

liked to see in the Bill is a provision compelling the mining companies to pay compensation for teeth, either natural or artificial, lost by a worker in the course of his employment. Subject to those two points, I find no fault with the Bill. The first of the two matters I have mentioned is the more important. The absence of such a provision as I have mentioned has been exploited to a degree.

Question put and passed.

Bill read a second time.

In Committee.

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

ADJOURNMENT—SPECIAL.

THE ACTING PREMIER (Hon. A. McCallum—South Fremantle) [11.38]: I move—

That the House at its rising adjourn until 7.30 p.m. to-morrow.

Question put and passed.

House adjourned at 11.39 p.m.

Legislative Council,

Wednesday, 5th December, 1934.

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

ASSENT TO BILLS.

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

- 1, City of Perth Superannuation Fund.
- 2, Dried Fruits Act Continuance.
- 3, Land Tax and Income Tax.
- 4, Gold Mining Profits Tax Assessment.
- 5, Road Districts Act Amendment (No. 3).

MOTION—STANDING ORDERS SUSPENSION.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.35]: I move—

That, during the month of December, so much of the Standing Orders be suspended as is necessary to enable Bills to be put through all stages in one sitting, and all Messages from the Legislative Assembly to be taken into consideration forthwith; and that Standing Order No. 62 (limit of time for commencing new business) be suspended during the same period.

It is almost needless to explain to members the necessity for the motion. It is proposed to close the session before Christmas, if it is at all possible to do so. If we are to do that, it is essential that the Standing Orders be suspended. The position is well known to members, and I trust no objection will be offered to the motion.

HON. V. HAMERSLEY (East) [4.36]

A similar motion is presented at the end of each session: the custom has grown up from time immemorial.

Hon. C. F. Baxter: It is a necessary motion.

Hon. V. HAMERSLEY: It is, and I do not suppose many members will raise any objection to it. Knowing the Chief Secretary as we do, we are fully aware that he would not take advantage of the suspension of the Standing Orders, but there have been times when some of us have felt it has given rise to a very serious situation. As no member has spoken against the motion, silence has given consent, but nevertheless we have found ourselves at times in a very awkward position. We have discovered that legislation has passed through the various stages almost without discussion and the effects of hasty legislation have been apparent from time to time. I want to issue a warning, particularly to new members, as to what this means. Some of our worst legislation is

placed on the statute-book at this period of the session because of the rush of work in the concluding stages. The Chief Secretary has given members every consideration during the session, but if we pass such a motion without drawing attention to the danger I have indicated, the practice may grow into an abuse in future years.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [4.38]: I hold opinions similar to those expressed by Mr. Hamersley. For many years the customary motion to suspend the Standing Orders has been passed, and we know what irritation and distress it has caused members before the Christmas adjournment. I have often thought it necessary that a Standing Order should be framed to the effect that no new Bills should be presented to the House after the first week in December. If we had such a Standing Order, even though at that stage of the session there might be a congestion of Bills on the Notice Paper, we would have time to discuss them and give them the consideration that every Bill should receive. In those circumstances we could finish our work for the session and still feel comparatively fresh. There are many Bills yet to be placed before us, and it sometimes appears to me a matter of tactics to suspend the Standing Orders so that the Bills may be rushed through without members giving them proper consideration. I suggest the Standing Orders Committee give consideration to the proposal I have made.

HON. H. SEDDON (North-East) [4.40]: I do not intend to oppose the motion because we realise that so far the Chief Secretary has given members every consideration in dealing with legislation. The danger that arises has been referred to by both Mr. Macfarlane and Mr. Hamersley, who spoke of the rush of Bills that we have to deal with during the last week or two of the session. I would quote the Lotteries Control Act to illustrate the trouble that results from rushing legislation through the House. While I do not oppose the motion, members should be prepared to give careful consideration to every Bill presented to us, regardless of the proposal to finish the work of the session before Christmas. If the consideration of measures necessitates our coming back after

Christmas, we should be prepared to do so. In those circumstances, I support the motion.

HON. W. J. MANN (South-West) [4.42]: I would not have risen to speak but for the suggestion made by Mr. Macfarlane. As one of the country members who have to travel considerable distances each week to attend to our parliamentary duties, I feel there is room for revision in the method of presenting business to the House. For about two months at the beginning of a session country members have to travel to Perth to attend to about three hours' work per week, or one hour per day. It is almost ludicrous to think that men should be required to give up all that time in order to sit in Parliament at 4.30 and conclude their work at 5 or 5.30 p.m. It is a different proposition for members who live in the city because it does not matter much to them. It does matter to members who have to leave their homes on Monday and cannot return before the following Friday night or Saturday morning, merely to do three hours' work during the week. There is ample room for improvement in that direction.

HON. J. CORNELL (South) [4.44]: A motion to suspend the Standing Orders at this period of the session has been passed annually ever since I have been a member of this Chamber. Therefore there is nothing new about it. As to the presentation of business, that is not our concern. It is a matter over which this House has no control, nor is it ever likely to have control over it. When similar motions have been presented, I have repeatedly pointed out that, in effect, such motions mean nothing. The passing of such a motion gives nothing away, for this House is master of its own business. If it should be considered that the debate on a Bill ought to be adjourned, the Minister invariably agrees to that proposal. Therefore the Minister is not asking for anything at all dangerous. That being so, I join with Mr. Seddon and say, let us do the business we are returned here to do; let us do it as we think it ought to be done, do it without any consideration for the convenience of another place, whether or not they wish to come back after Christmas. Certainly that is no concern of ours. We are here to do a job and do it properly,

and if the business cannot be completed before Christmas, it must be carried on after Christmas. Last session we all thought we were going to finish up before Christmas. So we did, in a way, but we finished up hurriedly, indeed abruptly, with the result that a special session had to be called after Christmas. Probably some people thought the Council should not have done as it did since it led to that special session after Christmas, but I do not think any members were the worse for that experience. I will support the motion.

HON. J. NICHOLSON (Metropolitan) [4.47]: I feel sure the opportunity afforded by this motion will be welcomed by the Chief Secretary, because it presupposes that great rush of business which almost invariably inundates us towards the close of the session. It is well that the opportunity should be taken to impress upon members the need for close attention to the business, particularly during the period lying ahead of us. I appreciate that the Chief Secretary has never varied in extending to members that consideration and courtesy which has always been part of his nature. He has studied the convenience of members and tried to make their task as light as possible, but I can see that with the promise of many Bills to come down there is a great risk that there will be a considerable strain placed, not only on the Chief Secretary and the Honorary Minister, but also on ourselves.

Hon. J. Cornell: What about the Chairman of Committees?

Hon. J. NICHOLSON: Yes, on the Chairman of Committees, and it must also be a considerable strain on the Press.

Hon. C. F. Baxter: And the clerks and the "Hansard" staff.

Hon. J. NICHOLSON: Everyone suffers. It is our duty to give careful consideration to the Bills that come before us and take our time in determining which should be passed and which amended or even rejected. In past years we have recognised that we cannot give due consideration to those measures when we are sitting here lengthy hours. It is quite impossible to do so. I am prepared to support other members in the determination to see that legislation is not rushed through, that we shall give due consideration to it. I agree therefore that if the legislation still to be presented requires a

long time for determination, rather than rush that legislation through we should have a special session after Christmas. I will support the motion, knowing that in its result it will be used with that consideration we have always associated with the Chief Secretary.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [4.52]: I appreciate very much the kindly references to myself, and I think they can be equally well applied to every Leader of the House during the last 20 years. So far as I know, there has been no attempt to rush through any Bills without due consideration; I know I have never attempted it, not only out of consideration for members, but also out of consideration for the legislation itself. I have before me now two Bills which I would not dream of attempting to rush through; they will require after passing through Committee most careful examination by the Parliamentary Draftsman. Those two Bills are only instances of the importance of Bills which must be thoroughly considered before they are passed. I will take special care to see that no Bill of any importance shall be rushed through, unless I am sure its provisions are perfectly agreeable to members.

Question put and passed.

BILL—LOAN, £3,938,000.

Read a third time and *passed*.

BILL—AGRICULTURAL BANK.

Second Reading.

Debate resumed from the previous day.

