is there any country where such bonds are quoted on the stock exchange?

Mr. H. W. MANN: They are quoted on the stock exchanges of France, and sometimes are sold there above par.

Mr. Munsie: The British stock exchanges will not list them.

Mr. H. W. MANN: I shall now quote the conditions on which a premium bond scheme has recently been floated in China—

A million is wanted, the Government print 200,000 £5 bonds with five years' currency, ask the public to take them up, and at the end of the five years the £5 per cash bond will be repaid, but no interest will be paid; so the lender at 5 per cent. loses 2s. 6d. per bond interest every six months. Five per cent. interest on the million, £50,000, is handed by the treasurer to the debt commissioners each year in two six-monthly instalments; £2,500 is deducted each half year for expenses, leaving £22,500, which is divided into one prize of £2,500, five of £1,000, ten of £500, 500 of £10, and 1,000 at £5. Each £5 bond has a chance to win one prize, not as in Tattersall's, where the drawn number is put into the barrel again and may draw two or more prizes. So in five years each bond would have 10 chances to win from £5 to £2,500, and the most the man who put in £5 can lose is the interest on £5, say £1 5s. in five years.

That scheme has operated successfully in China. The treasurer receives £50,000 a year from it. Half of that amount goes into revenue and the other half is distributed in prizes. I have now fully outlined the meaning of the premium bonds scheme, and its ramifications. I have endeavoured to show the benefits it confers on the countries where it operates. I have also shown that the scheme has operated successfully in various European countries and in China. The reason why the proposition has not been taken up enthusiastically in Australia is the slowness of the first return. Probably there would be no return for a couple of years, but after that the scheme would operate just as beneficially here as it has done and is doing in other countries. I emphasise that it would stop the flow of money from Western Australia to other States. If the scheme were in operation here, our people would realise that they were not losing their money but putting it into an investment from which they would derive a return. The board would have power to pay the interest, or else to consolidate it and have it drawn for by lot. I expect that the board would pay 50 per

cent. of the profits either into the Treasury or into a fund for the maintenance of hospitals, and have 50 per cent. drawn for by ballot. In European countries premium bonds are negotiable, and are in fact negotiated by tradespeople. Further, I am advised that the bonds are dealt in on some Continental stock exchanges. I have now to the best of my ability explained the operation of premium bonds and the benefits to be derived from them. I am sure all hon. members will admit that the system is at least of greater value than is the purchasing of tickets in lotteries, wherein the purchaser's money is immediately lost. I move—

That the Bill be now read a second time.

On motion by the Premier, debate adjourned.

*House adjourned at 10.40 p.m.*

## Legislative Council.

*Friday, 12th December, 1930.*

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

### ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the following Bills—

- 1, Vexatious Proceedings Restriction.
- 2, Stipendiary Magistrates.
- 3, Bees.

## MOTION—UNEMPLOYMENT RELIEF TAX.

**HON. H. SEDDON** (North-East) [4.35]:  
1 move—

That this House hereby expresses its emphatic protest against any attempt by the Government to close the present session before it brings down a tax to provide funds for the relief of those who are unemployed.

I offer no apologies for this motion, notwithstanding that it is so late in the session. I am moving this because I am convinced that in order to meet the situation confronting us it is urgently necessary something on the lines suggested must be done. Also I am strongly of opinion that the Government have been late in appreciating the true position confronting them; certainly they have been late in adopting remedies which should have been adopted many months before. Again, the financial record shows us that the efforts of the Government have not come anywhere near the effects outlined by the Treasurer when the Estimates were before Parliament, and that the Government's strenuous attempts to curb expenditure have been powerless to prevent the backward drift. We are all aware that to-day they are short of funds to a degree which has never previously been known in the history of the State. On the other hand, we recognise that in some directions the Government have been making efforts to grapple with the position, and we appreciate those efforts. The Government have introduced taxing measures which, although they have been criticised on the score of inadequacy, at all events denote some appreciation of the alarming position. Nevertheless, the fact remains that those efforts will not be anything like adequate to meet the situation, not even adequate to meet the present deficit on this year's operations, let alone the deficit on last year's operations, about which so far nothing has been done. However, we require to make allowances, because there is one point which undoubtedly has given the Government food for serious consideration and which I think they have earnestly tried to grapple with. I refer to the position of the farmers. That, of course, has occupied the attention of the Government, and I give them every credit for it. Still, they have failed to realise how enormous is the problem awaiting them in the unemployment

existing in the city and elsewhere in the State.

**Hon. C. B. Williams:** What have they done for the farmers?

**Hon. H. SEDDON:** The point is that they have made serious attempts to straighten out that position. Still, it seems to me they have failed to give attention to the other point.

**Hon. C. B. Williams:** What is the other point?

**Hon. H. SEDDON:** I contend that in the near future the effect of the shortage of income in the primary industries will still further adversely affect the position in the city. It is largely the Government's lack of appreciation of the position that has impelled me to move the motion. I am convinced that unless they show more forethought than they have exhibited up to the present, that situation will find them entirely unprepared and helpless. The only way to deal with the unemployment problem is to introduce an unemployment tax and make it applicable to every person in the State who is earning an income. Even then, and even though the tax be a heavy one, I cannot see that the Government will get funds sufficient to enable them to do more than alleviate the position and prevent privation and even actual starvation affecting many thousands in the community. Voluntary efforts, we know, have supplemented the activities of the Government in dealing with unemployment and it is only because of those voluntary efforts that the crisis has not been even more severe. The activities of the relief committees in the metropolitan area are deserving of the highest commendation. Those activities alone have had the effect of mitigating the severity of the problem. There is every indication that there will be in the immediate future a very large increase in the number of persons unemployed. It will then be too late to meet together in Parliament to consider measures for the raising of funds with which to meet the crisis that will then be on us, and the Government will be entirely helpless to rise to the enormous demands made upon them, unless they institute the tax now and get the taxing machinery operating and bringing in funds so that in a month or two, when the demands are made, at any rate we shall have started to collect the money. A great deal of the severity of the existing

position could have been lightened by the introduction months ago of a tax of this sort and thus getting hold of money distributed in the form of wages and salaries and, in many cases spent recklessly, without thought for the future. That money could have been commandeered through the tax and made available for the alleviation of unemployment, existing and future. So we could have instituted a fund from which to draw the necessary relief. It has been contended, and the remarks of the Premier support it, that during the first five months of the year we are always down in point of revenue, but begin to pick up from December onwards. I think the Premier in making that forecast entirely lost sight of the tremendous amount formerly derived from the farmers in the collection of land rents, interest, income and land taxes. In future, this will be impossible to collect because the farmer simply will not have the money. In those circumstances how do the Government expect to raise the revenue that in the ordinary course would come into the Treasury to enable them to meet the drift—which to-day amounts to nearly a million pounds—unless they can lighten the burden by transferring the responsibility to those who are living on wages or salaries? To emphasise the position I should like to refer to a few figures. The deficit in July of this year was £310,392. In August it was £255,114, making an accumulated deficit of £565,896. In September there was a surplus of £23,002, which reduced the accumulated deficit to £542,894. The deficit in October was £205,193, making the accumulated deficit £748,087. In November the deficit was £251,747, making the accumulated deficit £999,834. If we examine those figures and estimate the average monthly surplus necessary to the balancing of the ledger by the 30th June next, we get the following average monthly surplus required:—In July last the average monthly surplus required was £28,253 for the rest of the year. In August a surplus of £56,590 was required for the unexpired portion of the year in each case to achieve a balance by the end of the year. In September a surplus of £60,482 was required for the unexpired portion of the year in each case to achieve a balance by the end of the year. In October a surplus of £93,511 was required

for the unexpired portion of the year in each case to secure a balance by the end of the year. In November a surplus of £142,833 was required for the unexpired portion of the year in each case to achieve a balance by the end of the year. They are in each case the monthly surpluses for the unexpired portion of the year that we ought to have if we are to make good by the end of June. In face of the monthly drift, how can we expect to balance the ledger, and how can we expect to get the funds necessary to meet the enormous demands that are going to be made on the relief department for food and shelter for the unemployed? On the 1st November the Premier made the following comments on the financial returns for October:—

The position was no worse than the Government had expected and had made arrangements to finance. Most of the many savings which had been made were not yet reflected in the returns and, of course, there was not yet any revenue from the contemplated new taxation, which would come in later in the year. Unless events took an unexpected turn for the worse there was no reason why his Budget estimate should not be realised.

That, in face of the figures showing a constant increase in the accumulated deficit! It will be too late in two or three months' time to call Parliament together in order to meet the emergency. It will then be too late to get the machinery going to collect the necessary money. Money will be tighter then than ever, and the Government will have lost the opportunity provided by the present month and next month, when there will be a little money about, for it will have been dissipated. Now is the time for the Government to act. Now is the time to get the machinery working. I wish to direct the attention of the Government to this serious aspect, that when we have thousands of hungry and desperate men, seeing their loved ones suffering and looking to the authorities for relief—in Australia the Government is held to be responsible for affording relief in times of national emergency—they will not be satisfied with excuses. They will demand action and prompt action and, if they do not get it, there is likely to be serious trouble. When a crowd of men are driven to desperation through want and suffering, they will not be guided by their leaders. In times like that, men take steps

that in more sober times they would not take. Such steps would result in very serious loss and injury to many innocent people. If the result were reflected solely upon those who are responsible and who have contributed to bringing about the present state of affairs, one would not mind so much, but would say that there was a certain amount of justice about it. But when trouble is brought on innocent people, and the whole stability of the community is upset, as is likely to be, we should seriously take thought. There is a very serious responsibility devolving upon the Government for delay in introducing measures that would at any rate have mitigated, if they had not entirely met, the conditions I have outlined. I have tabled this motion because I think this House should discharge its responsibility and express its opinion in no uncertain terms, setting forth its attitude clearly. We have looked and listened in vain for any indication from the Government that they are prepared to take action to deal with the situation.

Hon. C. B. Williams: They are reducing wages all round and you are supporting them, are you not?

Hon. H. SEDDON: That aspect is being emphasised by certain sections of the community. It is unfortunate that the line of action which the Government have taken should have created in the minds of many thousands of workers the opinion that there is a distinct conspiracy designed to attack the standards of the workers. I for one do not believe it. I go further and say that from all the evidence that has come under my notice, it is not true. Unfortunately there are many thousands of men who hold that opinion, and whereas the Government on assuming office might have taken a line of action that would have caused the whole of the fair-minded sections of the community to fall in behind them, what they have done has merely antagonised many sections of the community and allowed those who have been doing their best to lighten the severity of existing hardships to feel that their actions have been unappreciated. They are left to carry the burden of voluntary effort while other people are escaping their responsibilities. The House should rise to the occasion and indicate to the Government that it is prepared to support them in any action

they propose to find funds to meet conditions so serious.

On motion by Minister for Country Water Supplies, debate adjourned.

## **BILL—TENANTS, PURCHASERS AND MORTGAGORS' RELIEF.**

*Select Committee's Report.*

**HON. H. SEDDON** (North-East) [4.51]: I move—

That the report of the select committee be adopted.

Question put and passed.

*In Committee.*

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—Short Title:

Hon. H. SEDDON: I move an amendment—

That after "1930" the words "and shall come into operation on a date to be fixed by proclamation" be inserted.

The Minister had placed a similar amendment on the Notice Paper. All the Minister's amendments have been embodied in the schedule of amendments recommended by the select committee.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Our thanks are due to the chairman and members of the select committee for their report. They laboured long on the Bill, which was a most difficult measure, and examined many witnesses, and the results of their labours have been very satisfactory. Although they were given until the 16th December to report, they were able to present their report yesterday. The efforts of the select committee have been so successful that the Government are prepared to adopt the whole of the amendments in their entirety.

Amendment put and passed; the clause, as amended, agreed to.

Clause 2—Definitions:

Hon. H. SEDDON: I move an amendment—

That the definition of "dwelling" be struck out and the following inserted in lieu:—" 'Dwelling' means a house (together with the

premises appurtenant thereto) which is used as a dwelling or habitation only and not for the purpose of carrying on or conducting any business therein, and for the purposes of this definition, 'house' includes any part of a house which is separately occupied as a dwelling, and where an occupier is entitled to the sole and exclusive use of any part of a house that part shall be deemed to be occupied separately notwithstanding that the occupier is entitled to share in the use of some other part."

The word "dwelling" is to apply to premises used for habitation only, and the new definition will preclude its extension to a shop, place of business or farm.

Amendment put and passed; the clause, as amended, agreed to.

Clause 3—agreed to.

Clause 4—Power of commissioner to make protection orders in favour of tenants:

Hon. H. SEDDON: I move an amendment—

That after "rent" in line 3 of Subclause 2 the words "accrued or accruing due" be inserted, and the words "as it falls due" be struck out.

The object is to make an order refer to such rent as might be in arrears as well as to rent as it becomes due.

Amendment put and passed; the clause, as amended, agreed to.

Clause 5—Effect of protection order:

Hon. H. SEDDON: I move an amendment—

That a new subclause to stand as Subclause 3 be inserted as follows:—"A register of protection orders made under this Act shall be kept by the Registrar of the Supreme Court in the prescribed manner and shall be open to inspection by the public; and for the purpose of enabling such register to be kept a Commissioner shall, forthwith after the making of any protection order by him, cause a copy thereof, certified by him, to be forwarded to the said Registrar, who shall enter short particulars thereof in the register."

It was thought desirable to have a central register where a list of protection orders would be kept, so that it would be available for reference by any person who was affected by the issue of such protection orders.

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That a new subclause to stand as Subclause 5 be inserted as follows:—"No person who is

the grantee or entitled to the benefit of any bill of sale (within the meaning of the Bills of Sale Act, 1899) over any chattels in the dwelling, upon which, but for the protection order, the landlord could by law distrain for arrears of rent shall, by virtue of any power incident to such bill of sale, seize, remove or take possession of such chattels or any of them or otherwise deal with or dispose of the same, unless he shall first pay to the landlord the amount for which a distress for rent would be available to the landlord under section 29 of the Bills of Sale Act, 1899."

This was inserted in the Bill in order that the landlord might still have the protection he has under the Bills of Sale Act, 1899.

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That a new subclause to stand as Subclause 6 be inserted as follows:—"No sheriff, bailiff, or other person acting in the execution of the process of any court shall seize or take possession of, or sell or otherwise dispose of, any chattels, in the dwelling, upon which, but for the protection order, the landlord might distrain for any arrears of rent, unless the person at whose instance the process has been issued shall pay to the landlord the amount for which the landlord might so distrain, subject to any limitation imposed by law on the claim of a landlord for rent in respect of goods seized or taken under process of execution."

It was pointed out that under the Bill it would be possible for any other person who had a claim against a tenant during the suspension of the landlord's protection to come in and seize chattels ahead of him, and it was felt that during the existence of the protection order the landlord should be protected against such action. The subclause was drawn by the Parliamentary Draftsman to meet that position.

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That a new subclause to stand as Subclause 7 be inserted, as follows:—"The person, who has paid any amount pursuant to Subsection (5) or (6), shall be deemed to be an assignee from the landlord of a portion of the landlord's claim against the tenant equal to such amount, and may enforce his claim as such assignee (but in his own name) under and subject to the provisions of section eleven of this Act and not otherwise, and that section shall apply to the claim of such person accordingly."

Persons who under new Subclauses 5 and 6 have paid moneys to the landlord have re-

lied the landlord of that amount of debt, and should be entitled to recover. This sub-clause is devised so that those persons may claim along with the landlord at the end of the protection order.