HON. A. THOMSON (South-East) [4.55]: I will support the second reading of the Bill as I consider it an honest attempt by the Government to carry into effect the recommendations of the Royal Commission that inquired into the Agricultural Bank. It is proposed to vest in the three commissioners very great powers. These, if properly and sympathetically administered, will do much in the way of reconstructing and consolidating the finances of the Bank and I hope will also place many a man—who has spent years of his life in trying to develop and bring to a payable proposition, frequently under very difficult and adverse circumstances, the land which he took up

under our land laws and the provisions of the Agricultural Bank—on a basis which will enable him to see some prospect of security for himself and his family and of course his debt to the State. The commissioners' task is going to be a very arduous one; they are to have a threefold burden of duty on their shoulders. The first is to serve the interests of the primary industry, whose fate largely depends upon and is indissoluble from the Agricultural Bank, the Industries Assistance Board, soldier settlement and group settlement. In the second place they are to preserve the finances of the State which have been invested under our land settlement policy, and in the third place they are to see that justice is done to the settler and to those who have helped him in many directions. In view of the important position of the commissioners and the great responsibility placed upon them, I consider that instead of their being appointed for a period of seven years, the House should agree to my suggested amendment that they shall serve a probationary period of two years and, if found satisfactory, be appointed for a further term of five years, making it seven years in all. It is of vital importance that the men to be appointed commissioners should be men of vision, not looking to the immediate present, but visualising the day when prosperity returns to the farming industry; and they must have optimism and a strong belief in the ultimate success and future development of agriculture. For that reason I consider an amendment should be made to paragraph (j) of Clause 5, so that it will not narrow down the Government's choice. It is there provided that no person shall be appointed to hold office who is or becomes an officer in any bank, firm or financial institution which carries on the business of making advances on the security of any rural land in Western Australia. The Government should not in any way narrow their choice. The responsibility of the proposed commissioners demands that we should have men who have had a great deal of experience, and since their task will be a very difficult one, the Government should not narrow their choice. There is one point I should like the Chief Secretary to consider. The Bill provides that the Industries Assistance Act and the Discharged Soldiers' Settlement Act shall

be transferred to the administration of the commissioners, but the only Acts to be repealed by the First Schedule are those governing the Agricultural Bank. Therefore I presume that the Government intend the board appointed under the Discharged Soldier's Settlement Act to continue but to function under the supervision of the commissioners of the Bank. I wish to direct the Minister's attention to Section 5 of the Discharged Soldiers' Settlement Act, and I should like an assurance from him that the board will continue to function under the Act that brought them into being.

Hon. J. Nicholson: Will not the provision made in this measure supersede the board?

Hon. A. THOMSON: I point out that the Discharged Soldiers' Settlement Act is not being repealed. Section 5 provides, amongst other things—

(1) This Act shall, under the control of the Minister, be administered by a board to be called the Discharged Soldiers' Land Settlement Board.

(2) The board shall consist of four members to be appointed by the Governor, one of whom shall be a discharged soldier, and another person not an officer in the public service of the State.

Soldier settlers, particularly those in my province, are very perturbed. A conference of 15 branches of the Great Southern District Council appointed a deputation to wait on me in the absence of my colleagues, and asked us to insure that the Act continued to operate and that the soldiers had direct representation.

Hon. J. Cornell: The Act will not continue to operate if this Bill be passed in its present form.

Hon. H. Seddon: I consider that the Bill is definite.

Hon. A. THOMSON: I should like the Minister to clear up the doubt. If Section 5 be not repealed, I consider that the board must continue to function under the Act that brought them into being. I trust that the soldier settlers will be granted the representation they desire. The Minister for Lands, before leaving for the Eastern States, said that he had had an interview with the soldiers' representatives, and hoped to be able to arrange the matter in a manner satisfactory to the soldier settlers. Clause 6, paragraph (j), provides that the commissioners may expend money to pro-

vide suitable premises in which to carry on the business, or as residential quarters for officers. A limit should be inserted to the amount that may be so expended. The powers proposed to be conferred on the commissioners are very extensive. I admit that the commissioners will require the consent of the Governor before they may embark upon such expenditure, but in other places there has been experience of large sums of money having been expended on the erection of buildings. I have in mind the palatial structure erected in Sydney for the State Savings Bank.

Hon. J. Cornell: The trustees have that power to-day.

Hon. A. THOMSON: Apparently they have not exercised it. In view of the report of the Royal Commission, the commissioners may deem it desirable to secure improved premises. I would not say that better accommodation is not needed, but as the commissioners will be empowered to borrow up to £1,000,000, it is within the bounds of possibility that they might decide to erect a building at a cost of £65,000 or £70,000, apart from the cost of the land. The Government would probably provide a site for such a building. When the savings bank business was conducted by the State, a certain block of land was made available, the estimated value of which was £65,000. However, some limit should be imposed upon the amount that might be expended by the commissioners. I hope that in Committee a definite restriction will be added to the power to spend money on bank premises. No provision has been made for a substitute in the event of one of the commissioners falling ill or being suspended. In Committee I shall propose an amendment based on Section 5, sub-section (5) of the Discharged Soldiers' Settlement Act, which reads—

In the case of illness, inability, or absence of any member of the board, the Governor may appoint some other person to act as the deputy of such member during the illness, inability or absence of such member, and every person shall, while he is acting as such deputy, have the powers and may perform the duties of a member of the board.

I realise that this Bill is essentially a measure for consideration in Committee, but I wish to indicate the various amendment I propose to move in order to improve the Bill. The provisions might be

broadened to enable the Bank to give greater assistance. I should like to see the Bank made a truly rural bank. One of the troubles of the Agricultural Bank has been that it has operated as a development bank. It took the settler under its care in the initial stages and carried him on to the point when he required additional financial assistance that the Bank could not provide. I consider that the Bank should be empowered to grant overdrafts on which the settlers could operate, as do clients of the private banks. If such a provision were inserted, the farming community would be saved considerable sums of money. Had the Bank been able to grant a seasonal advance by way of overdraft, settlers could have procured their requirements at a much cheaper rate. The Government might extend the power to grant assistance so that the settler could purchase machinery, stock, plant, super, chaff and cornsacks. The Bill provides that a person over the age of 16 who is the owner of an estate may apply for advances under the measure. A minor should not be allowed a free hand; the consent of his guardian should be required.

Hon. J. Cornell: At present a minor may obtain a block of land under the Land Act and a loan from the Agricultural Bank.

Hon. A. THOMSON: But the consent of the guardian should be required. Clause 44 deals with the terms of repayment, and a proviso sets forth that the instalments shall commence not later than ten years after the date of the advance, and the period for repayment shall not exceed 20 years. If the commissioners suspended the payment of principal for ten years and then required a settler to repay the whole in 20 years, it would mean that a man having £2,000 to repay would have to find an average of £200 a year, plus the interest, in order to complete the payments within the 20 years. I propose to move that the period for repayment shall be 20 years from the time when the commissioners decide that repayment of principal shall begin. A settler would need to be in a very happy position to be able to repay the money borrowed in ten years or at the rate of 10 per cent. per annum. Another clause provides that in the event of any money being owed, the interest shall be at such differential rates per annum as may from time to time be prescribed. That means the commissioners would only be able

to reduce the rate. If the rate charged on the money lent happened to be higher the commissioners would not be able to increase the rate to the borrower. It is said that the cost of administering the Bank is one per cent. I suggest the commissioners should not be able to charge more than one per cent. over and above what it costs them to get the money. If they borrowed at $3\frac{1}{2}$ per cent. they should be entitled to charge $4\frac{1}{2}$ per cent., and if they borrowed at $2\frac{1}{2}$ per cent., they should be entitled to charge $3\frac{1}{2}$ per cent.

Hon. V. Hamersley: With no provision for losses?

Hon. A. THOMSON: We are told there are going to be no losses under these conditions. It is said that the commissioners only require one per cent. for administration. It is also provided that if an instalment of interest on any mortgage is in arrears such interest shall from the date thereof bear interest at the prescribed rate for the time being. I suggest that the commissioners should be given greater power. If in their opinion the nature of the operations conducted by the borrower is such that the payment of interest half-yearly will impose hardship or loss upon him, they should be able for any period not exceeding six months to waive the interest on the interest in arrears. Most wheat and wool growers receive their income from their wheat and wool annually.

Hon. T. Moore: They have not recently had any income.

Hon. A. THOMSON: Such a provision as this would mean that for six months the farmer would not have to pay compound interest on what was due. To do that would be a hardship. If a man pays interest annually at the fixed amount he should not be penalised if he cannot pay six monthly. I desire very much that the payment of compound interest by the farmer shall be avoided.

Hon. J. Cornell: It is ordinary interest, not compound interest.

Hon. A. THOMSON: He has to pay interest on interest, which is compound interest. I now come to what I consider is the most contentious clause in the Bill, namely, Clause 50. I trust the Government will accept amendments to that clause. The Bank cannot carry the whole burden of financing even their present clients. In its strict interpretation the clause means that country

storekeepers would be committing a breach of the Act, and rendering themselves liable to prosecution, if they purchased butter or eggs from a farmer's wife as has been the custom for many years. No doubt the Leader of the House will say that is not the intention.

Hon. H. V. Piesse: What about the stock agents too?

Hon. A. THOMSON: I will come to them later. The Chief Secretary will probably remind us that it is provided that the commissioners may at any time in writing agree with any borrower, or with any creditor of a borrower, to waive such charge wholly or in part, in any case where they are of opinion that it is desirable to do so. It seems from line 32 of page 18 of the Bill that this clause stands for repudiation. It says—

A first charge is hereby created in respect of all or any such sums in priority to all other encumbrances upon all crops, wool or wool clips, butter fat produce, and the increase in progeny of all livestock from time to time derived from or in connection with any lands of any tenure (including the homestead farm) held or occupied and used by such borrower in connection with rural industry.

I hope it is not the intention of the Government through the agency of the Agricultural Bank to bring about a state of repudiation. Numbers of firms have supplied stock to farmers in good faith, and the Government should not endeavour to slich from them that to which they are justly entitled in accordance with the law. If the clause is not amended it will very seriously affect credit amongst the farming community.

Hon. J. Nicholson: Who would be prepared to make any advances?

Hon. A. THOMSON: That is the question. Who would make advances in the way of stock, machinery and other requisites with the knowledge that the Government can come in with a charge of priority over the just claims of others?

Hon. J. Nicholson: They will have a statutory first claim.

Hon. A. THOMSON: A great responsibility is cast upon us. We have to see that nothing is embodied in this legislation that will interfere with credit.

Hon. J. Cornell: That clause applies only to one year's interest.

Hon. A. THOMSON: It goes further than that, as I have shown. Clause 51 is of very searching and far-reaching effect. No doubt the experience the Bank has had

with some settlers in the group areas has suggested that no powers can be too great to place in the hands of the commissioners. In my opinion paragraph (b) goes altogether too far. It says—

All such charges shall until repaid with interest be and remain and are hereby charged (b) on all the goods, chattels, and the effects of the borrower which may at any time be on or about or be brought on the said lands.

The framers of the Bill could well have included the wife and children of the borrower, because they are taking everything else from him. I hope that paragraph will not be passed. It is one of the most severe things I have ever seen in a Bill.

Hon. J. Nicholson: It refers to the goods and chattels of a borrower.

Hon. A. THOMSON: Everything in a man's house generally belongs to him.

Hon. J. Nicholson: It is just as well to make it clear.

Hon. A. THOMSON: Clause 52 gives the commissioners power to refund any instalment of principal or interest that has been paid. It says that they may in any year in which the borrower has experienced the failure of crops, or of seasonal operations refund to him the whole or any part of any instalment of principal or interest he has paid. I should like to see that broadened.

Hon. J. Cornell: It has been in existence for 20 years.

Hon. A. THOMSON: After the word "operations" there should be inserted "or for any reason which in the opinion of the commissioners is sufficient." According to the clause the only reason for which they can refund portions of the principal or interest is for the failure of crops or adverse seasonal operations. A man may be able to put up quite a good case, and yet the commissioners will be unable to make a refund because they are tied down to these two causes. Clause 53 provides that the commissioners may acquire the freehold of a holding on behalf of the borrower or his successor in interest, and for that purpose may make all such payments to the Crown and otherwise as are necessary. In cases where one department is dealing with another no stamp duty or registration fee should be charged in connection with any mortgage that is executed under this provision.

Hon. H. Seddon: Why not?

Hon. A. THOMSON: Charges may be piled up against a man who has no say in the matter. If the commissioners consider that their security is improved it should be an easy matter to arrange for a book entry. The Government would not be out of pocket over the matter. Clause 54 by Subclause 1, provides that if at any time any half-yearly payment of principal or interest or any part thereof is unpaid for 21 days after due date, the commissioners may enter and distrain; and Subclause 2 gives them power to sell the property after two months, the same period being fixed in the Second Schedule. I hope the House will agree to delete "twenty-one days" in Subclause 1 and substitute "two months." Under Clause 57 the commissioners are empowered to effect any such improvements on a mortgaged property as they consider may be necessary to attract buyers and obtain a better realisation, and any moneys so expended are to be charged on the mortgaged lands and be repayable by the borrower together with interest at the rate stipulated in the mortgage. Here the amendments of which I have given notice are required. Through circumstances over which he has no control, a man may be forced off his land, but may still have an equity in it. To such a man the clause gives no protection whatever. He is not in a position to say to the commissioners, "I object to any additional improvements being made with a view to sale, because you are going to take away from me the equity I have in the property." I trust the House will give consideration to that clause in Committee. If the commissioners do propose to carry out any improvement, the settler should be consulted—even though he has been deprived of the land—in order that he may have an opportunity to protect his asset. Clause 59, in my opinion, places grave restrictions on the borrower. It has been an established custom for many years in the country districts to have cropping done on shares; and I see no reason why the commissioners should be empowered to say to a borrower, "You shall not crop on shares." Why should the borrower have to ask the commissioners for permission? He should be able to enter into an agreement of that kind in respect of his own property, even if he is a borrower, without having to go cap in hand to the Bank.

Hon. T. Moore: A borrower has to go cap in hand to the other banks.

Hon. A. THOMSON: But two wrongs do not make a right.

Hon. T. Moore: I fully admit that.

Hon. A. THOMSON: I hope this provision will not be included in the Bill.

Hon. J. J. Holmes: The owner may want the share farmer to do all the work, while doing nothing himself.

Hon. A. THOMSON: The owner, having excellent land, may find that he has as much as he personally can do in another direction. Again, he may have neither the money nor the machinery to crop the whole of his area; and if a neighbour can supply the deficiency, why should not that course be adopted? Unless the Chief Secretary can advance some better reason than appears on the surface, I hope the House will not agree to include the clause.

Hon. J. Nicholson: If the hon. member wants to achieve his object, he will also require to amend paragraph (c).

Hon. A. THOMSON: Yes. Paragraphs (b) and (c) would have to be deleted.

Hon. J. J. Holmes: Share farming gives the owner a good opportunity to get away with the Bank's wheat.

Hon. A. THOMSON: That can happen in any case, whether it is a matter of share farming or not. There is nothing to prevent the farmer from doing that if there is only a fence between the two properties. The only effectual preventive would be to have an inspector standing on the boundary. It would be the easiest thing in the world to drop a few bags of wheat over the fence. We are legislating for honest people. I have lived in the farming districts for over 30 years, and have found the great majority of farmers of my acquaintance to be as honest and honourable as any member of this Chamber. Now, it is reported that men go around with motor trucks stealing sheep. Surely the farmer cannot be held responsible for that. Similarly, men with motor trucks have reaped numbers of bags of wheat from the fields. The thing is to catch the thieves. The next point I wish to draw attention to is that under Clause 61 the term "owner" in the Road Districts Act, 1919-33, shall not extend to the commissioners as mortgagees in possession or otherwise. This is a typical Government provision. In the case of any private person, all rates and taxes are a first charge.

Private banks advance money for the payment of road board rates. Why should the Government Bank be exempt? It is officially stated that in the Great Southern district there is owing, in accumulated rates due to road boards, a sum of over £30,000 from clients of the Agricultural Bank. The road boards are justified in asking that the Agricultural Bank should in this respect be placed on the same footing as the private banks. I have here a letter, of which my colleagues have duplicates, stating that at a recent meeting of the executive of the Great Southern Road Boards Association the following resolution was carried:—

In the opinion of this executive, it is absolutely imperative that provision be made in the new Agricultural Bank Act to secure the payment of current rates and licenses due to the boards—

Arrears are not asked for.

—and we most earnestly desire our parliamentary representatives to use every effort to protect the interests of the road boards.

In case the Chief Secretary may think this association is a one-horse show, I quote the names of the various road boards affiliated: Albany, Broomehill, Cuballing, Cranbrook, Denmark, Dumbleyung, Gnowangerup, Katanning, Kulin, Kojoonup, Lake Grace, Narrogin, Plantagenet, Tambellup, Woodanilling, West Arthur, Wagin; Williams and Wickepin. It will be seen that the resolution is one entitled to consideration. The Government ought not to arrogate to themselves the right in question. Too frequently it is the policy of Governments to impose additional restrictions on everyone, while the departments go absolutely free.

Hon. J. Cornell: The clause merely perpetuates what the existing Agricultural Bank Act provides.

Hon. A. THOMSON: But is it not time the provision was altered?

Hon. J. Cornell: It might as well be argued that the Government should pay rates on buildings in Perth.

Hon. A. THOMSON: No. That would be a totally different proposition. If Mr. Cornell is a client of a private bank, the road board can collect his current rates, no matter how heavily involved he might be.

Hon. J. Cornell: One is an investing bank, whilst the other is not.

Hon. A. THOMSON: The Agricultural Bank is an investing bank as well.

Hon. J. Cornell: It is not.

Hon. A. THOMSON: The Bill provides to make the Agricultural Bank an investing bank. It is provided that a borrower shall only receive 70 per cent. of the value.

Hon. J. Cornell: That is as regards stock.

Hon. A. THOMSON: Is it? The hon. member should read the clause again. Except under special circumstances, the commissioners can advance up to only 70 per cent.

Hon. G. W. Miles: Was not that so under the original Act?

Hon. A. THOMSON: I think it started with about 50 per cent. However, I am dealing with the existing Act. I and my colleagues from the South-East Province have waited upon the Government, at the request of the association, to ask that current rates should be paid.

Hon. J. Cornell: Are there any abandoned properties in that district?

Hon. A. THOMSON: Whether there are abandoned properties or not, there are plenty of Agricultural Bank clients. However, the matter is one to be discussed more fully in Committee. I hope the Government will agree to amend the clause. To my mind, Clauses 63 and 64 are the most important provisions of the Bill.