Amendment put and passed; the clause, as amended, agreed to.

Clauses 6, 7—agreed to.

Clause 8—Cases in which no order is to be made under Sections 4 and 6:

Hon. H. SEDDON: I move an amendment—

That a new subclause to stand as Subclause 2 be inserted, as follows:—"On the hearing of any application under either of the said sections the Commissioner shall take into consideration the means and earning capacity of any member of the applicant's family who habitually resides in the dwelling."

The object of this subclause is to provide for cases where members of a family all residing in the one house may be made contributory to the rent thereof. The sub-clause was devised so that the commissioner might be directed to take that into consideration.

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That a new subclause to stand as Subclause 3 be inserted, as follows:—"Any protection order may be limited in its operation to portion of the rent or interest for which the tenant or mortgagor is liable, and in that case the order shall not be operative in respect of the remaining portion of such rent or interest."

A person might be able to pay a limited amount of rent, in which case it was thought right he should pay the landlord that much, although the remainder of the rent due would accumulate under the protection order.

Amendment put and passed; the clause, as amended, agreed to.

Clauses 9, 10—agreed to.

Clause 11—Effect of termination of protection order:

Hon. H. SEDDON: I move an amendment—

That the words "at the rate of" be struck out, and "at a rate to be fixed by the commissioner not exceeding" be inserted in lieu.

This was proposed by the Minister to give the commissioner a certain amount of dis-

cretion in fixing the interest, where he thought that was justifiable.

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That the following proviso be added:—"Provided that the amount aforesaid shall be payable by such reasonable instalments (if any) as the commissioner may see fit to order:"

If when the protection order expires the amounts due by the tenant were immediately demanded, great hardship might be inflicted. It was felt that the commissioner might order the payment to be made by such reasonable instalments as he thought desirable.

Amendment put and passed; the clause, as amended, agreed to.

Clause 12. — Power to grant relief to mortgagors:

Hon. H. SEDDON: I move an amendment—

That the following proviso be added to Subclause 2:—"Provided that no order for relief made hereunder shall extend or apply to any principal moneys which became due and payable before the first day of October, nineteen hundred and thirty; and references to principal moneys in the sections of this Act relating to orders for relief shall not be deemed to extend to principal moneys which became due and payable before the date aforesaid."

This clause caused a considerable amount of uneasiness to the persons affected. It was suggested that it should be deleted. The Parliamentary Draftsman, however, pointed out that it applied only to the dwelling house of which the mortgagor was in occupation. The relief would be extended only to the person who would be unable to meet his obligations on the mortgage of the house he occupied. The committee decided that with additional safeguards the clause might be allowed to stand so that protection might be afforded in needy cases. The proviso is intended to limit the retrospective application of the clause. It was thought if it was limited to October 1st, it would cover any cases which could be held to arise under the present financial stringency.

Amendment put and passed.

Hon. J. NICHOLSON: There is a reference to dwelling houses in the definitions.

This refers to persons who are liable under the provisions of a mortgage, or are entitled to redeem it, or as purchasers under such agreement for sale are in occupation of the dwelling comprised therein. I am not sure whether the select committee have considered the advisableness of enlarging the definition a little. A person might be in occupation of the dwelling house, but there might be other premises affected as well. Enlargement of the definition would give effect to the intention of the Bill.

Hon. H. SEDDON: The definition of "mortgagor" was referred to the Parliamentary Draftsman, who held that the definition really comprised the two cases.

Hon. J. NICHOLSON: The question which has been raised might be worthy of further consideration with the Parliamentary Draftsman. I do not wish to interrupt the progress of the Bill, but perhaps Mr. Seddon will agree that progress might now be reported, seeing that we shall meet again on Tuesday.

The MINISTER FOR COUNTRY WATER SUPPLIES: I do not intend to move the third reading to-day. The Bill can, if necessary, be recommitted on Tuesday.

Hon. W. H. KITSON: The point raised by Mr. Nicholson was considered by the select committee, and the very argument he has advanced caused us to consult the Parliamentary Draftsman regarding the definition. That officer convinced us that it would apply only to the mortgagor who was in occupation of the dwelling. The mortgagor must, in any case, be in occupation of the dwelling.

Clause, as amended, put and passed.

Clause 13—agreed to.

Clause 14.—Applications for leave to proceed:

Hon. H. SEDDON: I move an amendment—

That in Subclause 2, after the word "moneys," there be inserted "or out of moneys which he is able to borrow."

There might be cases where a mortgagee would want repayment of his money. It is only fair in such circumstances that the mortgagor should show he has made efforts to obtain the money from other quarters and has failed to obtain it.

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That in Subclause 2, line 5, the word "mortgagor" be struck out, and "mortgagee" inserted in lieu.

This is really the correction of a misprint.

Amendment put and passed; the clause, as amended, agreed to.

Clause 15—Protection orders and orders for relief not to be a general bar to enforcement of covenants:

Hon. H. SEDDON: I move an amendment—

That the words "and provided that the measures or proceedings taken are not such as are prohibited by the relative section of this Act" be struck out, and the following inserted in lieu:—"but so that the landlord or mortgagee shall not, contrary to any provision of this Act, demand or compel payment of moneys to which the order does extend, or cause the dwelling to be sold or the tenant or mortgagor to be dispossessed thereof, or the estate, interest, or rights of the tenant or mortgagor therein to be foreclosed, forfeited, cancelled or terminated."

The object of the amendment is to make the position clearer. It was pointed out that the mortgagor might obtain relief as regards the principal, but still be held liable to pay interest; and that thus pressure might be brought to bear so as to render a relief order void.

Amendment put and passed; the clause, as amended, agreed to.

Clause 16, 17, 18—agreed to.

Clause 19—Regulations to provide for notice of applications being given to interested parties:

Hon. H. SEDDON: I move an amendment—

That in Subclause 1, line 2, the word "reasonable" be struck out, and "at least seven days" inserted in lieu.

The object is to provide that adequate notice shall be given to any person who may be affected by the issue of an order, so that he may be present when the application is made.

Amendment put and passed; the clause, as amended, agreed to.

Clause 20—agreed to.

Clause 21—Infractions of this Act:

Hon. H. SEDDON: I move an amendment—

That in Subclause 1, after the word "Act," there be inserted "or any order made thereunder."

The object is to give protection or relief orders all the force that the various sections have in the Bill.

Amendment put and passed.

The CHAIRMAN: There will be a consequential amendment to Subclause 2.

Clause, as amended, put and passed.

Clauses 22 to 28—agreed to.

New clause:

Hon. H. SEDDON: I move—

That the following be inserted to stand as Clause 12:—“(1) A commissioner may order that during the operation of any protection order payment of rates or taxes, imposed on or in respect of the dwelling affected by the order, which have become due since, or within twelve months immediately preceding the making of the order, shall not be enforced against the landlord or mortgagee by the State Government or by any local authority. (2) In this section ‘State Government’ includes any corporation or person which or who is an instrumentality of, or represents such Government, and ‘local authority’ includes a municipal corporation, a road board, and a local board of health. (3) A commissioner may at any time revoke any order made under this section either wholly or as to any particular sum that may be due for rates or taxes.”

I desire on behalf of the select committee to express appreciation of the kindness of the Leader of the House in conveying the Government's decision with regard to the amendments suggested by the select committee. As regards the new clause, it was felt that where an owner was not receiving rent for his property it would be only reasonable that he should be relieved from the taxes and rates coming upon him in the ordinary course of events. Again, where expenses had been incurred at the instance of a local authority or a Government department, considerable hardship might be imposed on the landlord by reason of the fact that he was not receiving any rent. The effect of the new clause is to suspend charges during the period the landlord is prevented from receiving rent, or the mortgagee prevented from receiving moneys to which he is entitled under the mortgage.

New clause put and passed.

Title—agreed to.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the Chairman report the Bill to the House.

Hon. A. LOVEKIN: Before the question is put and the Bill is reported to the House, I think we should offer a few words of commendation to the members of the select committee for the valuable work they have carried out. The subject of landlords and tenants represents rather a perplexity in our laws, and for laymen to tackle the measure in such a way, deserves some words of praise. The measure is in quite a different form from that in which we received it from another place, and what has been done serves to prove the value of this House as a Chamber of review. I offer my congratulations to the members of the select committee, and I am sure other hon. members will be in accord with what I say.

Hon. J. NICHOLSON: I join with Mr. Lovekin in expressing a few words of commendation and of thanks to the members of the select committee. We are deeply indebted to those members who undertook such laborious work. Their report shows clearly that they handled this difficult task with wonderful care and exactitude. The amendments dealt with to-day are of a type that must have involved considerable thought on the part of each member of the committee and serve to indicate that they must have devoted much time and thought to the framing of the report and amendments. Had they not done so, they could not have presented such a report as we have considered to-day. Our best thanks are due to them for the work they have carried out.

The CHAIRMAN: Order! The discussion is entirely out of order and will be doubly appreciated by the members of the select committee on that account.

Question put and passed.

Bill reported with amendments and the report adopted.

## BILL—FINANCE AND DEVELOPMENT BOARD.

### *Second Reading.*

Debate resumed from the previous day.

HON. G. W. MILES (North) [5.34]: I oppose the second reading of the Bill and I hope the House will reject it. I regard



the Bill as another measure introduced by the Government to get behind the back of the Federal Loan Council. Most of our troubles to-day have arisen from what has been termed the cheap money borrowed from the Old Country. Australia has borrowed about £400,000,000 during the last ten years and, as I pointed out in another speech I made recently, the Commonwealth collect taxation from the States on all imports to the extent of seven millions per annum. In my opinion, the Bill itself will not be in order even if we agree to it. I was opposed to the Financial Agreement, but having entered into the undertaking, every State should abide by the terms of that document. The passing of the Bill will permit interference with the finances of the Commonwealth. I do not think Western Australia can borrow in England at the rate the Minister suggested, because the credit of the State is not what it was. In the past we borrowed money from England for the purpose of developing our agricultural areas. The people in the Old Land have had an opportunity to note the absolute failure of the work for which the money was borrowed. Loan money for group settlement purposes was used to bolster up revenue by charging the group settlers with interest. After some years, we have had to write off about £3,000,000 of that money. I am sure that the main cause of our trouble has been the cheap money we borrowed and spent in the past. It is the duty of this House to put its foot down and prevent the Government from borrowing any more money at the present juncture. As a seafaring man put it to me to-day, Western Australia is in her present difficult position because she could not get a quart out of a pint pot.

Hon. Sir William Lathlain: You speak for yourself!

Hon. G. W. MILES: Everyone has been spending more than he could afford, and each individual has been spending the other fellow's money. I protest against any possibility of a continuance of that practice, and I hope the House will agree not to pass the Bill under discussion. If the Bill be passed it will give the Government a chance to approach the London and Westminster Bank for a further loan. I do not think the bank will provide money for the Government. If the bank did do so, I think it would be contrary to the un-

dertaking the State has given to the Commonwealth under the provisions of the Financial Agreement.

The Minister for Country Water Supplies: No.

Hon. G. W. MILES: If this sort of thing is right, then, as was suggested by the member for Fremantle in another place, we should allow the Fremantle Harbour Trust to borrow as a separate entity, and we should set up a metropolitan water supply, sewerage, and drainage board and enable that body to borrow separately as well. It would be wrong to do anything of the sort. We undertook to submit our loan requirements to the Loan Council and to borrow only to the extent endorsed by that body. We should enter an emphatic protest against the Bill from that standpoint alone. I shall not detain the House any longer, except to refer to one other point that also influences me in my decision. One hon. member mentioned the other evening that the Bill would enable the Government to provide money for the Industries Assistance Board as in the past. We know that money was made available for the extension of the railway to Horseshoe and that assistance has been given to various industries as well. The Minister said that the funds raised by the board would be used for agricultural development only. There are a number of men on the land to-day who should never have been allowed to take up blocks. Novices have been permitted to take over farms, and they should never have been allowed to do so. The Bill will enable the Government to secure money, if it is possible to do so, and the taxpayers generally will have to pay more interest in the future to keep novices on the land who should never have been placed there. I emphatically protest against the Bill and I hope the House will take this opportunity to disagree with legislation of this description.

HON. W. H. KITSON (West) [5.43]: It is with some hesitation that I support the second reading of the Bill. The object is to assure that there shall be sufficient money available for the Agricultural Bank, so as to enable that institution to function properly, during the next few years in particular. All members will agree that it would be most serious for Western Australia if there were not sufficient funds available

to enable the Agricultural Bank to carry out its commitments. I do not think it is beyond the bounds of possibility that in the near future the Commonwealth Government will find they are not able to raise sufficient money to provide for the purposes of the several States. Unfortunately for Western Australia, experience under the Financial Agreement has demonstrated that we suffer disadvantages compared with some of the other States, because they have statutory bodies that can go on the money market and raise loans in addition to those floated by the various State Governments. I was under the impression that that practice had been terminated. I understood that the various State Governments were to take the necessary steps to prevent a continuance of that policy. On the other hand, from what has been said in another place, and from what we have ascertained in other directions, it is apparent there is no intention to do anything of the sort at present. From that standpoint, the interests of Western Australia have been prejudiced to a considerable degree. That is principally on account of the provisions of the Financial Agreement, which set out that, in the event of the Loan Council not being able to raise the whole of the loan requirements of the States, and in the event of a unanimous decision not being arrived at, the amount to be provided for each of the States shall be determined pro rata in accordance with their respective loan programmes over a five-year period. Under such an arrangement, no cognisance is taken of the borrowings of separate State statutory bodies. In Western Australia we have to raise funds for our public works through the Loan Council, whereas in Victoria and New South Wales, there are separate statutory authorities that can raise money independently. Money can be raised in that way for harbour works, water supplies and similar undertakings. Then again, in respect of any money raised for the States by the Loan Council, 50 per cent. of the sinking fund payments is provided by the Commonwealth Government. Under the Bill, no assistance will be received from the Commonwealth on account of money raised under its provisions.

Hon. G. W. Miles: That is a point against the Bill.

Hon. W. H. KITSON: We will have to pay the whole of the sinking fund charges.

Hon. A. Lovekin: It does not matter what we pay; money is no object!

Hon. W. H. KITSON: We must be concerned about what we shall pay for the money. It is important from the standpoint of the agricultural industry that the Government shall have the power provided in the Bill so that they can raise money, if it is possible to do so. Personally, I do not subscribe to the view that the board will be able to raise any loan funds—without considerable difficulty. Nevertheless, the Government contend that it is possible to secure loan money at reasonable rates of interest, and I think they should be given the opportunity to ascertain whether that is so. The fact that I shall support the Bill must not be taken as meaning that I shall vote for other Bills that may be introduced to create additional statutory bodies to be authorised to raise funds apart from the Loan Council. Even in this case I understand it is necessary that the permission of the Commonwealth Treasurer shall be obtained before any money can be raised. So there is some little check imposed. And the Minister assures us the Commonwealth Treasurer has already indicated that he has no objection to the Bill.

Hon. G. W. Miles: Has not the Loan Council to decide?