Hon. J. Nicholson: More important than Clause 50?

Hon. A. THOMSON: Yes, because these two clauses provide machinery whereby the commissioners may bring together a client's creditors and enter into an amicable arrangement whereby he will have an opportunity to carry on. I strongly support the clauses, except as regards paragraph (c) at the conclusion of Clause 64. There I shall suggest that the word "reasonable" be deleted with a view to inserting "mutually agreed upon."

Hon. J. Cornell: Have you considered the interpretation of the word "require"?

Hon. A. THOMSON: It has several meanings. Some dictionaries say that it means "command" or "compel." Whether it is proposed in this instance that it shall mean command or compulsion to bring these people together to discuss the position, I am not going to say. In any case, I shall not offer any objection to the use of the word. I should, however, like the Chief Secretary when replying, to explain why it is deemed necessary that the commissioners should have such protection as it is proposed to

afford them by Clause 73. That and the following clauses are long overdue, but at the end of Clause 63 I am going to ask that the words "as the commissioners consider reasonable" be struck out and "as may be mutually agreed upon" substituted.

Hon. J. Cornell: You want to tone it down.

Hon. A. THOMSON: I want them to agree. I believe that quite a large number of creditors of the farmers are willing to meet and confer, and I think that in many instances satisfactory arrangements could be made. That is to say, arrangements that would be satisfactory to the commissioners, to the outside creditors, and the farmers themselves. The sooner we can bring about that state of affairs, the better will it be for the farming community and the districts generally, and if such an uplift can be given, so much the better will it be also for the metropolitan area. I should like to know why the commissioners are being given so much protection as is proposed by Clause 73. It means that three months' notice must be given before any action can be taken against the commissioners by a person who considers he has suffered an injustice, and if six months is allowed to elapse no action can be taken. In view of the extraordinary powers being conferred upon the commissioners they really should be responsible for their acts just the same as those who control private institutions. I hope the Chief Secretary will be able to enlighten us. At an earlier stage there was a discussion on the subject of Bills that may require further consideration, and the possibility of meeting after Christmas. The Bill now before us is very important and I admit it can be dealt with fully in Committee. At the same time, I hope that if we are not able to arrive at a satisfactory solution of the problems facing us, we will not endeavour to push the Bill through long and wearisome sittings. We must give careful consideration to this and other legislation that has yet to come before us, and even before the Agricultural Bank Bill reaches the Committee stage the Government may find it necessary to submit amendments as the result of the action proposed to be taken by the Federal Government, in respect of the assistance it is intended to render the farming community. I shall support the second reading and congratulate the Govern-

ment on having made an honest effort to improve the position of the farmers. I do not agree with all the provisions of the Bill, but I have no doubt it was drafted by officers of the Agricultural Bank and that consequently some of the clauses may appear to members, as they do to me, rather irksome. While we should as far as possible endeavour to see that the dishonest man is brought to book, we should not place too many restrictions on those who are honestly trying to do their best.

HON. H. V. PIESSE (South-East) [5.53]: First of all I should like to congratulate the Minister who introduced the Bill in another place for the care and personal attention he has given to the subject. Whilst the Bill can be said to be 80 per cent. of the old Act, the clauses contain many matters of importance which are to be found in the existing Act, but in my opinion there are still many amendments necessary to make the Bill satisfactory from the primary producers' point of view.

Hon. J. Cornell: You consider that the Royal Commission was competent to deal with the subject.

Hon. H. V. PIESSE: They took abundant evidence.

Hon. J. Cornell: One-sided.

Hon. H. V. PIESSE: Very likely, but everyone had an opportunity to appear before the Commission and give evidence. In Katanning I could have given evidence had I so wished and others were given the same opportunity. If people did not avail themselves of it, then it was not the fault of the Commission. After reading the debate that took place in the Legislative Assembly, one cannot but be struck by the fact that in the main the Bill is considered by all members to be long overdue. Unfortunately, however, it has been dealt with practically on party lines. It is not a party matter. Still, I feel confident that this House will treat the Bill on its merits and recommend the necessary amendments. The Chief Secretary told us that the Bill embodied the majority of the recommendations made by the Royal Commission and as the Commission had taken evidence throughout the State he considered it was not necessary to appoint a select committee to further investigate the position. I agreed with him on this point. I am of the opinion that as

the Bill has been so thoroughly discussed and as members of this House have had the opportunity of going through it carefully, we cannot do better than deal with it in Committee and endeavour to carry amendments which in our opinion will make for its improvement. On carefully reading the definition clause, I was struck by the fact that there is no provision made to honour bills of sale or security that has been given prior to the passing of the Bill if it becomes an Act. I consider that injustice will be done to the secured creditors who have advanced the money, relying on the law of the State which has given them a charge over the property covered by a bill of sale in priority to other creditors. Naturally a mortgagee is in an entirely different category from unsecured creditors, as in many instances stock firms, banks or other institutions have been responsible for advancing money under protection and have assisted greatly in carrying on farmers' properties. Therefore retrospective legislation should be avoided. Regarding the appointment of commissioners, I consider that three will be sufficient. The representative of the Treasury should certainly be a full-time man and as no doubt the Government have many excellent officers who have been trained in finance and have a practical knowledge of farmers' disabilities, there should be no difficulty in selecting a competent man for the appointment. Of the other two, one should be elected for four years and the other for seven years. In this way a continuity of policy could be maintained. As the present Government may not continue to hold office, what I suggest would give the new Government the opportunity to re-appoint or otherwise deal with the commissioners. The present chairman of the Agricultural Bank in my opinion should be appointed in a temporary position as adviser to the new board for a period of two years because his knowledge of the institution and the primary industries of the State would be of valuable assistance to the new commissioners. Returned soldier settlers, who are particularly affected by the provisions of Clause 36, have rendered good service in the development of their blocks and, in the main, they consider they have received fairly reasonable treatment. Although they have not had all their requests granted, they have had the advantage of a representative

on the Soldier Settlement Board to watch over their interests. I trust the Minister in charge of the Bill will agree to the appointment of a liaison officer with a similar object in view. The small cost entailed by such an appointment would be of no moment, but that officer could travel throughout the State to interview soldier settlers and the branches of the Returned Soldiers' Association, and subsequently he could discuss with the commissioners any grievance or injustice experienced by the returned men. Although the Minister for Lands stated that the appointment of such an officer was not necessary, I am of opinion that these men, who have done so much for Australia and the Empire, should have the advantage of a special representative to act on their behalf. Since the Bill has been before Parliament, no doubt members have received many letters with regard to its provisions. I have received several dealing particularly with the position of returned soldier settlers, and I desire to refer to one or two. A returned soldier settler whose block is on a repurchased estate at Pallinup, commenting on the remarks of the Minister for Lands regarding repurchased estates, wrote—

Mr. Troy remarks about Pallinup only paying £6,000 off the principal. He omitted to tell the House that we have paid £28,000, £22,000 being for interest, and certainly only £6,000 of that payment was off the principal. We also have paid the Agricultural Bank £11,000, or perhaps more. These figures are for nine years. It must not be forgotten that we have created wealth to the extent of £12,000 per annum by production at normal prices, and this is a very conservative estimate. We have also put Gnowangerup on the map as a wheatgrowing district. What distribution of wealth came from Pallinup before it was a repurchased estate? Very little indeed.

As one who knew Pallinup in its virgin state, when it was owned by the late Mr. Hassel and was used as a sheep run, I have a knowledge of the development of that area. In those early days there were on the property a couple of natives who rode round the fences and looked after the sheep. There was very little clearing done. Apart from the foreman, I think there was one white man only employed on the property. To-day it is difficult at Pallinup to get firewood because practically every acre has been cleaned up and the land has been made use of. The number of sheep run on the estate to-day

is marvellous when one considers what the property was in its virgin state. I have had many opportunities of seeing the splendid work carried out by returned soldier settlers on the estate. They are not singular in their inability to pay their Agricultural Bank dues and land rents. Like all other farmers, the value of their produce over the past three years has fallen below the cost of production. Another returned soldier settler at Pallinup wrote to me with reference to the sale of some of his sheep that really were held as security under the provisions of the Soldier Settlement Act, as follows—

We have a practical example of the meaning of what we returned soldiers want. Previously the proceeds of my sheep have been paid to me direct, and have always been under the Soldier Settlement Act. I have never had to ask for the proceeds of my wool or sheep, and we are asking for this Act to be retained in its entirety. Also for one of the new commissioners to be a returned soldier, or an extra commissioner to watch our interests under this Act. This is one of the main points we are asking for.

In the past, the officials of the Agricultural Bank have been reasonable in the manner they have applied the provisions of Section 37 (a). As a trustee for some estates, I can speak feelingly on that point because I appreciate the releases that have been granted to me in relation to various estates. This particular returned soldier, whose letter I have quoted, is perfectly satisfied with his treatment, but we have no guarantee that in tightening up the provisions of the legislation, the measure will not be given effect to in its entirety.

Hon. H. Seddon: But that will be expected.

Hon. H. V. PIESSE: If the provisions of the measure are to be carried out in their entirety, it will be a serious matter regarding credit not only for returned soldiers but for other farmers. A Mt. Barker returned soldier settler who interviewed me at the local show, discussed his position and has since communicated with me by letter setting out his financial standing in the following form:—

Mortgage to the Agricultural Bank	£
under Soldier Settlement Act ..	850
Second mortgage to Associated Bank	150
Debts due to other business houses ..	450
	£1,450

That was his indebtedness at that particular date. His interest payments for the 12 months to the Agricultural Bank, the Associated Bank and business houses represented approximately £92 per annum. His property consists of 300 acres, of which 24 acres are under fruit. The carrying capacity of the remainder of his holding enables him to run 150 sheep. The manager of the Associated Bank holding the second mortgage over his property told the settler that the holding, in his opinion, was worth £3,900. The settler's average turnover for the year is £700, and his loss on his operations in 1932 was £352. He has been able to obtain sufficient finance, without security, from the local co-operative company to enable him to carry on his operations. His wool clip is consigned annually to the Agricultural Bank, the officers of which deduct sufficient money to meet interest and other payments due by him, and he is perfectly satisfied with that procedure. His position will be affected by Clause 50, which is framed so as to protect interest and other advances for any one year. The serious feature of the clause is that it protects advances that may accumulate. That means that if a settler has experienced a bad spin at any particular period, his advances must accumulate, and, under Clause 50, protection will be afforded the Bank in respect of interest that had been previously collected.

Hon. J. J. Holmes: It has retrospective effect.

Hon. H. V. PIESSE: Yes, and that is dangerous. I asked this particular settler how he could carry on satisfactorily and what were his ideas regarding the whole situation. He stated that if the provisions of Clause 50 were applied, his fruit crop, poultry proceeds, butter fat returns and so forth would all be covered by the general lien and naturally the co-operative company that had been financing him without taking security over his fruit crop, could not possibly entertain any proposal to make advances to him to enable him to carry on in the future. The main point he impressed upon me was that if he could get his farm capitalised to, say, £1,500, he would then have no objection to placing all his returns for produce under the protection of the Agricultural Bank or the Soldier Settlement Scheme, as he believed his average interest at 5 per cent. would then be £75

per annum. Under those conditions, he considered he could carry on satisfactorily. That is one of the phases to which we must give consideration, particularly in view of the Federal legislation that is contemplated. In my opinion, it is necessary that a board be appointed to recommend the writing down of debts or recapitalisation of the holdings.

Hon. E. H. Angelo: Would not one of the Associated Banks have helped that particular settler over his difficulties?

Hon. H. V. PIESSE: I mentioned that to him, and he said that five years ago he had approached one of the Associated Banks, at which time the bank manager said the property was worth the figure I have already quoted. He was also informed that the bank would have no hesitation in lending him the money he required. The other day Mr. Angelo referred to the position of mortgagees. He must realise that in these times properties have to be re-valued on a new basis.

Hon. E. H. Angelo: The valuation you refer to was made some time ago.

Hon. H. V. PIESSE: Five years ago.

Hon. E. H. Angelo: The position was quite different then.

Hon. H. V. PIESSE: This particular settler has been carrying on, but his position is the same as that of many other property holders throughout the State. We cannot place on such properties to-day the value attaching to them five years ago. Values have to be written down, and that is why we are worrying about that phase.

Hon. J. J. Holmes: The value of a property to-day is fixed by its actual productive value.

Hon. H. V. PIESSE: Of course it is. I consider that the board of commissioners should consist of a Treasury official appointed by the Treasurer, one commissioner to be appointed for a period of four years, and another commissioner to hold office for seven years, while the present managing trustee should be appointed for two years in an advisory capacity. In my opinion, of the two commissioners chosen—I disregard, for the moment, the Treasury appointee—one should have a practical knowledge of finance and of the primary industries of the State, together with a business training. The other commissioner should be a man trained in financial and banking circles. I consider this most important for the well-

being of Western Australia, and for the better control of this legislation, which is really for the benefit of the primary producers of Western Australia. This type of legislation has been under discussion for very many years. I remember, sitting as a boy in the Legislative Assembly Chamber in the old State Savings Bank, and listening to many discussions that took place regarding the Agricultural Bank Act. If my memory serves me aright, the late Mr. Paterson resigned his seat in Parliament in order to take control of the Bank at the magnificent salary of £200 a year.

Hon. J. J. Holmes: In those days £200 was good pay for a good job.

Hon. H. V. PIESSE: In the meantime I have watched the development of the Agricultural Bank and have gained an appreciation of the advantage it has proved to the agricultural industry. The Bank placed that industry on the map. But for its activities, we would not be in a position to talk about secession or anything else. In fact, Western Australia has been placed on the map as a result of production, and the Agricultural Bank played a splendid part in that work. Most of us are proud of the fact that the men associated with the Bank have carried out their duties in a most honourable manner. They have made mistakes, but what man of any worth in the world has not made mistakes? We can always pull down and break things to bits. We can criticise, but in advocating the interests of this great State of ours, we must be constructive.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. V. PIESSE: I was about to refer to Clause 6. I should like to ask the Minister, if this clause be passed whether all settlers will be subject to powers similar to those held under the Discharged Soldier Settlers' Act? If so, the commissioners will take priority on behalf of the board over all registered securities. However, I presume this is purely a formal clause. I am pleased to see there are to be transferred to the control of the commissioners, the Industries Assistance Act, 1931, the Discharged Soldiers Settlers' Act (1918) and amendments, the Group Settlement Act, 1925, the Group Settlement Advance Act, 1925, and the Wire and Wire Netting Act, 1926. The bringing of these Acts under

the one control will add to their smooth working. In the past these several measures have been controlled by various departments. I can speak of the staff of the Agricultural Bank only with appreciation. As a trustee of many estates, I have personally come into contact with a large number of the Bank's staff, including the field staff operating in the province I represent, and I must say the efficiency of the officers employed in that district is undoubted. I feel confident that the commissioners will retain the greater number of the staff already employed by the Bank, but I shall be interested to see what is to become of those who may not be retained by the commissioners and in Committee I will be prepared to support any amendment to provide for them.

Hon. G. W. Miles: I understood the Minister to say there would be continuity of employment for them.

Hon. H. V. PIESSE: As to advances or the value of improvements and machinery the original Act allowed for only 50 per cent. of the value of the work to be paid. This ensured the improvements being carried out by the settler himself rather than by contract, and so the settler was compelled to have some real stake in the property. Progress may have been slower, but it was certainly surer. I consider that 70 per cent. of the value, as suggested in the Bill, is a reasonable advance. This also protects the Bank for a 30 per cent. margin for advances made in full on stock and machinery. One of the associated bankers told me that the granting of 100 per cent. of the cost would be a greater incentive for developmental progress, as the improvements would be passed by a field inspector who should be held responsible for the honest application of the Bank's funds, and that the proposed 70 per cent. basis might prove false economy through shoddy methods of building up the holding. However, I am not in accord with that suggestion. I think the 70 per cent. to be advanced is very reasonable, and I point out that it provides a small margin on full advances for machinery and stock. Clause 50 is one of the most important clauses in the Bill. It is too drastic. It will close outside means of credit for debtors. The majority of farmers and business houses have to a certain extent become used to Section 37 (a), and its application by the present controllers of the Agricultural Bank

has been reasonable. But to my knowledge this provision has hampered advances being made by Associated Banks. It applies to crops only, and it affects only the current year's operations and interest. Clause 50 apparently is intended to override all existing bills of sale over stock, and it strikes at the root of our legal protection. Certainly it is only in respect of one year's interest, but there are other provisions prescribing that this protection is for advances also, or re-advances from previous years in which the settler could not meet his interest. If the present trustees were to carry on under the new conditions, we might expect a little clemency. Should this clause be passed as printed, it will be impossible for business houses safely to trade with Agricultural Bank clients. Of course the Minister who moved the second reading in another place stated that this is only in respect of one year's interest. But to-day a stock firm, say, has a mortgage over certain assets of the farmer. If we pass Clause 50 it will give the Bank priority in control of that mortgage or bill of sale. I feel sure it could not be the intention of the Minister to include such a serious proposal in the Bill. The clause gives the commissioners an absolute priority lien which spersedes all other encumbrances on the produce from the farm and the progeny from livestock. Associated stock firms and banks from time to time have advanced 100 per cent. of the value of the stock to those farmers without the necessary capital, and under this clause the commissioners will have the right to demand all the profit from the stock, and perhaps in some instances will leave the bill of sale holders without any revenue. Also this clause might deal harshly with any institution that has advanced money for the putting in of crops, and if a crop lien was held this clause would take priority, and the money advanced by the institution would not be repaid. I feel confident it is not the wish of the Minister in charge of the Bill to debar outside capital from being invested in the carrying on of the industry. Where the assistance can be gained from financial institutions, it should be accepted. Since this is so important a clause, it would be wiser to have a select committee to inquire into the legal aspects of the Bill. Sub-clause 4 of Clause 50 gives to the commissioners an excessive power which might be