Hon. W. H. KITSON: No, it is left to the Commonwealth Treasurer. Statutory authorities desiring to raise money must secure the sanction of the Commonwealth Treasurer, who is also chairman of the Loan Council. Presumably, if he had any doubt as to the reasonableness of the application, he would refer the matter to the Loan Council. There are in the Bill one or two clauses of which I do not entirely approve, but nevertheless I will support the second reading.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [5.46]: The Minister has said that in his opinion it will be possible to borrow in London, if not all the money required, at least some of it. The credit of Western Australia in London has always been at a very high level. City of Perth debentures in London to-day stand at £95, whereas Commonwealth debentures are only £85. The credit of Western Australia has always

been high in London, and more particularly with the bank with which this State has done most of its business. The present needs of the Agricultural Bank are very great, and in the near future will be greater still. Unless we can secure money in this way for the agricultural industry the outlook will be very dark indeed. But, with Mr. Kitson I object to the Industries Assistance Board being included in the Bill. That board has advanced a very large amount of money to projects quite unrelated to the agricultural industry, and to-day those outside concerns are owing a great deal of money to the board. If it is possible to get money for the assistance of the agricultural industry, we should at any rate leave the way open to the Government to obtain it.

**HON. J. CORNELL** (South) [5.50]: The goldmining industry has done much and will continue to do much for the State, but in the long run the State's prosperity must depend upon the agricultural and pastoral industries. We have some £12,000,000 invested in the Agricultural Bank, and we have not sufficient money available to carry on the operations of the bank. It has been said that the Bill is solely for the purpose of raising loan money apart from the Loan Council. If that argument is valid, then the Bill becomes invalid. The Bill will give the proposed board power to borrow for the one justifiable purpose, namely to further the State's definite policy of agricultural development. Unless money can be secured with which to carry on the activities of the Agricultural Bank, all must feel doubtful about the welfare of the State. Never in the history of Western Australia has money been so urgently needed by the Agricultural Bank as it is at present. I will support the Bill in the hope that it will not be declared invalid by the Loan Council and in the hope that it will show the outside world that Western Australia at least has got down to the point where its only purpose in borrowing money is the definite purpose of developing the agricultural industry so essential to the welfare of the State.

**HON. V. HAMERSLEY** (East) [5.52]: I am in favour of the measure because it aims at financing those people who particularly require long-term credit. Having

grown up in this State, I can well remember how impossible it was in the early days for people to get on with the development of agricultural or pastoral land, in consequence of the absence of money. Not until the goldfields were discovered did money become available to the agricultural settlers, the goldfields' population furnishing a ready market for agricultural and pastoral products. Even then it was very difficult if not impossible to borrow money for the development of our lands, notwithstanding that large areas of good land were offered as security. It was only when the Agricultural Bank was inaugurated that funds were made readily available for the development of agricultural and pastoral areas. Following closely on the establishment of the Agricultural Bank there arose a marked competition between the financial institutions for this line of investment, despite the fact that those institutions previously had refused to regard Western Australian lands as good security. To-day, of course, it is known far and wide that our lands are highly productive. The only trouble is that the Agricultural Bank has laid down the principle that when a settler has about five years of development work in hand, he has to make a start with repayment of the advance secured from the bank, although the money put into the land has largely improved the security. It would be a wiser policy if the bank, instead of demanding so early a return of the advance made, were to allow the settler to go on improving his country. It is the difficulty encountered in securing long-term credit which deters the pastoralist and the agriculturist from vigorously developing their lands. The threat is always hanging over them that at any time they may be called upon to repay the advances made to them. Financial houses do not like to lend their money for long periods. Sir William Lathlain has already told us that City of Perth debentures in London are standing at £95, while Commonwealth debentures are at £85. If long-term loans can be obtained by the City of Perth or other corporations in Western Australia, surely it is possible to arrange long-term loans for the credit of those ready to embark upon the development of our agricultural and pastoral areas.

**Hon. G. W. Miles:** At a loss to-day.

**Hon. V. HAMERSLEY:** Possibly because of the short-term loans and the high rates

of interest. Those two considerations are responsible for the fact that some of the production to-day is being carried on at a loss.

Hon. G. W. Miles: This measure reminds me of a drowning man clutching at a straw.

Hon. V. HAMERSLEY: Not at all; I regard it as a life-saving effort on behalf of the man who is drowning. This measure will put our primary producers on a better footing and give them greater assurance, no matter whether they be engaged in agricultural, pastoral, goldmining or coalmining industries. Our aim should be to assist the people who embark upon those industries to get firmly established, and not push them off their propositions because of short-term loans and the impossibility of their repaying the capital at a comparatively early stage in their development. It is the fear about the return of short-term loan capital hanging over the heads of so many people that has caused them to curtail their clearing and cultivating operations and has deterred them from giving orders for superphosphate and making preparation for the coming season. Such a measure will give them encouragement. I heartily support the Bill.

**HON. W. J. MANN** (South-West) [6.2]: When I first read the Bill I confess that I had some apprehension about it. I also had some fear as to its legality and as to whether it was a fair thing, considering the Financial Agreement. Having re-read it, however, and secured some interpretations, I believe I can support it as a machinery Bill that may be useful in the years to come. It appears that while the Loan Council observe a certain procedure, there is an understanding between the Treasurers that boards of this description shall be sanctioned. I am given to understand—and last night the Minister corroborated it—that this proposal has the endorsement of the Loan Council, if not as a body, then of the Treasurers individually. Consequently some of the objections to it might be waived. I shall not make any prophecies regarding the fate of any effort to raise money in London at present, but it is fair to say that when I discussed Australian finance in England I found that the credit of and regard for Western Australia was higher than that of any other State of the Commonwealth. It was con-

tinually impressed upon me that we were a primary-producing State, and it was said on many occasions that so long as we recognised that and confined our development to primary production, we could look forward with some hope to financial assistance from the Mother Country.

Hon. J. Nicholson: Did you tell them we had an idea of seceding from Federation?

Hon. W. J. MANN: I found that secession was not at all popular. Having that knowledge of the attitude to this State, I believe there is a chance of getting assistance. If the measure be passed and the Government endeavour to raise money to assist the Agricultural Bank, we shall soon find out where we stand. An attempt to borrow money under a measure such as this would, I believe, be the closest showdown that we could get. I think the financial world looks upon Western Australia with an approving eye, but if we failed, we could rest assured that we were in the same boat as the rest of the Commonwealth.

Hon. J. Cornell: Really in the position of leading the blind.

Hon. W. J. MANN: I support the Bill and hope it will be carried.

**HON. A. LOVEKIN** (Metropolitan) [6.6]: My view is that this Bill is quite outside the ambit of the Financial Agreement. Legally I believe we can pass the measure, but seemingly an honourable understanding has been arrived at between the State Premiers and the Federal authorities that no loans whatever will be floated or attempted to be floated without the consent of the Loan Council having first been obtained. Recently the Melbourne Metropolitan Board of Works, which is an independent body, attempted to float a loan, and the Government of Victoria were called to account for permitting it, and I believe the Premier of Victoria undertook to prevent any such action in future. We are told that the Federal Treasurer will assent to the raising of a loan under this measure. I have yet to learn that the Federal Treasurer is the Loan Council, and I do not know what the other States will say to it, especially as Mr. Lang proposed to do practically the same thing and all the other Treasurers objected straight away.

Hon. J. Nicholson: We could departmentalise everything,

Hon. A. LOVEKIN: Yes; but for the agreement reached by the Treasurers I cannot see any objection to departmentalising all our activities such as water works, electricity departments, etc. I have always been an opponent of the Financial Agreement. I believe we should have retained our freedom to borrow. Anyone who studies the share market from time to time knows that Western Australian stocks are always ahead of those of any other State. Still, it was stated in London the other day that Western Australia must get into line with the rest of Australia; that there must be a uniform price for stocks and that, as all are in the Commonwealth, all are of the same value.

Hon. J. Nicholson: With your knowledge of finance at the other end of the world, do you think that all that is going on in the way of depression here is likely to induce investment?

Hon. A. LOVEKIN: What I am afraid of is that we shall be confronted with another charge of repudiation. Mr. Collier stated the other day that there was a solemn agreement between the Premiers that loans were not to be raised outside the Loan Council. We are trying to clutch at straws and muddle through, but we shall have it said that this is another aspect of repudiation.

Hon. J. Cornell: I think we should substitute "welshing" for "repudiation."

Hon. A. LOVEKIN: The rose is ever as sweet, whatever it be called. Mr. Kitson raised a point that the Loan allocations to the States by the Loan Council were based on the borrowings of the previous five years. We are to receive so much of the loan now being floated on the basis of our borrowings during the last five years. In that amount is included a sum for agriculture, so that we are going to receive our quota of loan money for this particular work. As regards Victoria, the Metropolitan Board of Works never participated in the loan quota allocated to the Victorian Government, and so that State will get nothing from the loan for the Metropolitan Board of Works. Yet it is obvious that we in this State may get two allocations, one representing part of our quota of the loan and the other the amount of loan money raised under this measure. It may be called smart finance, but that is the position.

Hon. G. W. Miles: What about the interest and sinking fund?

Hon. A. LOVEKIN: The money we get out of the loan for this instrumentality will carry a sinking fund; the money we raise under this measure will carry no sinking fund. It will not be quite a good thing if there is no sinking fund because the money is to be used for the very risky speculation of putting inexperienced men on the land. I see no use in opposing such Bills.

Hon. G. W. Miles: You just put it on record.

Hon. A. LOVEKIN: I think we have got into such a condition that it does not matter what we do. We must have money at any price and trust to Providence for the future. I cannot refer to another Bill at this stage, but it seems to me that the temper of Australia, and especially of Western Australia, is to borrow at any price and possibly burst as the result.

Hon. J. Cornell: The hon. member is losing his punch.

*Sitting suspended from 6.15 to 7.30 p.m.*

**HON. E. H. H. HALL** (Central) [7.30]: The Government are to be congratulated upon having brought down this Bill and upon their efforts to evade an agreement that was entered into by the Loan Council. I hope they will be successful in any means they adopt to raise further moneys for the development of the State. I am fully in accord with those who disapprove of the continued practice of borrowing money either in Australia or abroad. They rightly point out that many of our troubles have risen through over-borrowing. I am reminded of the old adage, "Government is finance and finance is government." What position will the Government find themselves in if their powers of raising money are restricted? Some months ago, in the Parliamentary Library, I was reading Sir John Quick's remarks on Federation. This was when the agitation started some months ago about secession. I made a few extracts which are rather apropos of the subject. Sir John Quick says, talking about taxing and spending powers—

The powers vested in the Commonwealth, which have caused most surprise and yielded the most unexpected results, are the taxing power, Section 51, and the spending power, Section 81. These powers are practically unlimited save that Federal taxation must not

discriminate between States and the money must be appropriated for the purposes of the Commonwealth. Avoiding the rule against discrimination, the Federal Parliament could impose taxation in every shape and form, direct and indirect, to the monopoly of all sources of revenue and to the exclusive and eventual destruction of the States.

This was written before any serious agitation for secession existed. He goes on—

The gradual extension of Federal taxation and its infringement on the original tax-gathering preserves of the States is shown in the exclusive Federal control over Customs and Excise duties, and in the double land tax (Federal and State), in the double income tax (Federal and State), in the double death and succession duty (Federal and State). The Federal Parliament has also anticipated the States in imposing an entertainment tax. The process of Federal taxation may go on widening and extending until it gradually covers the whole field of possible financial resources; then will come the great day of reckoning, and the States may find themselves crippled in their finance and compelled to retrench and reduce their widening functions and expense.

These words deserve to be seriously considered by everyone having the welfare of the State at heart. He continues—

Similar elasticity in the spending power has been discovered in the Constitution of the United States, where the Union is gradually overshadowing and superseding the Governments of the States in vast financial appropriations, as powerful and effective in their operations and results as if the Union had acquired additional constitutional powers by an amendment of the instrument of Government. The same developments are going on within the limits of the Commonwealth of Australia."

It is as well to be reminded of the difficulties confronting our own Government. We are in the throes of a depression unprecedented in the world. What are we to do to help ourselves out of it or to maintain existing services? There are those on the one hand who say we should not on any account endeavour to borrow any more money. There is another section which says that not for a moment should we consider or countenance anything in the nature of inflation. I think we should endeavour to learn all we can about that which is the root of the world's troubles. I have here an article which appeared in the financial columns of the "West Australian" yesterday headed "Gold Standard, Will it be discarded?" This says—

In an article dealing with gold production and the level of prices which appears in the annual International Banking Number of the

"London Statist," a searching analysis is made of a problem which to-day is as important as it is controversial. "It is not surprising," the "Statist" says, "that the interest taken in the problem of our standard of value should be increasing in view of the advent of one of those major fluctuations in the level of prices which have punctuated the economic history of the world.

The article goes on to say that the gold standard, which so many people claim to be sacrosanct, is a question that requires consideration, and it continues—

Will the gold standard have to be discarded? To this question the "Statist" makes the reasoned answer, arguing that the gold standard holds within itself all the virtues of the ideal standard, but that if those attributes are to be brought out, the gold standard calls for intelligent international management.

The Government are unable to raise any finance because of the unfortunate document known as the "Financial Agreement," against which I recorded my vote. This State has also joined the Loan Council. The position generally causes us to wonder what will become of us. Although many of our people are very despondent, they should remember that things are not as bad as they might be. If in addition to the crisis through which we are passing we were suffering a serious local drought, things would be very much worse than they are. I shall support the Government, but I do urge that they will give heed to the manner in which this money is spent. Amongst those members who have spoken was Mr. Cornell. His opinion is entitled to respect. It will be recalled that he said the future progress of this State is wrapped up in its agricultural development. Whilst I commend the Government for making the effort to raise money, I ask myself how they are going to persuade people to lend it for investment in further agricultural development whilst things are as they are. I should very much like to see someone else appointed to advise the Government as to the best means of spending the money. The Bill says that "bank" means the Agricultural Bank of Western Australia, and that "board" means the Finance and Development Board. If I had my way, I would choose other than Government officials, who have enough to do to look after their jobs as it is, for appointment to this board.

Hon. W. H. Kitson: What about Mr. Miles?

Hon. E. H. H. HALL: Perhaps with his abilities and knowledge, we might look to him to give us a practical illustration of what he could do in this matter. If the Government are able to get this money, why should they not first consult Parliament as to the best means of spending it? A magistrate cannot be removed from his position without a motion receiving the assent of both Houses, and surely in this more important matter both Houses should be consulted. It would not be too much to ask that Parliament should have some say in the appointment of those who will carry so much responsibility. There has been a great deal of controversy about the whole thing. After all, money is money to-day. Although the Government are continually saying they have no money, they are able to find it somewhere, somehow, for further development in a place like Nornalup. Many people I meet totally disapprove of the idea of the Government spending this very scarce money in that corner of the State. Whilst we have on our statute book a Closer Settlement Act, why should the Government go to Nornalup and spend money there on costly clearing in order to produce stuff which already cannot be sold at a profit? Their funds should be directed to placing people on land adjacent to existing railways. Even if those people are only taken away from the thousands of unemployed in Perth and put on blocks where they can grow something to feed themselves, it will be a distinct gain. The only Western Australian Administration which attempted to balance the Budget as a good housewife does, was derided by the Press and nicknamed "The mark-time Government." I refer to the Ministry of the late Mr. Daglish. Our present Government should go slow, though not in the union sense of the word. They should hasten slowly. If they get money under this Bill, they will not be able to say, "We have no money to do this and that." I trust they will use every endeavour to get expert opinions as to the best manner of spending the money. At present further schemes of agricultural development should be viewed cautiously.