dangerous. This should be reconstructed. As it is framed it will certainly have a detrimental effect on the carrying on of a farmer's operations, unless the Government intend to advance more freely to Agricultural Bank clients and thus provide the whole of the money for their carrying on. Where bills of sale are held by stock firms or banks, those bills might be redeemed by the Agricultural Bank. However, this would necessitate the raising of a large amount of capital. In the majority of the centres I represent—other than Denmark, which comes under the Group Settlement Act—farmers' wives depend upon the sale of butter, eggs, poultry, etc., to enable them to clothe themselves and their families, and to provide general living expenses. If this clause is enacted as printed, not even a pound of butter shall be sold to a local trader unless he takes the risk of the Bank calling on him for this money, particularly if there is not sufficient available from other crop proceeds or wool to meet one year's interest and other advances made by the commissioners. I therefore suggest that amendments be made to Clause 50 to avoid retrospective legislation. If this were done there is no doubt the commissioners would make amicable arrangements with Associated Banks or private mortgagees and stock firms as to the proportion of the income to be paid to them where the land is being utilised for grazing and cropping purposes. Every case would then be treated on its merits according to the income derived from wool, wheat or any other source of revenue from the property. In the Kojonup district, for instance, very little wheat is grown. In that district the main source of income is wool. In many instances the wool proceeds are secured to the associated brokers. It is not reasonable to expect a bank or anyone else to carry a debt without getting interest on it. An arrangement could be made whereby the farmer or grazier could set aside 20 or 30 per cent. of the wool proceeds to meet one year's interest. No one expects to take up a mortgage without getting interest. The law of mortgagees is a sacred one, and should not be interfered with. We cannot get away from the fact that the traditions of the British Empire are such that the law of securities is safe. No Act of Parliament should attempt to interfere with it. I now come

to Clause 54, Subclauses 1 and 2. Provision is made for half-yearly payments. The time specified in this clause should be extended because of the ever-recurring seasonal irregularities and because of the factors associated with production and marketing. The commissioners should take no action until the position of the settler comes up for annual review. Most members have an annual review. We have great respect for our bankers, and take notice of what they say. The average banker arranges at the review how the individual is to be carried on for the ensuing term.

Hon. L. Craig: Or for his overdraft.

Hon. H. V. PIESSE: When the arrangement is made, we endeavour to adhere to it. It is made once a year. Under this clause the commissioners are supposed to review twice a year. When I was reading the "Hansard" report of the debate on the Bill in another place, I was struck by the suggestion of the member for Pingelly (Mr. Seward) in reference to the charging of interest and the allocation of different dates for that charge, to coincide with the receipt of the income derived from the farm. The Minister for Lands said he would consider the request. I hope the Chief Secretary will see whether it is possible to fix the time when the interest has to be paid to coincide with the harvesting operations. That will be much better for the settler and much better for the man who owes money to the Bank.

Hon. L. Craig: The time would differ in different districts. What would suit the wool-growing districts would not suit the dairying districts.

Hon. H. V. PIESSE: No doubt the dairying districts could pay every month because they get their cream cheques then. The lot of the settler is not a happy one, and has not been so for the past five years. If the borrower is unduly harassed it may be difficult to keep him on his holding under legal conditions. Clause 52 says—

The commissioners may in any year in which a borrower has experienced failure of crops or seasonal operations, refund to the borrower the whole or part of the principal and instalments of interest.

I agree with this clause in the main. But what would happen in the case of a second mortgagee who, in order to protect his security, found it necessary to pay the commissioners the interest on the first mort-

gage? Last year an Associated Bank client owed a certain sum of money on first mortgage to the Bank. I received a demand letter from that Bank stating that, as I held a second mortgage, I should pay up the interest so as to protect the security. I considered that the estate was worth protecting and paid the interest. The Bill says the commissioners may refund to the borrower any cash payments that have been made to protect the second mortgage.

Hon. J. Nicholson: You as second mortgagee paid the interest?

Hon. H. V. PIESSE: Yes. If the clause is carried out as it is framed, the money could be returned to the farmer, whereas it belongs to the second mortgagee. I do not say the commissioners would do this, but they could do it. On the other hand, I cannot see how the commissioners can refund the money that has not been paid. Clause 58 gives the commissioners power to agree that any person shall crop, work, or maintain the land with or without plant, stock and machinery thereon, and they may have security for the principal, interest and other money. This clause might also interfere with prior encumbrances. I feel sure it is not the wish of the Government to take away from people any rights they enjoy. I now come to Clause 61 dealing with road boards and Agricultural Bank rates. This states that local governing bodies such as road boards cannot claim for rates on Agricultural Bank property. In this case we are dealing with the taxpayers' money. In the province I represent there are 25 road boards. As the clients of the Bank use the roads I do not see why the current rates for the future cannot be protected to assist the local authorities in keeping up these roads. It is admitted that members of the different boards carry out their work in an honorary capacity. I have here a letter from the secretary of the Road Boards Association. It is as follows:—

Dear Sir,—Re Agricultural Bank Bill and road board rates. My chairman, Mr. G. A. W. Piesse asked me to forward some information in regard to road board rates and the new Agricultural Bank Bill now before the Upper House. For many road boards to carry on it is imperative that current rates should be paid by the Agricultural Bank. Up to the 23rd May, 1934, 16 road boards situated in the Great Southern districts had on their books £23,638, which was owing by Agricultural Bank clients. The undermentioned road boards situated in the wheat

belt showed arrears of rates owing by Agricultural Bank clients as follows:—Dumbleyung, £1,529; Kent, £2,552; Kulin, £5,319; Lake Grace, £4,510; Wickiepin, £2,017. I would like to point out that in some cases most of the ratepayers in certain boards are Agricultural Bank clients, and it is very unfair that other ratepayers are paying rates so that local authorities can carry on. The boards, by the Road Districts Act, have to strike a rate each year to give an estimated amount of money required to carry out their work, and this amount is struck on the unimproved values and not on the amount of collectable rates.

These boards are operating in the wheat area. When carting is being done continuously in the wheat areas there is a good deal of wear and tear on the roads.

Hon. J. Nicholson: The assets are more liquid at Kulin.

Hon. H. V. PIESSE: In the case of the wool areas there is not so much road maintenance required. The letter continues—

At present the boards are not concerned with the arrears of rates owing, but are trying to obtain current rates. Very few boards are at present receiving Government grants, and it is very hard to collect enough rates to keep the made roads in fair condition, as most of the boards are now only receiving half their revenue. If the Agricultural Bank clients were all living in the same area, the local authorities could inform them that no moneys were available for any kind of road work in that area. It would then mean that the Agricultural Bank could not get any farm produce to the siding.

At present the other ratepayers have to find the money for road work as it is often the case that a farmer not on the Agricultural Bank lives between the Bank holdings and the roads then have to be kept in passable order. Approximately £500 is owing by Agricultural Bank clients to the Wagin Road Board, and this board are prepared to have that amount written off with the Minister's consent, which goes to prove that the board are willing to help Agricultural Bank clients. Of course, this offer is only made on the condition that a clause is inserted in the new Agricultural Bank Bill—"That the Bank will find the money for current rates." Some boards, no doubt, will give their Agricultural Bank clients plenty of time to pay up the amount of arrears owing. I estimate that the amount owing by Agricultural Bank clients to all road boards in the State to be £186,100, which you must consider a very serious matter for the local authorities. I have written to all the members of Parliament representing the Great Southern area to support road boards in the endeavour to obtain a clause in the new Agricultural Bank Bill—"that current rates shall be paid by the Agricultural Bank." I trust that I have explained myself fully, and that you will be successful in piloting this request through the Upper House. (Sgd.) Yours faithfully, Clive M. Shenton,
Honorary Secretary.

During the past two years my colleagues representing the South-West Province and I have travelled throughout the length and breadth of that area. We made a special point of calling on the road boards and of meeting them in conference at the different centres. We also introduced two deputations to the Government. These deputations were representative of the road boards. We placed the whole position before the Minister. I admit it is difficult to get any money from the clients of the Bank. The question is a momentous one. If the Associated Banks and the other mortgagees have to pay rates on behalf of the properties they are interested in, why should not the Agricultural Bank also pay? I have a copy of a resolution passed by the associated road boards at Katanning about a week ago and I should like to read it to the House—

That in the opinion of this executive meeting it is absolutely imperative that provision be made in the new Agricultural Bank Act to secure the payment of current rates and licenses due to road boards, and we most earnestly desire our parliamentary representatives to use every effort to protect the interest of road boards in this regard, and further, this meeting regrets so far that no action by members has apparently been taken.

The resolution speaks for itself. With regard to Clause 63, it is my intention, when the Bill is in Committee, to suggest an amendment. The word "require" appears in the clause and, having looked up the dictionary, I find that it means "compel." It is a definite demand. Surely an amicable arrangement ought to be possible, and I shall move that the words "amicable arrangement" be substituted for "require." Clause 64 is important from the primary producers' point of view and according to my reading of it, the commissioners will have the right to dictate to all other creditors in the writing-down of clients' debts. There is no guarantee that the process will not be repeated from year to year. Take the case of an Agricultural Bank loan to the extent of £2,500, in respect of which it is decided to call a meeting under the Farmers' Debts Adjustment Act. By a four-fifths majority that meeting can decide to write down the clients' debt, say, for argument's sake, by 10s. in the pound.

Hon. J. Cornell: That is not so yet.

Hon. H. V. PIESSE: It is in the Bill. We find that the first mortgagee will say "Right." Is it reasonable to expect the

Agricultural Bank to write down to the same extent as in the case of the unsecured creditors? Does the Bill mean that it can be decided by a four-fifths majority that the debts shall be written down 10s. in the pound, and that the £2,500 mortgage may be reduced to £1,250? I cannot see an associated bank or private mortgagee doing such a thing. A widow or a trustee company may have funds invested in the property. Is it right to ask those people to write down the mortgage? Of course not. Then there is the second mortgagee to consider. The law of mortgages must be maintained. I do not consider that any writing-down of any debt should take place unless there is a cash payment in the writing-down of the value of the debt. Under the new Federal legislation, which is apparently going through, the Agricultural Bank here will be dealing with the money the Federal authorities will provide, and therefore it will be essential for the commissioners controlling the money to have the advice of the board in connection with the recommendation respecting the amount that should be written down. Under the new proposal made by the Federal Government, by which they will advance money for the rehabilitation of the industry, I consider there should be two funds created, one called the rehabilitation fund for advances to pay out creditors, and the other called the carrying-on fund, which, in many instances will be necessary to make advances. With this money available there is no doubt many farmers will be applying under the Farmers' Debts Adjustment Act, as by that method they will have the opportunity of rehabilitation. Of course this deals with all classes of settlers, not only Agricultural Bank clients but Associated Banks and private mortgagees' clients. As a trustee, I have arranged compositions during the year for three different farmers in my district. Those farmers were under the Bankruptcy Act or under what is known as a "Scheme of Arrangement." In those three instances 6s., 7s. and 10s. in the pound were accepted in full settlement of the unsecured debts. The cash was found in the first instance by a private mortgagee, in the second by a local neighbour, who loaned the money to the farmer, and in the third by an associated stock agent. In the first case the man came to me and said that his property was secured to a life insurance company in this State.

When he found that he could not carry on, he said, "It is no use trying to go further, I think you had better take this property and sell it." I said, "The best thing you can do is to think out a scheme under which you might make a composition." He replied, "What could I afford? I have no money." I said, "Suppose we suggest 6s. in the pound and pay it to the unsecured creditors." I interviewed the manager of the insurance company and he said, "If we take over the whole of the assets, we will be prepared to find 6s. in the pound with which to pay the unsecured creditors." Then almost immediately wool prices went up and last year that man had quite a good season. Thus he got rid of all his debts for 6s. in the pound, and under the Bankruptcy Act he is now legally free. The next case was that of a private man who advanced sufficient money to enable a farmer to pay 7s. in the pound. The settler was 25 miles from a railway siding. He had three children and had worked very hard. His returns were good but his expenses in connection with the property were too much to enable him to show a profit. This man said, "I am off." I suggested that he should find a couple of hundred pounds and asked whether one of his neighbours would not lend it to him. The money was found and the creditors accepted 7s. in the pound. Now the farmer is carrying on and I think he will be successful. The other case in which 10s. in the pound was paid to unsecured creditors the money was found by a stock firm. That firm decided that they had sufficient security and that when they advanced the money their asset would become more valuable. Generally speaking, the assets of all farmers if rehabilitated under the proposed scheme will be greatly improved. The Bill before us deals only with those settlers who are directly under the control or are mortgaged to the Agricultural Bank, but with the suggested Federal legislation I consider a new Bill should be introduced to deal with the rehabilitation of farmers, and that a special board should be appointed for that purpose. We already have the Farmers' Debts Adjustment Department, which may be appointed to control the rehabilitation proposition, but the financing and the payments would have to be made through the Agricultural Bank and on the recommendation of the board which, in my opinion, should be appointed to deal with all things

that apply to the rehabilitation of not only Agricultural Bank clients but also those of the Associated Banks, insurance companies, trustee companies, and private mortgagees. As the money will be made available by the Commonwealth Government, I see no difficulty in schemes of arrangement and compositions being accepted. Clause 66 empowers the commissioners to consolidate the securities where convenient. When speaking on the appointment of commissioners, I instanced the case of a returned soldier at Mt. Barker, which might be brought under that provision. I suggested that where a settlers' indebtedness could be capitalised, it would be dealt with by the Bank if the money were available, but the question is whether the Government will be able to find sufficient capital for the purpose. In my opinion, this is the most important Bill from the viewpoint of the primary producers that has been brought before us this session, as it really deals with the agricultural, dairying, and, to a large extent, pastoral industries, particularly in the wheat areas, the great southern and the south-western portions of the State. A Bill of such importance should not be rushed through the House, though, as we are all aware, the Chief Secretary, will afford every opportunity for discussion. We often hear members say that after a Bill becomes law it can be amended from time to time, but it should be borne in mind that before any amendment can be made, it must have the sanction of the Government of the day. Western Australia depends upon its primary industries, and therefore I consider that the Bill should not be passed without receiving the fullest discussion by this House. I, for one, would be only too pleased to return after Christmas, if that should be necessary, although I realise that the weather may be rather warm. Still, I have no objection to that so long as we can secure a measure that will be helpful to the primary industries. If, during the next three weeks we cannot arrive at a satisfactory solution of the problems confronting the primary producers, we should continue our deliberations after Christmas. A large number of amendments have already been placed on the notice paper and it is my intention to add 20 or 30 to-morrow, just small ones. I visited the Crown Law Department yes-

terday and to-day in order to get the amendments drafted, but I could not get in touch with one of the officials. I am not complaining of that, because the officials have their work to do, but with the few sitting days remaining before Christmas, I believe it might be advisable to appoint a select committee to consider the legal aspects of the Bill. The Royal Commission took evidence throughout the agricultural portions of the State and undoubtedly presented a most illuminating report. I feel that we would not be justified in passing the Bill without giving very grave consideration to the legal aspects of Clause 50. Therefore I propose to move for a select committee.

Hon. V. Hamersley: Hear, hear!

Hon. H. V. PIESSE: The Bill includes many excellent additions to the law, and I feel that the new commissioners will be able to write down the debts of farmers and the values of abandoned farms. I consider it a particularly good Bill. The Minister for Lands has devoted great care and attention to its compilation.

Hon. C. F. Baxter: Do you say it is a good Bill?

Hon. H. V. PIESSE: Yes.

Hon. C. F. Baxter: Then why are you proposing so many amendments?

Hon. H. V. PIESSE: Because I desire to improve it. I consider it a particularly good Bill because it makes provision for the writing down of values of Bank farms.

Hon. J. Cornell: They are being written down every day now.

Hon. H. V. PIESSE: That does not matter.

Hon. T. Moore: What about the man who has to go off his farm?

Hon. H. V. PIESSE: Can anyone point to a man with an Agricultural Bank mortgage who has ever had an opportunity of getting his capitalisation written down? There are many young men in this State, sons of farmers and others, who have been trained as farmers, and who would be able to apply for some of the abandoned farms. A 16-year old boy should be able to take up a farm. Usually he has his father or mother to assist him in controlling the farm, and even if he has not a father living, he ought to be allowed to take up a farm. We ought to encourage young men of that type. We want to give young Australians a chance.

The Bill will allow the commissioners to write down to a reasonable value holdings that could be rehabilitated and brought into profitable production.

Hon. J. Cornell: Will not the writing down be an individual matter in every instance?

Hon. H. V. PIESSE: Yes.

Hon. J. Cornell: Then how long will it take to do the writing down?

Hon. H. V. PIESSE: I am not sure whether the Bank will reduce debts in the same proportion as will unsecured creditors. That is a most important point. For the life of me I cannot imagine a mortgagee accepting a proportionate reduction with an unsecured creditor. I sincerely hope that from the proposed amendments a Bill will eventuate that will be of benefit to our primary industries and also to that most important department, the Agricultural Bank. I shall vote for the second reading, but I feel so strongly about Clause 50 that if it were adopted in its entirety, I would be inclined to oppose the third reading. This House, as a House of review, is prepared to give all possible consideration to the Bill and assist the Government to get a statute that will be of great assistance to the primary producers and to the State as a whole.

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

BILLS (6)—FIRST READING.

- 1, Inspection of Machinery Act Amendment.
- 2, Land Act Amendment.
- 3, Factories and Shops Act Amendment.
- 4, State Government Insurance Office.
- 5, Public Dental Hospital Land.
- 6, Workers' Compensation Act Amendment.

Received from the Assembly.

BILL—PURCHASERS' PROTECTION ACT AMENDMENT.

Received from the Assembly and on motion by Hon. E. H. Gray read a first time.

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

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1, 2, 3—agreed to.