HON. J. J. HOLMES (North) [7.47]: But for the Financial Agreement, which was approved by a majority of this House, there

would be no necessity for the present Bill. As I pointed out at the time the agreement was under discussion, government is finance and finance is government. Under the agreement we surrendered control of our finances. The one redeeming feature of the agreement—I opposed the adoption of the agreement—was the appointment of a Loan Council to take control of the finances of Australia and the borrowings of the various States. Previously all the States and the Commonwealth had been competing with each other on the money market. It was agreed that the Loan Council should be the sole borrower, so as to cut out competition and the putting-up of rates to the various borrowers. The present Bill is a distinct attempt to get behind that arrangement. No matter what may be said, I do not think the Loan Council will consent to this State borrowing outside the agreement. This afternoon Sir William Lathlain pointed out how Western Australia stands in the eyes of the world's financiers, and what we have been able to do in the past. Formerly Western Australia was the only State that provided a sinking fund, and formerly we could borrow better than the Commonwealth or any other State. Under the Financial Agreement the Commonwealth is to provide two-thirds of the sinking fund for existing debts, the remaining third being provided by the States, and one half of the sinking fund in respect of new loans, the other half being found by the States. If the Bill is carried and our Treasurer goes to London to borrow money, there will be no question of the Loan Council providing half the sinking fund. If we succeed in borrowing, this State will have to pay the whole of the sinking fund. That feature has an important bearing on the question, and goes to show how careful we ought to be before leaving the recognised path. The security offered under the Bill, as I understand it, consists of the assets of the Agricultural Bank and the Industries Assistance Board, and such other assets as the board to be created under the measure may take over. On those assets the prospective board are to borrow money. I wish to point out, however, that those assets have already been allocated to other loans. It seems to me not the right thing, but a breach of faith, to borrow money on the security of certain assets and then transfer them to a development body with power to borrow on

them again. Further I find that while the Bill authorises the board to raise £800,000 for agricultural development, the Loan Bill provides £1,400,000 for the same purpose. Even without the £800,000, I think the £1,400,000 a fair amount, in existing circumstances, to invest in agricultural development. It was interesting to listen to-day to some speakers who formerly were so enamoured of the Financial Agreement, who would not listen to anything against the Financial Agreement as it was and as it had to be, but who now say that we find ourselves in financial difficulties because we adopted the agreement. I will say of the Premier and Treasurer that he was always opposed to the Financial Agreement. However, like the rest of us, he should bow to the will of the majority and accept the agreement instead of trying by a subterfuge to get behind what we all thought was a distinct and binding contract. No matter what the Loan Council may concede as regards this Bill, undoubtedly its enactment will be a breach of an agreement to which the majority of the Australian Parliaments assented. For that reason, if for no other, I am afraid I shall have to vote against the second reading of the Bill.

**HON. E. H. HARRIS** (North-East) [7.54]: This Bill is to authorise the Treasurer to go once more to the capitalistic cash shop for the purpose of raising additional money to assist our worried Government to overcome some of the difficulties which confront them because this State is a party to the Financial Agreement and borrowing is now controlled by the Loan Council. Excessive borrowing is the finger-post which points to the path of disaster. It has been repeatedly stated that excessive borrowing has landed us in our present difficulties. With the advent of the Loan Council it was believed that the days of hectic borrowing would end. This Bill, however, seeks to get around or behind the Loan Council and authorise further borrowing. What will be the limit if by this measure we can get further money? It has been generally understood here that sooner or later the Government of the day will bring down a Bill to establish a metropolitan board of works. Such a body would relieve Ministers of many of their worries and anxieties, and would place various public undertakings under the care of com-

missioners, who it was understood would exercise borrowing powers. I think that was the view held by Sir Hal Colebatch when a member of this Chamber; and Sir Hal took an active part in debates, particularly those relating to finance. We find that in the Eastern States bodies controlling waterworks and so forth have the power to borrow; and I thought that as the Government of the day were anxious to raise further loans, they might have worked along those lines. It may be in their minds subsequently to introduce a measure of that nature. I have much sympathy with them in their desire to secure long-dated loans for the benefit of those interested in agriculture, but we have to ask ourselves whether in present circumstances we are justified in supporting the Government as to further borrowing. Mr. Kitson said he was doubtful whether the Bill would achieve the object of its sponsors. However, as the hon. member expressed himself clearly that he believed in getting money at any time—

Hon. G. W. Miles: And at any price.

Hon. W. H. Kitson: Who said that?

Hon. E. H. HARRIS: The hon. member spoke for a couple of hours on the Address-in-reply, and one of the main features of his argument was that we were weighed down with a load of interest. He said the burden was too great for us to carry. He said the interest that we were called upon to pay—

Hon. H. W. Kitson: I never said what you say I said.

Hon. E. H. HARRIS: I read up the speech a little while ago in "Hansard." I hope I shall not be tempted to make quotations. However, I have them here.

Hon. W. H. Kitson: Mr. President, the hon. member should withdraw that serious charge.

The PRESIDENT: What was the charge? I did not quite catch it.

Hon. W. H. Kitson: That I advocated borrowing money at any time, anywhere, and at any price.

The PRESIDENT: The hon. member regards what Mr. Harris has said as objectionable. Mr. Harris, I am sure, will withdraw it.

Hon. E. H. HARRIS: For the second time in my history in this Chamber I shall withdraw. I will substitute—

The PRESIDENT: There must be no substitution for what has been withdrawn.



**Hon. E. H. HARRIS:** I will not substitute, but I have a vivid recollection of the hon. member pointing out that we were paying very high rates of interest, and that the burden was too heavy for us to carry. The only reason, he said, for our having to pay such high rates and carry such a heavy burden was excessive borrowing. I interpreted the speech to mean that we had borrowed too much and that we must restrict our borrowings. Practically Mr. Kitson said to-day, "I do not think the Bill will achieve what its promoters desire, but I shall support the measure knowing that it will add considerably to the interest with which we are already overburdened." I think that is a fair summary of what the hon. member said, and a fair interpretation of his remarks. The Bill, if passed, will add to the burden of interest which, as has rightly been pointed out, is just as much as we are able to bear and at the moment to pay. For the reasons I have stated, I shall vote against the Bill.

**Hon. E. H. H. Hall:** What about posterity?

**Hon. E. H. HARRIS:** Posterity can be looked after by this Parliament and by Parliaments in the future. However, in view of what I have said, I do not feel inclined to support the second reading of the Bill.

**HON. SIR CHARLES NATHAN** (Metropolitan-Suburban) [8.1]: In view of the remarks of one or two hon. members, I cannot permit the Bill to be passed without drawing attention to certain phases. So far as I understand the position, the object underlying the Bill is that the board to be created shall be placed in a position to borrow money for specific purposes. As to whether it is possible for a loan to be floated under existing conditions, I am unable to say. I assume the Government consider there is a reasonable prospect of being able to raise a limited amount of money for the purposes set out in the Bill; otherwise they would not have wasted their own time and that of the House on the measure. The primary objective is to provide the Agricultural Bank with sufficient money to carry on its activities. I have no desire to cover the ground that has been traversed so often during the debates in this House during the session, but I appreciate the fact that if ever there was a time

when the Agricultural Bank should be provided with funds to enable it to retain as many farmers as possible on the land, it is now.

**Hon. E. H. Harris:** Then you say the aim justifies the means?

**Hon. Sir CHARLES NATHAN:** Yes. All that I am afraid of is that we shall not be able to borrow enough money.

**Hon. G. W. Miles:** Thank goodness for that!

**Hon. Sir CHARLES NATHAN:** That is all I need say. If I interpret the views of the Government correctly, I am just a little surprised that certain hon. members should have expressed the views they did. I shall support the second reading of the Bill.

**HON. H. SEDDON** (North-East) [8.3]: I approach the Bill with somewhat mixed feelings, because, from one standpoint I should oppose it, seeing that it embodies a proposal to indulge in further borrowing. From the point of view of the position of the Agricultural Bank, and of the Government themselves, I can see that the Bill is absolutely necessary. There is not the slightest doubt that the bank, like other financial institutions, has its assets frozen. It will be absolutely necessary to raise additional capital in order to carry on.

**Hon. E. H. Harris:** The Loan Council may freeze this proposal.

**Hon. H. SEDDON:** A good deal has been said regarding the position of the Loan Council, and it has been asserted that the Bill represents an attempt to get behind the Financial Agreement. I would like to remind hon. members that when we agreed to participate in the Loan Council, there was one tremendous advantage that the Eastern States had over Western Australia. That was that so many local authorities and semi-governmental institutions in the Eastern States had powers of borrowing, which they exercised independently of the Governments in their respective States, whereas in Western Australia, borrowing for all such purposes had to be undertaken through the Loan Council. Unfortunately that advantage was not appreciated at the time the agreement was drawn up, but it has been abundantly apparent since.

**Hon. E. H. Harris:** Do those separate authorities continue to exercise those powers?

**Hon. H. SEDDON:** If we may judge from the views expressed by the Leader of the Opposition in another place, he was under the impression that the Financial Agreement precluded the Government from placing the semi-governmental institutions in this State on the same basis as those in the Eastern States. In the course of his reply to the debate, the Minister may be able to give us some additional information that may throw a different light on the position as it is to-day. If so, I am sure he will deal with that phase because it will alter the whole aspect if he can indicate to us that it was recognised that Western Australia should be placed on the same footing as the other States.

**Hon. J. J. Holmes:** Was it not made quite clear at the time that outside borrowing was to cease?

**Hon. H. SEDDON:** I understand such transactions have to be assented to by the Loan Council. As to whether moneys so raised are to be regarded as part of State borrowings, that is a point on which the Minister may be able to enlighten the House. I am not sure whether those outside loans were to be included as part of the annual borrowings of the various States concerned, or were to be regarded as separate and apart from direct Government loan flotations. If the latter, undoubtedly Western Australia is entitled to be placed on the same footing as other States. The Minister when he replies might inform the House whether the position has altered to the extent that the borrowings by local authorities in the Eastern States have now to be regarded as part of the annual loan quotas of the respective States, or whether relief has been granted to Eastern Australia by permitting her to raise additional funds along the lines indicated in the Bill. If the latter is the position, then undoubtedly it will affect the attitude of the House towards the Bill. As to the operations of the Agricultural Bank, the annual report of that institution is on the Table of the House. If hon. members peruse it and read between the lines, they will appreciate how essential it is that the bank should obtain additional funds from some source. The position could not be worse from the standpoint of raising money, but apparently the Government are of opinion that they can secure additional funds. As to whether they can is a matter of opinion. Personally I do not

think the Bill will facilitate borrowing to a greater degree than if a straight-out loan were sought under the provisions of the Financial Agreement. I take it the Government have not placed the Bill before the House without duly considering that phase. If the Government consider that they can raise a loan, they should be permitted to attempt to do so. On the other hand, if an attempt to raise funds were made unsuccessfully, it would undoubtedly provide a serious and undesirable feature, and would militate against and damage our credit. That phase, too, should be considered before members finally decide to pass the Bill. There is no doubt the fact that we have been over-borrowing is appreciated by hon. members, and in ordinary circumstances they would strongly oppose any further extension of our borrowing powers. I must confess I cannot see any way out for the bank unless we can get more money for that institution. Perhaps the Minister will be able to give us information regarding the Loan Council, and tell us whether the Government have good grounds for thinking that the required money will be available, particularly in view of the unfavourable position of Australian securities overseas.

**HON. G. FRASER (West)** [8.10]: In common with other hon. members, I am still a little doubtful as to whether I shall record my vote either for or against the Bill. I shall not make up my mind on the point until I hear the Minister's reply to the debate. I have a vivid recollection of the discussions in Parliament relative to the Financial Agreement. My impression then was that no further borrowing was to be allowed by the various States other than through the Loan Council. If that was the position, then I should certainly vote against the Bill. If the Minister can assure me that my memory is wrong from that standpoint, then I shall vote for the measure. It has been stated that in several of the other States semi-governmental bodies are able to borrow apart from the Loan Council, and I understand they are still in that position. On the other hand, Western Australia is differently situated. Those institutions were in existence when the Financial Agreement was endorsed, and the powers they possessed were well known. Apparently it was agreed that those institutions could continue in the future as in the past. If other bodies are

to be created and given separate borrowing powers outside the Loan Council, then I shall not support the Bill. I hope the Minister will deal with that phase in the course of his reply. Then again, should the Loan Council not be successful in raising the money authorised for the coming year, the position will be serious for Western Australia, and unless some provision is made such as that which is embodied in the Bill, the agricultural industry in this State will go by the board. That is a serious phase that must be considered by the House. If agreed to, the Bill will at least do a little to alleviate distress in the agricultural industry. When the Financial Agreement was entered into, we knew that our borrowing powers would be curtailed, but I doubt if anyone appreciated the fact that they would be curtailed to such an extent as is apparent now. It would be well for Australia if we could live within the limits prescribed by the Loan Council, but it must be recognised that the curtailment of borrowing powers can be carried too far.

Hon. H. Seddon: What is the alternative?

Hon. G. FRASER: I know the position is very difficult. While I would be pleased if we could live within the limits stipulated by the Loan Council, we find it is impossible. Notwithstanding that fact, I shall vote against the Bill unless the Minister can assure me that the methods proposed in the Bill will not mean setting aside the agreement entered into by the State. I believe in standing to an agreement once it is made, and if it is a matter of evading the Financial Agreement, then the Bill should go by the board. I feel sure that the Government would never have introduced such a measure if they did not know it was within the four corners of the agreement. My vote will be cast in accordance with the view I take of the Minister's reply to the debate.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East—in reply) [8.15]: I thank those members who have spoken in support of the Bill, and to those opposing it I say that the position is more acute than they realise. The main reason for the Bill is that funds are wanted and wanted quickly. If they are not secured a large number of our producers, and indeed the State itself, will suffer considerably, for a tremendous area will not be availed of for the growing of crops. Mr.

Lovekin remarked that we were to receive our quota from the Loan Council for this very purpose. That is quite right, but this money will be required within the next month or two. Then the hon. member went on to say this could be characterised as high finance. It is a great pity the hon. member, whom I hold in high regard, cannot speak on any proposal by the Government without the use of harsh words. The hon. member questioned the right of the Government to borrow the money. Such action, he said, would be an infringement of the authority of the Loan Council. I can assure the hon. member that if it were so the Government would not have brought down the Bill. Let me tell him the position as it stands. At a meeting of the Loan Council, where Mr. Collier was representing the State, it was agreed that if a State Treasurer did not have authority to control semi-governmental institutions in his State he would get that authority from his Government and, having got it, would not allow any semi-governmental institution to borrow without the approval of the chairman of the Loan Council. I can assure the House that the Government of Western Australia will borrow only overseas, will not borrow until such time as the State's floating indebtedness in London is liquidated, and will not borrow without the approval of the chairman of the Loan Council.

Hon. G. W. Miles: How, then, can you get this money immediately?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I am not at liberty to tell the hon. member, beyond saying that the Premier believes he can raise a certain amount of money, at all events sufficient with which to carry on. Mr. Nicholson commented on Clause 12. I referred this matter to the Crown Law Department, from whom I have had the following reply—

Clause 12 is a machinery clause, and the wording has been adopted by the draftsman to give effect to the transfer of the control to the new board. As a matter of fact all the funds controlled by the bank have been advanced from General Loan Fund, for repayment of which the revenue of the State is charged. In addition repayment is covered by a sinking fund under the Financial Agreement. This particular clause is necessary to give the new board control over the advances, otherwise the control would still remain with the present trustees. These moneys are not in any way pledged for the security of moneys which may be borrowed at a later date.

Mr. Nicholson was scarcely satisfied with Clause 24. I think Mr. Drew took the same point. Both members expressed a desire to improve the clause. If they still wish to do so, I will accept an amendment to the following effect:—"The State shall guarantee the repayment of all moneys due by the board." Sir William Lathlain, Mr. Kitson and Mr. Stewart referred to Clause 32 as coming under Part III. of the Industrial Assistance Act. Even so the clause will considerably improve the existing position. A number of industries have been assisted under that Act, some with disastrous results. Here let me correct the impression of one hon. member, who suggested I had made an advance to a certain jam company. I did nothing of the sort. What I did was to hold up that company until I received some security for a sum of money previously advanced to it. The Government had no security whatever at the time. Then, seven or eight weeks afterwards, I was instrumental in putting in a receiver to wind up the company. In consequence of that the Government, instead of losing £12,000, lost only some £3,000. Let me repeat that I made no advance whatever to that company. Most of the advances made to secondary industries might be termed political advances.

Hon. G. W. Miles: Well we do not want any more of them.

The MINISTER FOR COUNTRY WATER SUPPLIES: The clause will leave it with the board to be established under the Bill to say whether or not such advances shall be made. Members must know that from time to time in the past strong representations have been put up to the Government of the day in favour of certain industries, and the Government of the day in response have made advances for the establishment of those industries, sometimes with disastrous results. So, as I say, with this question of advances in the hands of a responsible board we can look for a very marked improvement on the existing position.

Hon. Sir William Lathlain: There is room for it.

The MINISTER FOR COUNTRY WATER SUPPLIES: I agree with that. I do not know that there are any other questions for me to answer.

Hon. H. Seddon: Will the borrowings of semi-governmental institutions be included in the State's allocation?

The MINISTER FOR COUNTRY WATER SUPPLIES: Really I cannot answer that question. The State is at a tremendous disadvantage as against the Eastern States, where so many semi-governmental institutions exist. All those institutions have borrowed freely.

Hon. G. W. Miles: Since the establishment of the Loan Council?

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes. Those institutions borrow quite apart from the State. In consequence, as compared with the Eastern States our borrowings appear to be very heavy; but it must be remembered that this State has to borrow for all purposes, whereas in the Eastern States the semi-governmental boards borrow separately. I trust the explanation regarding the Loan Council will suffice to allay the fears of Mr. Fraser and others, and that they will understand that the Government will see to it that borrowings under the Bill do not clash in any way with the Financial Agreement.

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

Ayes	..	..	..	..	18
Noes	..	..	..	..	4
					—
Majority for	..	..	..	..	14
					—

## AYES.

Hon. F. W. Alsop	Hon. G. A. Kempton
Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. J. Cornell	Hon. Sir W. Lathlain
Hon. J. M. Drew	Hon. J. M. Macfarlane
Hon. J. T. Franklin	Hon. W. J. Mann
Hon. G. Fraser	Hon. Sir C. Nathan
Hon. E. H. Gray	Hon. E. Rose
Hon. E. H. H. Hall	Hon. C. H. Wittenoom
Hon. V. Hamersley	Hon. H. Seddon

(Teller.)

## NOES.

Hon. E. H. Harris	Hon. G. W. Miles
Hon. J. J. Holmes	Hon. J. Nicholson

(Teller.)

## T'AIR.

## No.

Hon. C. B. Williams	Hon. A. Lovekin
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Question thus passed.

Bill read a second time.

*In Committee.*

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clauses 1 to 11—agreed to.

Clause 12—Certain funds transferred to the board:

Hon. J. M. DREW: I am not satisfied with the clause. The Agricultural Bank and the Industries Assistance Board have one source of income in the shape of Loan Funds, but the Agricultural Bank has another source in the shape of interest and repayment of principal. The chief source, however, is loan money. In 1928 the Collier Government had to find about £700,000 to fortify the capital of the bank. That money must have been obtained through the Loan Council. What will be the position regarding such money in future? The Commonwealth Government have been contributing 5s. per cent. sinking fund annually to that portion of the Agricultural Banks' capital. Complications are likely to occur.

Hon. J. NICHOLSON: The point raised by Mr. Drew is a vital one. Under the clause funds will be vested in the new board. For years all the funds held or invested by the Agricultural Bank were borrowed money and repayments, and sinking fund payments have been made by the Commonwealth. Consequently there is a danger of reaching an awkward pass. The Agricultural Bank holds something apart from funds. Funds ordinarily imply money and do not include mortgages. Obviously, the intention is to hand over to the board not only the funds but also the securities, so that the board would practically step into the shoes of the Agricultural Bank, the Discharged Soldiers' Land Settlement Board and the Industries Assistance Board. The new board would then be in a position to exercise any powers over mortgages, but the clause is not wide enough to enable the board to do that, because it merely vests the funds in the board. I shall suggest the insertion of a new clause declaring that it will be unnecessary for transfers to be made, under the provisions of the Transfer of Land Act, from the Agricultural Bank, the Soldiers' Land Settlement Board and the Industries Assistance Board to the new

board. Otherwise it would be necessary to make the transfers.

The Minister for Country Water Supplies: Could you add the words "and securities"?

Hon. J. NICHOLSON: More than that would be needed. On a previous occasion we framed a clause to obviate the necessity for making transfers, but so far I have not been able to recall the occasion.

Hon. J. M. DREW: My objection would be overcome by inserting a proviso to the effect that funds raised through the Loan Council should not be vested in the board, but should remain under the control of the Agricultural Bank.

Hon. J. Nicholson: It would be very hard to separate them.

Hon. J. M. DREW: The matter needs careful consideration. I suggest that the clause be postponed so that the points raised may be investigated.

Hon. Sir WILLIAM LATHLAIN: The capital of the bank includes a considerable sum upon which the State pays 7s. 6d. and the Commonwealth 2s. 6d. per cent. sinking fund, that sum representing loan money raised prior to the operation of the Financial Agreement. It is satisfactory to note that sinking fund must be provided by the board, as that will give the investment greater security.

The MINISTER FOR COUNTRY WATER SUPPLIES: If members pass the clause now, I shall be prepared to recommit it on Tuesday next, if necessary.

Hon. W. H. KITSON: It is not only a question of money raised through the Loan Council and used by the Agricultural Bank, but also a question of Federal moneys which may be provided by the Treasurer and raised by the Loan Council. If the Bill becomes law it will be competent for the Treasurer to advance money to the Agricultural Bank, and this money may have been raised through the Loan Council.

Clause put and passed.

Clauses 13 to 22—agreed to.

Clause 23—Funds of board:

Hon. J. M. DREW: There is nothing wrong with the clause so long as the funds placed at the disposal of the board by the Treasurer are drawn from Consolidated Revenue and are not borrowed funds.

Clause put and passed.

Clause 24—Responsibility of State for board:

Hon. J. M. DREW: I move an amendment—

That all the words after "the" in line one be struck out and "payment of all moneys due by the board is guaranteed by the State" be inserted in lieu.

Amendment put and passed: the clause as amended, agreed to.

Clauses 25 to 34, Title—agreed to.

Bill reported with amendments and the report adopted.

## **BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 10th December.

**HON. W. J. MANN** (South-West) [8.57]: As one of those who offered some opposition to the land tax earlier in the session, I am glad the Government have recognised the fact that our system of land taxation requires some revision, and that they have brought down this Bill to provide some alleviation for agriculturists and land owners. It is an accepted fact, which need not be laboured, that there has been a serious fall in land values. The question of what a man can secure for a property to-day compared with what he could get 18 months or two years ago is one that most people do not care to contemplate. That which was looked upon as a valuable asset even a few months ago is now, for the time being, at any rate, practically unsaleable. We have the fact that since 1924 the Taxation Department have been steadily reviewing land values throughout the State. The valuations have been increased to such an extent that I doubt whether hon. members realise the heavy additional taxation owners are called upon to pay. The report of the Commissioner of Taxation contains some illuminating figures, which I regard as offering ample justification for this Bill. As regards country lands within the confines of 55 road board districts, the estimated old unimproved value was £10,583,741, and the new unimproved value is £18,591,104, showing an increase of £8,007,363. That enormous increase shows how hardly the agriculturist has been hit with taxation in the last two years. In

the case of city and suburban lands the estimated old unimproved value was £8,790,420, while the new unimproved value is £18,495,723, showing an increase of £9,795,303. We must also take into consideration that in this State there was, some 12 months ago, something in the nature of a land boom, values being forced up. Possibly portion of that increase of nearly £10,000,000 is the effect of that boom. At all events, it is an astonishing increase and affords additional justification for the Bill. As regards country towns, the position is not quite so bad: the estimated old unimproved value was £1,210,609, whilst the new unimproved value is £1,676,732, showing an increase of £466,123. The grand totals are—estimated old unimproved value, £20,494,770; new unimproved value, £38,763,559; estimated increase, £18,268,789. These figures convey a very convincing reason for a revision of the position. While the Government are not content to concede a reduction in the rate of tax, they are to be commended for having introduced this Bill, which will afford some relief. I understand that the procedure to be adopted in connection with the measure, at any rate for the time being, is to make a percentage reduction. There is nothing to guide us as to the extent of the reduction proposed. However, it is clear that the position calls for generous treatment. I hope that the reduction will apply not only to the portion of the State which I have mentioned, but also to the North and the North-West. I thought it my duty to give the figures quoted. If the Bill is passed, I am sure it will prove an incentive to the people, and those of the rural districts more particularly, to endeavour to pay their taxes. Some of them this year will have great difficulty in paying taxation at all; but I believe that if the Government clearly show themselves desirous of assisting in this direction, the people will respond and the position will be much better than if it were left on the old basis. I support the Bill.

**HON. G. W. MILES** (North) [9.6]: I have pleasure in supporting the Bill, and hope that the percentage basis will be substantial. I wish to cite a specific case in the southern portion of the State, which has come under my notice. A property that was sold two years ago at £4 17s. 6d.

per acre is on the market at £3 5s., with no buyers.

Hon. G. Fraser: But that is only temporary.

Hon. G. W. MILES: Only a temporary reduction in the land tax is wanted. Many people on the land cannot make sufficient income off it to pay their taxation, and they have not other resources. I hope the Minister, when replying, will give an assurance that the application of the Bill will extend to all lands throughout the State, pastoral as well as farming. Numerous pastoralists, as well as farmers, cannot find money with which to pay working expenses, let alone land tax, during the coming year. I presume the measure will operate only from year to year, giving some relief to the man on the land, who urgently needs it. I support the Bill.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [9.8]: Undoubtedly the purpose of this Bill is to relieve those who pay land tax. I have risen merely to quote a case which has been brought under my notice as to the operation of the existing Act. Under that measure values are to stand for a period of five years. Last year a friend of mine had his tax jumped to such a high level that he took the matter up with the Commissioner of Taxation. He said to the Commissioner, "I understood that your values were to stand for five years." After the lapse of some considerable time my friends received an answer to his representations. It was to the effect that he was right, and that he would have to go back to the previous year and send along a cheque for an additional amount. Instead of obtaining relief, he had to pay higher taxation. This Bill purposes to cut out that kind of thing. A man who has been treated in that way has been dealt with harshly. I should like to know from the Minister how taxpayers so unjustly treated will be dealt with under the Bill. I admit that the new valuations will afford some relief. Last year's valuations were excessively high, and the rates abnormal.

HON. W. H. KITSON (West) [9.10]: I have much pleasure in supporting the Bill. The measure does not indicate what method is to be adopted by the Commissioner of Taxation, but presumably there will have to be some rule-of-thumb method, as otherwise many districts and many landholders

will have to wait a long while before they can hope to obtain relief. It is that point which brings me to my feet. As regards some valuations made recently, it seems to me that the officers responsible for them do not even know the lands they are valuing, and probably have never been within miles of them. As a result, inflated values have been put on land in some cases, and hardship has resulted. Not long ago I had occasion to see one of the officers of the Taxation Department. On making inquiry as to the method adopted in arriving at a particular valuation, I was astounded to learn that it was supposed to be based on sales of land which had taken place in the district recently. It was very hard to discover proof of any land having been sold within a good many miles of this property, and yet sales had been taken as a basis. In addition to sales, various other things are taken into consideration, such as distance from a railway or a siding. In the case of the property I refer to, the distance was taken as the crow flies, whilst the distance by road is 75 per cent. greater. The officers of the department informed me that they have a method by which they arrive at these various valuations, that everything is tabulated, and that they can give a valuation that is satisfactory to the department. Unfortunately, the valuation is rarely satisfactory to the owner of the property. Another point connected with the Bill is that it affects not only land tax, but also vermin tax and road board rates, because in nearly all cases the local authorities accept the valuations of the Taxation Department. Moreover, those valuations stand for five years. In these times, therefore, there is ample justification for the Bill. My only regret is that the Government have not seen fit to act as promptly as they have done in this case, on behalf of a section of the community who are concerned in other matters. Anyhow, I have much pleasure in supporting the Bill.

HON. E. ROSE (South-West) [9.13]: I congratulate the Government on having introduced this Bill, which is very necessary. To our cost, we all know that during the last three or four years the valuers of the Taxation Department have increased land values very considerably. That applies not only to agricultural but also to pastoral

areas. In critical times like these, when our products sell below cost price, land should be valued at what it is capable of producing. From that aspect a great many valuations will be reduced by 50 per cent. In view of the taxation he has to pay—land tax, road board, vermin and other taxes—it is extremely difficult for either the farmer or the pastoralist to meet his debts. Land valuations should be reduced considerably. Mr. Mann has drawn attention to the high increases in unimproved values during the last few years. Even if valuations are reduced materially, the Government will receive in land tax more than they did prior to the present valuations being imposed. It is only necessary to look at the price of wool to see how the pastoralist is placed: and I hope that when this measure is put into operation, consideration will be extended to him as well as to the agriculturist. Wheat land is not worth what it was three or four years ago. Then again land in the South-West used for dairying and mixed-farming is not as valuable now as it was a few years back. To-day potatoes are selling in Perth at from £2 to £2 10s. a ton, which is below the actual cost of production. In those circumstances, what is potato land worth to-day? The valuation on that land at present is in excess of a reasonable figure. Much of the land in Western Australia has been valued on the basis of sales of adjoining blocks. I may pay a higher price for a block than the land is worth because I may desire to square off my own holding. The departmental valuers do not take that into consideration in fixing the value of the land, but take the price paid for it. It is wrong to base valuations on fancy prices paid for specific blocks, merely because they adjoin properties that are being valued. It should be mandatory for the valuations to be made on the lines indicated in the Bill, instead of its merely being permissive. Then again five years is too long a period between valuations, and the commissioner should be instructed to have properties revalued annually, especially in stressful times like the present.

**HON. J. M. DREW** (Central) [9.17]: I simply rise to compliment the Government on the introduction of the Bill, which will be appreciated throughout Western Australia. The methods proposed will be ap-

plied with promptitude and that will be appreciated, too. Instead of having to wait two or three years for a property to be revalued, we shall have a prompt valuation by the commissioner.

**HON. J. NICHOLSON** (Metropolitan) [9.18]: I share the view of other hon. members regarding the Bill, and I am glad that the Government seek to rectify anomalies that have existed far too long. The period between valuations has been five years for State purposes and three years under the Federal system. The differential periods created difficulties and confusion, and had extraordinary results in many instances. Three years ago certain land may have been valued under the Federal system and by the time the five-year period elapsed and the State valuation was made, the position may have altered considerably. Different valuations have applied to the same block. That should not be possible, and some efforts should be made to harmonise the Federal and State valuations. I agree that the five-year period is altogether too long, because the position may change appreciably during the interval between valuations. That is more apparent than ever in times such as the present.

**Hon. W. H. Kitson**: The same argument applies to the basic wage.

**Hon. J. NICHOLSON**: Perhaps the hon. member is right.

**Hon. G. W. Miles**: Will this apply to pastoral areas as well as to freehold land?

**Hon. J. NICHOLSON**: Mr. Miles informed me that the question had been raised as to whether this particular amendment of the Land and Income Tax Assessment Act applied to leasehold properties. The definition of "land" is all-embracing and comprehends all classes of land. The definition of "unimproved value" sets out in paragraph (c) of the interpretation section, the following:—

In respect of any land held for any leasehold estate or interest, without the right of purchase, under the Land Act, 1898, or any amendment thereof, or any land regulation thereby repealed, a sum equal to twenty times the excess of the amount of the fair annual rent at which the land would let under such reasonable conditions as a bona fide lessee would require, assuming the actual improvements (if any) had not been made, above the annual rent for the time being reserved by the lease, to be assessed under the Act; and



until assessment, a sum equal to twenty times the amount of the annual rent reserved by the lease.

Hon. J. J. Holmes: If the rent of the leasehold property does not vary, then that will not apply?

Hon. J. NICHOLSON: All land should be valued, whether freehold or leasehold.

Hon. J. J. Holmes: But what would be the position of pastoral land that has been leased at a fixed rental?

Hon. J. NICHOLSON: Under those conditions, the land would be in a totally different position, and I do not think the Bill will apply.

The Minister for Country Water Supplies: It is only on the nominal value.

Hon. J. NICHOLSON: Yes, and the rental is not in the same position. There is no right of purchase under the pastoral lease. The fair annual rent would be the rent fixed and the unimproved value would be ascertained on the twenty times basis. I realise the difficulty regarding pastoral land, and I am afraid the Bill will not affect that type of holding, seeing that pastoral leases are held on a fixed rental.

Hon. G. W. Miles: If the commissioner makes deductions, will that affect the position?

Hon. J. NICHOLSON: So long as the rent is paid, that must be taken as the fair annual rental, unless it can be shown that the rental is excessive, in which event an appeal can be lodged and the assessment lowered.

Hon. G. W. Miles: Is it not possible to amend the Bill to deal with that phase?

Hon. J. NICHOLSON: It would be difficult to deal with it now because it would mean the recasting of the whole of the applicable section in the Act.

The Minister for Country Water Supplies: The difficulty could not be overcome by inserting an amendment in Section 37.

Hon. J. NICHOLSON: I do not think so.

HON. V. HAMERSLEY (East) [9.30]: I regret the Bill should have been brought down in the closing hours of the session, and that its scope should be so restricted. The whole of the Act should come under review. The high valuations placed upon many of our lands are strongly resented by the settlers. And there has been a tendency on the part of successive Governments to per-

suaire, I might even say to dictate to, the local authorities to adopt the Taxation Department's valuations, with the result that very high local rates and taxes have been imposed. Federal taxation also on these high valuations is extremely heavy on the settlers. Sales of land that have taken place were effected during the period when good prices were being obtained for wheat and wool. But the Act still directs the Taxation Commissioner to base his valuations upon sales effected in various localities. To-day, of course, no sales are taking place, and so the Commissioner's estimates are still governed by the latest sales, which were made 12 months or two years ago. The valuations cannot be justified by the returns from the land valued. Country lands producing wheat, stock and wool have fallen immensely in value and so, too, have city and town lands. I doubt whether the Bill will bring about a satisfactory reduction in the existing valuations, for I have the impression that the Commissioner thinks a 10 per cent. reduction would be a fair thing, whereas I know that within the last month or two private valuations have been written down by 50 per cent. We are entirely at the mercy of the Taxation Commissioner. I still think the valuations of the pastoral areas are somewhat in doubt. Those valuations are taken at twenty times the annual rental value. Has the department despatched officials through the country, or appointed any board, to re-value the pastoral rentals paid to the Lands Department? It is on those rentals that the Commissioner has to arrive at his valuations. I doubt whether the Bill gives to the pastoralists the redress they are all looking for. I have a letter from London, the writer of which treats of these assessments. I do not wish to read the letter in full, but I should like to place one or two extracts from it before members. The writer, referring to an amendment of the Land Tax and Income Tax Assessment Act, says—

My experience lately shows that it is badly needed. . . . Convinced that my assessments of tax were all wrong, I put on one of the best men in London to make a thorough investigation. His report shows the frightful complication and ambiguity of the Act. . . . My total taxable income from Australia last year was only £1,750. The taxation officer in Perth presented a little bill for £978 Federal tax and £387 State tax. . . . On appeal, and pressed to take the case to the High Court, the taxation lord reduced the bill to £644, or about one-half the original claim. This

means, of course, that if I had not gone to the trouble and expense (200 guineas) of proving they were wrong—no one knows that they are right now—I would have been defrauded to this extent.

There is much more on the same lines. It is an extremely serious matter when people in the outside world, who are associating with others who have moneys to invest, get that kind of treatment from our Taxation Department. It is small wonder that a large amount of money is withdrawn from investment in Australia. It is a serious matter, which should be taken in hand by the Government. The Assessment Act should be completely overhauled, but not in the closing hours of the session. Nevertheless, I congratulate the Government on having brought down the Bill, and I sincerely hope the question will be brought before us again early next session, when we shall have more opportunity to look into other sections of the Act. I will support the second reading.

**HON. J. J. HOLMES** (North) [9.40]: I also congratulate the Government on having brought down the Bill. It will simplify matters considerably and will permit of a badly needed revision of the valuations. I should like the Minister, when replying to the debate, to tell us whether the Bill will apply to pastoral lessees as well as freeholders. If it does not apply to leasehold land, I should like the Minister to explain why the leaseholder is to be penalised while the freeholder has his tax reduced. Is it because of an oversight, and if so, will he take steps to secure an amendment that will include pastoral lessees, in order that they also may enjoy a reduction of the tax to be made under the Bill? There is no necessity to labour the question, for it has been fully discussed. Bad and all as is the position of the wheat industry, the position of the pastoral industry is very little better. The reports we read in the newspaper as to the 5 per cent. fall and the 10 per cent. fall in wool refer only to the top classes. For rough wool, for which the pastoralist normally expects a return of 6d. or 7d., the buyers offer  $\frac{1}{2}$ d. or 1d., and do not care whether the grower takes it or leaves it. Agents have advised many pastoral lessees and wool growers to keep back all the lower-grade wool because it is not worth sending forward at the present time. In these cir-

cumstances, surely the pastoral lessees should be entitled to share in the redress the freeholder is to have.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East—in reply) [9.43]: On behalf of the Government I thank members for their congratulations on the bringing down of the Bill. As to the pastoral lessees, I can say definitely they will not come within the amendment.

Hon. G. W. Miles: Is there any hope of getting another amending Bill on Tuesday?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I was not aware of this matter until Mr. Miles spoke of it to me during the tea adjournment. I then ascertained that the pastoral leases are at only a nominal value and therefore cannot come within the scope of the Bill.

Hon. G. W. Miles: It is an oversight, is it not?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I would not go so far as to say that, but I will place the matter before the department and see exactly what the position is.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—agreed to.

Clause 2—Repeal of Section 37 and insertion of new section:

Hon. G. W. MILES: I think it is an oversight that pastoral leases have not been included. When I spoke on the second reading I understood that it would apply to pastoral leases. I hope the Minister will discuss the matter with the Government and see whether a short measure cannot be introduced to give pastoralists similar relief.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I can give no promise in that direction, but I will place the matter before the Government.

Clause put and passed.

Clause 3—Operation of Section 2 of this Act:

Hon. J. NICHOLSON: The clause refers to "The provisions of section two of this Act." The Land and Income Tax Assessment Act is consolidated from time to time and, if that reference is allowed to stand in Clause 3, it may be misconstrued to apply to Section 2 of the original Act. The words in Clause 3 should read, "The provisions of section thirty-seven."

Hon. A. LOVEKIN: I think there is provision to meet that.

Hon. E. ROSE: If the measure has effect as from and including the 1st July, 1930, land owners will receive no relief on last year's assessments.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

### *Third Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [9.48]: I move—

That the Bill be now read a third time.

HON. A. LOVEKIN (Metropolitan) [9.49]: An Act entitled the Statutes Compilation Act, passed in 1912, makes provision to meet the point raised in Committee by Mr. Nicholson.

Question put and passed.

Bill read a third time and passed.

## **BILL—SANDALWOOD ACT AMENDMENT.**

### *Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [9.51] in moving the second reading said: The purpose of this Bill is the repeal of Section 5 of the Sandalwood Act of 1929. That Act controls the pulling and removal of sandalwood from private property. It does not confiscate sandalwood from private property, or take away from the owner of the private property his rights in the sandalwood. It also provides power for the limitation of sandalwood from Crown land. The existing sandalwood regulations were gazetted in 1923 and prior to the gazettal there was no sale for san-

dalwood from private property. If restriction of output from Crown land were removed the demand for private property sandalwood, which, generally speaking, is a very inferior wood, would immediately disappear.

In 1929 it was considered that as private property owners were reaping the benefit of the restriction of output from Crown land and in view of the high price fixed under the regulations for f.a.q. sandalwood, it was equitable for such persons to join with the Crown to maintain the market. The 1929 Act provides that the quantity of sandalwood to be obtained from all sources within the State shall be fixed from time to time by Order-in-Council and that of such quantity 10 per cent. shall be set aside for private property owners. The allocation of the 10 per cent. quota is fixed by priority of order of application, subject to necessary safeguards to prevent one private property owner securing the whole of the quota. The Act, which continues in operation until the 31st day of December, 1932, has worked satisfactorily and has accomplished its object.

The restriction of output of sandalwood from this State, coupled with the increase of over 100 per cent. in export value, led Chinese buyers to explore other possible sources of supply. In 1925 it was found that the sandalwood belt extended from Western Australia across the border into South Australia. The species growing in South Australia is inferior in oil content, and commands a somewhat lower price on the China market. The desirability of having an arrangement with the South Australian Government was apparent and accordingly, as the result of a conference, that State agreed to a limitation of output with a view to obtaining maximum prices and steady business. The first agreement made between the States was on the basis of wood from Crown land, but with the increase of supplies from private property, the futility of the arrangement became apparent.

When the matter was discussed the South Australian Government was doubtful concerning the quantities obtainable from private property and was so satisfied that supplies from that source would quickly disappear that no effort was made to pass legislation on the lines of our Sandalwood Act of 1929 until a further twelve months had elapsed and until a serious collapse

of the market was imminent. Following a visit to South Australia by the Minister for Forests in May of this year, the South Australian Government promised to introduce legislation, and an Act entitled "An Act to fix the maximum amount of sandalwood which may be taken from land within the State and for purposes incidental thereto" was assented to on the 17th October last. That Act follows the principles of the Western Australian Sandalwood Act, 1929, and gives the South Australian Government full control over sandalwood from all sources during the four year period covered by the agreement negotiated by the Minister for Forests in May.

The agreement provides that the export of sandalwood from the two States shall be on the basis of two to one in favour of Western Australia, and that new pulling shall, during the four-year period, be based on actual market requirements, with a view to the liquidation of excess stocks before the 30th June, 1934. At the conference between the States it was agreed that in the event of South Australia securing legislation controlling sandalwood on private property in that State, the Western Australian Act should be extended to cover at least the period of the four years' agreement.

Hon. J. Cornell: Was the duration of the South Australian Act limited?

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes, to 1934. Since the conference, the Government have arrived at the conclusion that the satisfactory working of the Act over a period of 18 months furnishes sufficient reason for the repeal of the time limit. The Act, which is now limited to the 31st December, 1932, has proved its value and therefore, under this Bill, it is proposed to repeal the duration section.

The arrival in China of small shipments of private property sandalwood from Western Australia up to the time of the passing of the Sandalwood Act in December, 1929, and subsequently from South Australia, had a depressing influence on the market, with the result that stocks have accumulated to a serious extent in South Australia, Western Australia and China, and sales have been unsatisfactory, even at prices considerably below the present cost of production. Chinese sandalwood merchants, who buy the wood in Hong

Kong and Shanghai, prepare it for use in various provinces and forward it to the interior for recognised Temple Days, will not buy to any extent on a weak and falling market. When it is realised that the wood takes 2 to 3 months to reach consuming centres, and is sold at prices corresponding to the current market rate in Hong Kong and Shanghai at the time of arrival at the consuming centre, the reason why the merchants will not buy on a weak or falling market is obvious.

Just previous to the passing of the South Australian Sandalwood Act in October last everybody concerned in the industry had practically reached breaking-point. The stocks held were—

In Western Australia	..	3,500 tons.
In South Australia	..	1,800 tons.
In China	..	2,500 tons.

At that time the current market rate was at least £7 to £8 per ton below c.i.f. costs Hong Kong and Shanghai. So soon as the South Australia Act was passed the Conservator of Forests (Mr. S. L. Kessell) went to Adelaide and made an agreement with the South Australian Government which fixed the maximum quantities to be shipped from all sources in the two States during the following 6 months, and arranged for a further conference to be held in March next. As a result of the arrangements then entered into and the immediate cutting off of private property shipments from South Australia, the market has shown a remarkable response. Sales have increased considerably. Within six weeks it has been possible to lift the market in China several pounds per ton, until at the present time merchants are holding out for a price which covers bare cost c.i.f. China ports. That remarkable achievement augurs well for the future of the industry, provided effective control can be maintained, particularly when the present price of the Hong Kong dollar is taken into account. Following the war the price of silver increased very considerably, and the dollar soared as high as 6s. For a long time it remained on the 3s. mark, and until 12 months ago 2s. was regarded as the absolute minimum value. During recent months the value of silver has steadily depreciated and the value of the dollar has dropped until to-day it is quoted at 1s. 2½d. In normal times the dollar is usually

worth a little more than 2s. Since January last the sandalwood shipments from Crown land and private property in this State total 1,016 tons and 273 tons respectively, and in the same period South Australia sent away 700 tons from Crown land and 1,215 tons from private property.

Following the agreement with South Australia, except 800 tons shipped last week, the only Crown land sandalwood sent away from Western Australia since January, comprises a few small shipments to Bombay and the Straits Settlements, amounting in all to 177 tons. In the same period 273 tons of private property sandalwood were sent from Western Australia under licenses issued soon after the passing of the Act in 1929. On the other hand, since January last, South Australia has sent away 700 tons from Crown land and 1,215 tons from private property. That last figure is the most significant of all. It shows the extent to which outside shipments, which have no royalty to pay other than the nominal amounts which may be paid to private property owners, and in connection with which the pullers are given no protection (foreign labour often being employed), are able to get the advantage of a market which is being held at considerable cost by Crown land pullers. Up to the passing of the South Australian Act in October last, it was not the private property owner who got the benefit of the uncontrolled sales, or even Australian workmen or merchants. The wood was obtained at the lowest possible price from private property in South Australia and forwarded by indent agents at a small commission to Chinese interests, thus reviving the unsatisfactory conditions which applied before the 1923 regulations were introduced. The recent South Australian Act will remove those abuses. Believing that it will be necessary to control the taking of sandalwood from both Crown land and private property in this State for some years to come, the Government think that the section in the principal Act, which limits the duration of the measure to the 31st December, 1932, should be repealed so that control may be continued beyond the date in question. I move—

That the Bill be now read a second time.

**HON. E. H. HARRIS** (North-East) [10.3]: I recall the Bill of 1929. Its object was to limit the quantity of sandalwood that

could be cut on the licenses that were issued. In the districts in which the wood was cut by them, the pullers and cutters made representations to members of this House. After a spirited debate, and the Leader of the House had demonstrated the necessity for the measure, the Bill was passed. An arrangement has since been entered into with the South Australian Government, which necessitates co-operation between the two States. The Act that we passed provides for its duration until the end of December, 1932, and no longer. This Bill deletes that provision. The South Australian Government have an Act the duration of which lasts until 1934. I fail to see why we should prolong our Act forever. Accordingly, in Committee, I shall move to extend the operation of the Act until 1934, to conform with South Australia. If that is not done, it may happen that at a given period, say, in 1934, the South Australian Government may have an advantage over Western Australia, should anything unforeseen happen in the sandalwood market. Meanwhile I support the second reading.

**HON. J. J. HOLMES** (North) [10.6]: I well remember the debate on the 1929 Bill. The House on that occasion did a very drastic thing, but on condition that the Act was limited to 1932. Those in possession of freehold land in this country, on which sandalwood was growing, had a perfect right to that commodity and to deal with it as they thought fit, but in order to control the industry and put it on a satisfactory basis this House, after a long discussion and careful thought, decided it would be a fair thing to limit the restriction on the owners of private sandalwood to 1932. This Bill proposes to delete that section. It takes two Houses of Parliament to permit of a Bill becoming law and two Houses are required before any section can be repealed. If we consent to the cutting out of the 1932 provision, the law will become permanent and there will be no hope of repealing it. We know from experience that when a Bill becomes an Act, even if there is some justification for one House amending it, the other Chamber thinks there is a nigger in the woodpile, and, although it may not find it, will decline to adopt the amendment. Our competitors in South Australia are limited to 1934 and we should conform to the conditions appertaining there. In Committee

we might amend the Bill in that direction so as to place the two States on the same footing.

**HON. J. CORNELL** (South) [10.10]: Up to last session the position was that we had no law regulating the pulling of sandalwood on private lands, though there were regulations as to Crown lands. In South Australia there was, until recently, no law on the subject at all, sandalwood being a recent discovery in that State. Western Australia led off by regulating the pulling of all sandalwood up to the end of 1932. Now South Australia has fallen into line, and in fact has gone one better, by passing an Act which will operate to the end of 1934. If we do not amend our law conformably to that of South Australia, it can only be considered as an intimation to that State to go all the way. Whether our Act is limited or permanent does not matter so much as far as negotiations are concerned.

Hon. A. Lovekin: But South Australia might leave us in a hole.

Hon. J. CORNELL: I think the case will be met by our extending the operation of the Act to four years.

Hon. J. J. Holmes: Two years.

Hon. J. CORNELL: The total currency of the Act would be four years.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—agreed to.

Clause 2—Repeal of Section 5:

Hon. E. H. HARRIS: For reasons indicated by me a few moments ago, I move an amendment—

That the word "repealed" be struck out, and the following inserted in lieu:—"amended by the deletion of the figures '1932' and substituting '1934' in lieu thereof."

Amendment put and passed; the clause, as amended, agreed to.

Title:

Hon. E. H. HARRIS: I move an amendment—

That the word "repeal" be struck out, and "amend" inserted in lieu.

Amendment put and passed; the Title, as amended, agreed to.

Bill reported with amendments, including an amendment to the Title; and the report adopted.

#### *Third Reading.*

Bill read a third time, and returned to the Assembly with amendments.

### **BILL—FARMERS' DEBTS ADJUSTMENT.**

#### *Second Reading.*

Debate resumed from the previous day.

**HON. E. H. H. HALL** (Central) [10.18]: That this Bill represents a sincere endeavour on the part of the Government to do something to assist the primary producer is beyond question. It is also beyond question that the most effective way of helping the primary producer through this crisis would be financial aid. That, unfortunately, is out of the question. After repeated requests by many people closely associated with the farming industry, the Government brought down to another place a Bill which, after discussion, was found to be unsuitable. Thereupon a further Bill was introduced. After receiving consideration by hon. members elsewhere, the measure was referred to a select committee. The consequent delay caused it to reach this Chamber only yesterday. Two hon. members have already spoken to the Bill, and I am fully in accord with Sir Charles Nathan that although the measure represents the finished product of the deliberations of another place, it is in its present form difficult to understand. In replying the Minister may be able to clear up various points which at present I am unable to grasp. Clause 5 provides—

Any farmer, or the creditor of any farmer, may by writing under his hand in the prescribed form make application to the director to call a meeting of his creditors under this Act.

That is quite right. Mr. Drew says, sotto voce, that it is not quite right. His remark confirms me in my opinion that the Bill is difficult to understand. With that wretched inferiority complex of mine, I thought I was at fault, but the interjections I have heard show that that was not so. It is plain to me that any farmer, or the creditor of any far-

mer, may call a meeting of creditors. Sub-clause 2 provides that the director, immediately upon such an application being made, shall grant the farmer a stay order in the prescribed form—I do not know what the prescribed form may be—and that he shall also, by order in writing, appoint some fit and proper person to be the receiver of the rents, profits and produce of the farmer's farm, and so on. It will be seen that the director has to call a meeting of creditors forthwith on an application being made to him, but Clause 12 sets out that if the creditors, by a majority in value and number of those present or represented at the meeting, pass the resolution set out in the clause, the farmer shall become subject to this measure and shall so continue until he has been discharged, as provided for in the Bill. Thus, the fact that a director has been appointed is evidently not sufficient to bring the farmer within the provisions of the Act, although Clause 5 sets out that the director shall, immediately upon calling a meeting of creditors, issue a stay order. Then, again, under Clause 11 it is provided—

As soon as practicable after the opening of the meeting the chairman shall invite the creditors to ascertain by consultation amongst themselves whether it is not possible to arrange the affairs of the farmer to advantage without making him subject to this Act.

Hon. C. H. Wittenoom: That is the only clear part of the Bill.

Hon. E. H. H. HALL: And it is a most important part, too, because the farmer is thus given an opportunity not to come under the measure at all. Clause 18 sets out how the farmer can take full advantage of the Bill. It is interesting to note that, as a result of the consideration of the Bill by a select committee of another place, the title of the measure was altered to read as follows:—

A Bill for an Act for the adjustment of the debts of farmers and other persons engaged in rural pursuits, and the equitable distribution of crop proceeds and other money derived from the businesses of such persons, and for other relative purposes.

What is an equitable distribution of crop proceeds? Is that provided for in the Bill?

Hon. J. Cornell: The hon. member has not read the Bill.

Hon. E. H. H. HALL: With all due respect to Mr. Cornell, I have.

Hon. J. Cornell: Then the hon member has not digested it.

Hon. E. H. H. HALL: Yes, I have. I listened to the hon. member's speech and—well, perhaps it may be my misfortune, so I shall not say anything more on that point. When the Minister moved the second reading of the Bill, I gathered from his remarks that certain creditors were granted absolute preference under the provisions of Clause 18, which applies to secured creditors. I made inquiries to-day and I found that the preference principally extended under that clause will be to the Agricultural Bank. I understand that at the request of many farmers, who were experiencing difficulty in arranging supplies of cornsacks, the bank went to their assistance and provided the necessary funds on the understanding that the advances for the sacks would be a first charge on the crops. In the circumstances, I find it difficult to take exception to that clause. Until I secured that explanation, I wondered how there could be an equitable distribution of crop proceeds when some firms were to receive undue preference. Now that I find the provision refers to the Agricultural Bank—which is the State, of course—it alters the position in my mind, notwithstanding the fact that the farmers are indebted to the extent of hundreds of thousands of pounds to many small business people in the country districts, and particularly throughout the wheat belt. While I admit that position, I cannot bring myself to say that the Agricultural Bank should not be recouped for the expenditure on cornsacks as a first charge against crops. I trust that when the Bill is dealt with in Committee we shall undo something that was done in another place. In the name of common sense, I cannot understand why the Legislative Assembly should have decided to confine applications under the Bill to the consideration of a judge and specifically excluded magistrates from participation in that work. This means that every difficulty that arises between a farmer and his creditors under the provisions of the Bill will have to be dealt with before a judge. Surely the magistrates in the wheat belt are capable of dealing with such matters. I hope, when in Committee, we shall decide to re-insert the references to magistrates, particularly as I understand that the object of the Government is to make proceedings as inexpensive as possible for

the farmers. At first glance I did not think the provisions included in the Bill regarding the repossessing of machinery were quite fair, but I find that Subclause 2 of Clause 21 empowers a receiver to pay rents, which will include instalments of purchase money under a hire purchase agreement, which will probably overcome my objection. I am not in favour of giving any person or firm preference over another. The object of the Bill should be to put all on an equal footing. Unless that spirit permeates the administration of the measure, failure must result. Many people in a position to know have said the Bill is of no use whatever. Numerous meetings are being called amongst farmers and their creditors and amicable working arrangements come to with a minimum of expense. Mr. Cornell has circulated here a typewritten document in which it is suggested that part of the Bill can be cut out. There may be something in that. The Bill represents a suggestion by the Agricultural Bank, and Mr Cornell claims to represent a lot of people who are Agricultural Bank clients. However, I am definitely opposed to any suggestion for the appointment of agricultural inspectors as receivers under the Bill. I happen to know that those inspectors have quite enough to do already, and are not easily accessible to a majority of the farmers.

Hon. E. H. Gray: They know more about the farmers' affairs than does anyone else.

Hon. E. H. H. HALL: I do not know whether they do. Naturally they know a good deal about the farmers' affairs, but I do not agree that they know more than does anyone else. In any event they have quite enough to do as it is, without having these extra duties thrust upon them. We require proper men to be appointed as receivers. The whole thing is a sincere attempt on the part of the Government to assist the farmers in their difficulties, but it is questionable whether the Bill will attain the object the Government have in view. Another reason why I hesitate to send the Bill to a select committee is that the measure has been under consideration in another place for many weeks, and delay has been occasioned by efforts to frame a measure that will meet the wishes of all concerned. However, I am very much afraid it is too late to be of any use this year.

Hon. Sir CHARLES NATHAN: I wish to make a personal explanation. Mr. Hall seems to have misinterpreted my remarks. I did not suggest there should be preferential treatment for the agricultural machinery merchants. I merely endeavoured to point out that under the Bill they were excluded from having the benefit of their securities, and that under Clause 12 they did not even share in the proceeds of the crop which their machinery and tractors and vehicles had made possible.

HON. J. M. DREW (Central) [10.36]: The Bill probably gives a small measure of protection to the farmer in his financial difficulty. But it is heavily handicapped through the existence of the Federal Bankruptcy Act. If that Act is invoked, as it may be invoked, the Bill will be simply so much waste paper. There has not been ample time given to enable members to consider a Bill of so responsible a character. It is weighted with very heavy responsibility for all concerned. Now that I am in a different position from that which I occupied last year, I can join in the protests of hon. members against legislation of such great importance being brought down in the closing hours of the session.

Hon. G. W. Miles: The practice has been going on for some time.

Hon. J. M. DREW: It has been going on for many years past. In my opinion the Bill will be killed by its own dead weight. It provides for the appointment of a small army of receivers. Three years ago there were 9,500 farmers in Western Australia, and I suppose we may assume there are now 10,000. It is a very conservative estimate to say that 25 per cent. of them, or about 2,500, will have to come under the operations of the Bill.

Hon. G. W. Miles: Is the position as bad as that?

Hon. J. M. DREW: Yes. To suggest that 25 per cent. of the farmers will come under the Bill, is a very conservative estimate. So from 400 to 500 receivers will have to be appointed. It is prescribed in the Bill that they must inspect the various holdings of the farmers and keep them under close supervision. Also it is provided that those receivers will be entitled to get anything up to four per cent. of the turnover. That would penalise the farmer to a great extent. We must remember, as



Mr. Cornell indicated, that the receiver would be the most responsible man charged with the administration, apart from the director. In fact, the receivers would have the bulk of the responsible work to perform, and therefore should possess special qualifications. I should say a receiver should be an expert in accountancy, a man of integrity, have a knowledge of the ramifications of the agricultural industry, and possess sound judgment, sympathy and tact, combined with strength of character.

Hon. G. W. Miles: You would have a job to get a man with those qualifications.

Hon. J. M. DREW: Can anyone question the necessity for those qualifications? I admit it would be extremely difficult to find in Western Australia a few hundred men possessing all those qualifications.

Hon. G. W. Miles: You are right.

Hon. J. M. DREW: I cordially approve of Mr. Cornell's suggestion that the Agricultural Bank and the Associated Banks, as first mortgagees, should be appointed receivers under the measure if they are willing to act.

Hon. G. W. Miles: Or any other first mortgagee?

Hon. J. M. DREW: I would not go so far as that. There may be other first mortgagees who should not be charged with the responsibility and whose qualifications would not comply with the standard I have laid down.

Hon. G. W. Miles: Some of the firms might be operating.

Hon. J. M. DREW: They could be appointed by the Government, but their characters should be investigated. The Agricultural Bank and the Associated Banks are thoroughly well equipped to perform the duties of receivers. They have well equipped staffs in the country districts experienced in handling the farmers, and are represented in every agricultural centre in the State. There would be no necessity to create an expensive staff as would be the case unless the suggestion of Mr. Cornell were adopted. The bank staffs could administer the measure economically. The Bill requires much more careful examination than we can give it here. It has been suggested that the storekeepers should receive special recognition. The Agricultural Bank, who supply the cornsacks, are protected, but it is argued that the storekeeper, who does not get wheat orders, but who keeps the farmer

supplied with the necessities of life and gives him 12 months' credit, should also be protected. Twenty-five per cent. of the farmers would not be on the land but for the assistance of the storekeepers.

Hon. G. W. Miles: If the storekeepers are not protected, the farmers' credit will go.

Hon. J. M. DREW: That is so, and the farmers will have to go off the land. This Bill should be referred to a select committee. If a select committee sat for only one day to scrutinise the Bill and hear a few witnesses, including the Managing Trustee of the Agricultural Bank, as to whether he would be prepared to handle the business—

Hon. G. W. Miles: And the representatives of the Associated Banks.

Hon. J. M. DREW: Yes; it might then be possible to administer the measure wisely. It is impossible to deal satisfactorily with the Bill on the floor of the House.

Hon. J. Cornell: The creditors' meetings would break down the measure.

Hon. J. M. DREW: Not every member of the House is capable of forming a judgment as to the effect of the Bill. I do not like to take the responsibility of judging what the effect might be. The Bill has been submitted by the Government, no doubt after due consideration. A select committee of another place held an inquiry, but the report is just a bald statement, followed by a list of amendments. We have not the evidence of the witnesses before us. Probably if some of the witnesses were examined by a select committee of this House, they would be asked more questions and perhaps more pointed questions than were put to them by the select committee of another place. I do not like to vote against the second reading of the Bill, as my action would probably be misunderstood, but so far as I can see, the measure would provide very little protection for the farmers. It would be protection only in name. Still, the farmers may want the measure.

Hon. G. W. Miles: The farmers do want it.

Hon. J. M. DREW: Some of them do, and some are doubtful of the wisdom of accepting it. Still, it has been submitted by the Government as portion of their policy, and it seems to me that it would be a mistake for this House to reject it.

**HON. W. H. KITSON** (West) [10.47]: It will be admitted that there is need for legislation to assist the farmers at this stage. It has been stressed many times in this Chamber that the farming community are in a very serious position through no fault of their own. The subject matter of the Bill, however, bristles with difficulties, and the more one studies it, the more one realises the far-reaching effects that such legislation would have. I agree with Sir Charles Nathan when he says that the effects of the Bill would permeate the whole of our commercial life and throw upon the commercial community a responsibility that has previously been borne by the Government, whenever it has been necessary to provide assistance for any large number of farmers. The Bill seems to be very cumbersome, and I think there would be great difficulty in administering it with any degree of satisfaction to the farmers and the creditors. There should be some method of simplifying the procedure. Whether the suggestion of Mr. Cornell is a satisfactory one, I cannot say. Therefore I am inclined to agree with Mr. Drew that we should call in the assistance of people who will be vitally affected by the measure, and ascertain their views. From the point of view of the Government it is necessary that whatever is done shall be done with as little delay as possible. If the Bill becomes law quite a number of farmers who desire protection under it will be denied it. By one means or another they will be compelled to come within the scope of the Commonwealth Bankruptcy law. If that should be so, the position will be very serious not only for them but also for their creditors. Values have dropped so much of late that the realisation value of their property and assets generally would not be such as to enable them nearly to meet their liabilities, whereas 12 months ago they might have had a satisfactory margin left over and above their debts. In view of the fact that there is nothing to indicate any likelihood of a rapid improvement in the agricultural position, we cannot be too careful in our handling of the Bill. The whole future of a large proportion of our farmers is probably bound up in this legislation. Whilst I agree it is necessary we should adopt equitable methods in dealing with the position, I am afraid the Bill does not give the same equity to all parties interested.

Hon. J. Cornell: And that are entitled to it.

Hon. W. H. KITSON: That is so. Something should be done to relieve the situation. I am therefore prepared to support the second reading, though I hope steps will be taken to secure further information. If that were done the Committee stage of the Bill would be simplified beyond what would otherwise be the case. To-night we have dealt with another measure framed to give relief to a section of the community. It was very similar to this Bill. As a result of the work of the select committee, which did not take long, this House became so satisfied with all the intricacies of the Bill that it passed the measure through without any discussion. Had it not been for the information obtained by that committee, no doubt hours would have been spent in discussing the various clauses. As it was I think we were all satisfied with the result that was put before us. I am pleased Mr. Drew has made the suggestion to obtain further information by means of a select committee, and I hope steps will be taken to carry it into effect.

**HON. J. NICHOLSON** (Metropolitan) [10.55]: I have received a letter from a friend in the country, and with the permission of the House will refer to it. This letter puts the position clearly from the standpoint of one who is interested in the State. The writer says—

A director is appointed by the Governor, and every application by a farmer for relief must be made to the director. There are something like 10,000 farmers in Western Australia, and on a very conservative basis 4,000 of these will require assistance. To deal with this season's crop these applications for relief must be dealt with before the 1st February next. You can imagine the chaos there will be in a Government department with 4,000 applications suddenly put in all requiring to be dealt with in a few days. I have roughly drafted some suggestions whereby there shall be appointed directors in districts to be prescribed by the Government, who will receive applications, call meetings of creditors, and the farmer's affairs will thus be dealt with in his own district by men who know the farmer and the conditions of the locality. Certainly receivers in districts are to be appointed, but only after the director has dealt with applications in Perth, and as I have said above, matters in Perth will be so chaotic by the time an application has been dealt with, this season's crop will have been harvested, and once that is done it will of course go to the creditor who gets in first.

Hon. J. Cornell: Some have got there already.

Hon. J. NICHOLSON: I suppose a fair proportion have. The writer continues—

The procedure for a stay order could be shortened by making the calling of a meeting a stay *ipso facto*. This would obviate delay and the notices calling the meeting could state that no proceedings could be taken or continued without leave of a judge or a magistrate. The Bill in its original form allowed applications to be made to a magistrate, but in its new form I see that magistrates are cut out. Surely a magistrate could deal with such matters instead of the delay and expense of having to send to Perth and having the matter adjudicated upon there. The beginning of the Act will take place during the long vacation with only one judge sitting. There are bound to be many applications at first.

Hon. J. Cornell: You will have to do away with the judge, I think.

Hon. J. NICHOLSON: It looks very much like it. The writer continues—

To my mind, however, the worst feature of the Bill is that it excepts mortgagees from the operation of the Act. This section will certainly be the cause of those farmers who have put their capital into improvements and effected the improvements in a proper manner, being sold up; and the farmers who have loafed and only partially or poorly improved their farms will be safe, because no one will buy their farms when well-improved farms can be bought cheaply. It will be the good farmer that is going to suffer unless this section is deleted.

The writer mentions the case of a good farmer whose farm was sold at a small figure. The man had always been in a fairly good position, but he had used up his capital in his improvements. Unfortunately he had not the means to satisfy the demands that were made upon him for capital and interest. These are some views which express the position as it presents itself to my friend in the country. One can see that the Bill requires very careful handling. I do not know whether it can effectively be dealt with by a select committee. I know it was thrashed out in another place, but apparently the Bill does not yet give satisfaction. I have no desire to impede the progress of the Bill, but we should see that whatever laws are passed are effective and salutary. Certainly it will be impossible for this Parliament to pass a law which can regulate in any way the Federal bankruptcy law. That point has been referred to by Mr. Kitson and other speakers. We all know

that despite the passing of this Bill creditors will always have open to them the provisions of the Federal Bankruptcy Act, which will practically nullify any measure we may pass. Obviously, the matter is one demanding the most serious consideration in the interests of the farming community.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [11.2]: Of all the measures that have been submitted while I have been a member of this Chamber, I consider this one the gravest, from the standpoint both of the individual member and the State as a whole. To deal with the measure in anything like a hurried manner would be entirely wrong. It is a measure that requires the calmest consideration by the most able minds of the community—let alone members of Parliament. The Government have been commended for introducing the Bill, its objects being to relieve the farmer and to keep the wheels of the agricultural industry revolving. But that is just where the difficulty begins. The Government intend that the first mortgagee should have prior claim on jute and materials of that description. The moot point is whether the Government and the merchants who supply jute should not be on the same level. They both perform the same service. Mr. Drew says the Bill calls for the appointment of a director, and also of a number of receivers, who are to be guaranteed by a bond of £500. If district inspectors of the Agricultural Bank are to be appointed receivers, I can imagine the conditions which will be set up. It will be extremely difficult to evolve anything like order out of the resultant chaos. Again, there has been a suggestion by friends of Mr. Cornell that skilful accountants are needed to handle the position under the Bill, that not many of these gentlemen are available, and that those who are available will not be able to handle more than about a hundred cases per year. I believe that is so. A similar measure is operating in South Australia, and only about 140 cases have been brought under it. To my astonishment I have learnt that in this State between 400 and 500 assignments are now operating, and that meetings of review are being held between merchants and accountants nearly every day, and sometimes twice a day, to go into individual cases. This machinery works smoothly enough: but I fail to see that conditions will be quite as happy

under the Bill, especially if the receivers to be established in various parts of the country are to be district inspectors. Again, under the Bill a receiver, upon application by the farmer, must take up the case with the creditors and ascertain whether it can be dealt with outside this measure. If it cannot, he begins to deal with the case according to the provisions of the Bill. That brings in the money of the creditors to do what the money of the Government would have to do if the farmer was under the Industries Assistance Board. The Government do not refer farmers in that position to the Industries Assistance Board, simply because the State has not the necessary funds available. On the other hand, the creditors as a whole have not the funds either. Under the conditions of the Bill the receiver will have to use the name and the credit of the creditors to carry on the farmer, and if any loss is made the receiver will have to finance it by using the credit of the creditors. Further, if a loss ensues at the close of the period, who is to bear it? The creditors. The Bill does not bring the matter to any conclusion at all, but keeps it going on the Kathleen Mavourneen principle, on the same lines as the cases of farmers who have been under the Industries Assistance Board. During the last day or two a good many of the wise and thoughtful men in the community have been regarding the Bill with some concern, recognising that they are as much involved in it as if they themselves were tilling the land and dependent upon crops. They know that unless the farmer continues his work, the State will receive a blow that will injure everyone in it. Merchants and industrialists will fall a long way behind in the conditions which will arise if the farmer fails to continue his operations. Therefore we all recognise that the farmer has to be carried, but the question is how he is to be financed. If the Government cannot afford to do it, certainly the merchants will find it equally impracticable. If the powers proposed in the Bill are given to the director and the receivers, the commercial community will not be content to have their assets tied up for all time, as must be the case under this measure. Another year like this will involve the creditors in definite losses. Indeed, they are going to feel the pinch from now onwards. Take the case of a farmer who has 1,000 acres under crop this year, and obtains 12 bushels per acre.

Those 12,000 bushels at 2s. per bushel represent £1,200. It is stated that to till the land, to purchase fertiliser and food, and to meet interest and other expenses during the year costs about £2 per acre. This farmer, therefore, will have costs amounting to £2,000 as against a revenue of £1,200. Thus he will make a distinct loss of £800 on the year's operations. That is facing him straight away. The receiver is confronted with that position too and he will have to make use of the creditors' money, or at least of their credit. Then comes the question of remuneration. I am given to understand that under the Bankruptcy Act, specific charges are set out for the class of work that will have to be undertaken in connection with the farmers' operations. Accountants point out that a remuneration of  $1\frac{1}{2}$  per cent. on the turnover is satisfactory enough where the business dealt with is that of a storekeeper or merchant where the turnover is frequent, but that such a remuneration would be quite unacceptable to qualified accountants when dealing with farmers' accounts, seeing that the business practically arises out of a single sale in the year and yet the responsibility would have to be carried regarding operations throughout the full year. In those circumstances, it seems to me that it will be hard to secure the services of skilled men to undertake the work under the Bill. If we cannot get skilled men, then for goodness sake do not let us put the Bill on the statute book. I gather it is the intention of members to refer the Bill to a select committee in order to clarify the position on points about which some of us are confused at present. I trust the select committee, if appointed, will be able to accomplish their work and report to the House by Tuesday next. We should listen to the Leader of the House who has told us he is feeling the strain of the session and desires to get relief as early as possible. We are aware of the fact that the Minister in charge of the business before the Legislative Council has a particularly hard time, and we should not overload him until he breaks down. I will support the proposal for a select committee, but I shall do so on the understanding that their report will be furnished on Tuesday next and that we shall finalise the Bill immediately afterwards. I am much concerned about the future prospects of the farming community and realise

the necessity for doing everything possible to shape the Bill in such a fashion as will enable it to accord relief to people who are in trouble through no fault of their own.

**HON. C. H. WITTENOOM** (South-East) [11.13]: I support the remarks of those hon. members who have advocated referring the Bill to a select committee because I think it is possible to improve the measure considerably. I believe it is rather unusual for the same Bill to be referred to select committees by both Houses, but anything we can do to complete the consideration of the Bill in a satisfactory manner, should be done as promptly as possible. Daily we have had evidence before us regarding various phases. During the last few days, I have had interviews with bankers, business men and farmers, and have discussed various phases of the problem. They have regarded some of the proposals advanced as ridiculous, while they have commended others. Everything possible to improve the Bill should be done, because the measure is so important. We cannot afford to reject the Bill even if we do not effect any improvements apart from any amendments that may be moved in Committee. I attended a meeting of farmers at which about 500 were present. They said they represented 4,000 other farmers, but that may be rather an exaggerated statement. They condemned the provisions of the original Bill severely, but later the measure was considered by the Assembly's select committee, with the result that it is now before us in a much altered form, and many farmers to whom I have spoken are inclined to change their opinions and support the Bill as it now stands. I feel certain that if it is further considered by a select committee of this House, still further improvements can be effected. I have spent hours in considering the measure and it is rather difficult to follow. I intend to support the second reading of the Bill.

**HON. V. HAMERSLEY** (East) [11.17]: I do not wish to delay the passage of the Bill, but will endorse what has been said by other members regarding the necessity for close attention being paid to various phases of the measure. I would like to see effect given to some of the suggestions made by Mr. Cornell. The thanks of the House are due to him for the trouble and

interest he has taken in this matter. We must hearken to those who claim the Bill is not quite what was expected and not as complete as it should be. It bristles with difficulties, and if we could incorporate some of the suggestions advanced by Mr. Cornell, which could not be done on the floor of the House, it would be of advantage. If no other hon. member is prepared to do so, I shall move that the Bill be referred to a select committee. I believe that if a few members sat round a table and discussed the matter and perhaps heard evidence from one or two of those who are vitally concerned, considerable improvements could be proposed to the Bill. During the time this measure has been before this Chamber, members have been approached by outsiders who have asked how the Bill will apply in specific instances. I shall quote one case that is typical of at least half a dozen with which I am acquainted. A farmer has been purchasing his farm. He has no outstanding creditors, having paid cash for everything from the time he first took possession of the farm. He has paid off £4,000 and now owes £700 to complete the purchase of his property. Out of this season's crop, the small amount that will be left after paying all expenses, will not permit him to put in another crop and complete the balance of the purchase money for his farm. The person, from whom he bought the property, is ready to jump in and claim the holding as soon as the farmer defaults, and thus secure both the farm and the £4,000 that has been paid. There are other cases on all fours with that and the Bill as it stands now does not safeguard a farmer who is in that unfortunate position. There are other phases that could be dealt with as well. We all realise how important the measure is to the whole community; not only to those on the land but to every section of the community, and I hope we shall be able to improve it by a round table discussion.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East—in reply) [11.21]: Not one member has taken upon himself the responsibility of rejecting the measure on the second reading. I admit it is a very difficult measure. Several members desire to send the Bill to a select committee with the idea of getting the necessary evidence to assist them

in improving the measure, and to report on Tuesday next. That is the assurance given to me. Therefore it would be of very little use for me to attempt to reply to the debate in the usual way, for probably the select committee will bring back a Bill that will be quite different from the one before us.

Question put and passed.

Bill read a second time.

#### *Referred to Select Committee.*

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That you do now leave the Chair and the House resolve itself into a Committee of the Whole for the consideration of the Bill.

Hon. V. HAMERSLEY: I move an amendment—

That the Bill be referred to a select committee consisting of Messrs. Drew, Cornell, Kempton, Sir Charles Nathan, and the mover, with power to call for persons and papers, to sit on days over which the House stands adjourned, and to report on Tuesday, the 16th instant.

Amendment put and passed.

*House adjourned at 11.25 p.m.*

## Legislative Council,

*Tuesday, 16th December, 1930.*

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

## ASSENT TO BILLS.

Message from the Governor received and read, notifying assent to the following Bills:—

- 1, Traffic Act Amendment.
- 2, Roads Closure.
- 3, Companies Act Amendment.
- 4, Hospital Fund.

## QUESTION—MINING.

### *Sustenance for Prospectors.*

Hon. A. LOVEKIN asked the Minister for Country Water Supplies: Will the Government pay over to the Mines Department portion of the amount of sustenance money now paid in respect of clearing at the National Park, for the purpose of aiding approved prospectors who are prepared to search for gold?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: The matter will receive consideration.

## LEAVE OF ABSENCE.

On motion by Hon. C. H. Wittenoom, leave of absence for six consecutive sittings granted to Hon. W. T. Glasheen (South-East) on the ground of ill-health.

## BILL—TENANTS, PURCHASERS AND MORTGAGORS' RELIEF.

### *As to Recommittal.*

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the Bill be now read a third time.

Hon. J. NICHOLSON: I move an amendment—

That the Bill be recommitted for the purpose of further considering Clauses 2, 5, 15, and 24.

Hon. J. CORNELL: I do not oppose the motion for recommittal, but I desire to point out that as the result of the deliberations of the select committee the Bill has been materially altered. The schedule of amendments recommended by the select committee has been adopted by the Committee and is now embodied in a reprint of the Bill. There are