On motions by Hon. J. Nicholson, the following amendments recommended by the Select Committee were agreed to:—

Clause 4—Executor or administrator to file statement:

After the word "administrator," line 1, insert "to whom probate or administration may be granted."

Clause 5—If statement not filed or commissioner dissatisfied therewith, commissioner may assess duty:

Strike out the words "If the executor or administrator of the estate of a deceased person shall not file a statement pursuant to the last preceding section within the prescribed time, or such extended time as the commissioner may allow, or," at the beginning of the clause.

Clause 6—Further power of commissioner as to filing statements:

Inserting after "obtained," line 3, the words "or resealment has not been effected in this State."

Clause 7—Duty payable on estates of deceased persons:

Insert after "shall," line 3, the words "in accordance with Section 8."

Clause 8—Duty a first charge on the estate:

Strike out the word "first," in line 5, and strike out the words "this provision" at the end of the clause and insert in lieu thereof "Section 43."

Clause 9—No will to be registered or admissible in evidence until proved:

Insert after "any," line 1, the word "deceased," and insert after "administration," lines 3 and 4, the words "or in proceedings relating to the validity of any such will or codicil."

Clause 10—Administration during minority or absence:

Insert after "executor," in line 1, the words "to whom probate is granted," and by inserting after "duty" at the end of the clause, the words "out of the estate of the testator or intestate, which passes to such executor or administrator by virtue of any such grant in his favour."

Clause 11—agreed to.

Clause 12—Gifts *inter vivos*:

Hon. J. NICHOLSON: I move an amendment—

That in line 1 of paragraph (a) of Subclause 2, "two years" be struck out, and the words "twelve months" inserted in lieu.

The CHIEF SECRETARY: I oppose the amendment, although I regret having to do so. It seems to be a pity that I have to oppose it because I recognise the valuable work the members of the select committee have done. They entered upon their task and discharged their duties conscientiously, but some of the amendments are not viewed with satisfaction by the Commissioner of Stamps who administers the Probate Department. The Government and the department have a keen appreciation of the work of the committee, from which much good has resulted. The amendment will alter the period in which voluntary dispositions in the form of gifts are made chargeable with duty from two years to 12 months. The Probate Department consider the period suggested far too short. Experience has shown that in the majority of instances where men begin to make dispositions in contemplation of death, the period affected represents more than 12 months. In cases of cancer, for instance, the victim may live for quite a long time after becoming aware of his affliction. No doubt modern surgery is responsible for that.

Hon. J. J. Holmes: Was not the period six months under the present Act?

The CHIEF SECRETARY: That is so. There is no good principle involved in the amendment, so far as I can ascertain.

Hon. J. NICHOLSON: I appreciate the Chief Secretary's kindly references to the work of the select committee. There was a difference of opinion regarding the period that should be prescribed, and there was not unanimity between the members of the select committee on that point. Under the existing Act gifts, if made six months or more before the death of the individual, were not liable to the payment of duty. In recommending an increase in the period from six months to 12 months, we suggest a liberal advance.

Hon. J. J. Holmes: Under the Federal law the period is 12 months.

Hon. J. NICHOLSON: And also in the Victorian Act. We can safely follow the

example set us by the Commonwealth and other States where the period is 12 months.

Hon. G. W. MILES: I disagree with this recommendation of my colleagues on the select committee. Evidence was taken from representatives of trustee companies, lawyers, company shareholders, probate officers and Crown law officers. I consider the period of two years as included in the Bill should be retained. If members will read the evidence submitted by Mr. Byfield, the Chief Probate Stamp Assessor, they will gain information on the point from his replies to Question 323 to 326. After listening to the arguments advanced for and against, I came to the conclusion that the intention was to catch people who were out to evade, or avoid, payment of death duty. In this State we were receiving a rate of 3s. 7d., whereas other States received a rate of 7s. 6d. The Government are to be congratulated upon tightening up the law.

Hon. J. NICHOLSON: Mr. Miles has viewed this question from the official standpoint rather than from that of one who wishes to secure legislation that will be tempered with justice and wisdom. He has been influenced by Mr. Byfield's evidence which showed that other States had received a larger return than Western Australia, but this State has not reached the stage of development that other States have.

Hon. J. J. Holmes: We are the retailers; they are the wholesalers.

Hon. J. NICHOLSON: That is largely the position, and we must proceed carefully. It is admitted that our law is much behind that of other States, but the select committee has brought forward a Bill which will bring our conditions more into line in regard to the duties, while the revenue received by the Government will be greatly increased.

Hon. G. W. MILES: I should like the Committee to notice that the next amendment proposed by the select committee means that a person can give up to £100 without being taxed, and can give even more than that if his income be a large one. Most fathers wish to provide for their families before finding themselves on their deathbeds, and the object of the Bill is to prevent evasion of death duties. I see no reason at all for the amendment now before the Committee.

The CHIEF SECRETARY: I have here a list of persons who have died in this State

within recent years leaving huge sums of money in gifts to their relatives, yet not one penny of duty has been paid on behalf of those deceased persons. A man in the best of health could honestly make a gift to his wife, but when a man in ill-health makes a gift of £50,000 to his relatives we must conclude he is deliberately setting out to evade the payment of duty.

Hon. J. NICHOLSON: At present, if a man makes a substantial gift and dies six months afterwards, the gift is liable to duty. Under the Bill before us if a man, after making a gift exceeding £100 to his wife, should die within two years of making that gift, the Government will exact duty. It is entirely wrong in principle. So long as I have paid my taxes throughout my life, surely a year is quite sufficient time to allow for the imposition of duty on a gift made to my wife before I died. Two years is too long a period.

Hon. G. W. MILES: I know of wealthy men who do this sort of thing deliberately to evade the payment of duty.

Hon. V. Hamersley: Why should not they?

Hon. G. W. MILES: But who is going to finance the country if people are allowed to evade their liabilities to the State.

Amendment put, and a division taken with the following result:—

Ayes	14
Noes	10
Majority for	4

AYES.

Hon. L. B. Bolton	Hon. J. Nicholson
Hon. L. Craig	Hon. H. Seddon
Hon. J. T. Franklin	Hon. A. Thomson
Hon. V. Hamersley	Hon. H. Tuckey
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. H. J. Yelland
Hon. W. J. Mann	Hon. H. V. Piesse

(Teller.)

NOES.

Hon. E. H. Angelo	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. C. G. Elliott	Hon. R. G. Moore
Hon. E. H. Gray	Hon. T. Moore
Hon. E. H. H. Hall	Hon. G. Fraser

(Teller.)

Amendment thus passed.

On motions by Hon. J. Nicholson, the following amendments were agreed to—

Strike out Subclause (3) and insert the following:—

“(3) This section shall not apply to gifts which are proved to the satisfaction of the Commissioner not to have exceeded in the

aggregate the sum of one hundred pounds in value, or which are proved to the satisfaction of the Commissioner to have been reasonable, having regard to the amount of his income or means at the date of such gift, when except for this subsection paragraph (a), (b), or (c) of subsection (1) would apply.”

Clause 14—Joint investments:

In paragraph (b) (ii), also in paragraphs (c) and (d), strike out the words “two years,” where same respectively appear, and insert “twelve months.”

Clauses 15, 16—agreed to.

Clause 17—Estimating duty for the purposes of the six last preceding sections:

After the words “final balance” insert the following proviso:—

“Provided that the executor or administrator shall not be responsible for payment of any duty in respect of any property to which sections eleven to sixteen apply, where the executor or administrator has distributed the estate, without notice, of any such property, and without any default or negligence on the part of such executor or administrator.”

Clause 18—Reimbursement of duty paid by executor or administrator in respect of non-testamentary dispositions of property:

Hon. J. NICHOLSON: I move an amendment—

That after the word “Act,” in line 16, the following words—“and subject to any direction or provision in any deed, writing, or will to the contrary” be inserted; and that after the word “and,” in line 29, the words “subject to the provisions of section seventy” be inserted.

The CHIEF SECRETARY: Will Mr. Nicholson explain the object of this amendment? Can any provision in a will affect the payment of probate duty?

Hon. J. NICHOLSON: Sometimes by a will or a settlement provision is made that the legacy or bequest shall be paid or given free of duty. By that means the donee receives the gift without being called upon to pay a duty he would otherwise have to pay.

Hon. J. J. Holmes: The duty would then be paid by the estate.

Hon. J. NICHOLSON: No. The necessary direction to avoid that is given in the deed or will, and the bequest passes to the recipient free of duty.

The CHIEF SECRETARY: The Crown Solicitor advises me that he does not understand the amendment, and does not know what effect it may have. He says the clause should not be qualified by anything that

may appear in any will or deed. The subject matter of the amendment is dealt with in Clause 34. According to the terms of the amendment, some direction in a will must receive consideration at the hands of the probate office.

Hon. J. NICHOLSON: This matter was fully discussed by the select committee. It was realised that if words to this effect were not embodied in the clause, the result would probably be that responsibility would be thrown upon the executor or administrator to demand from the legatee his proportionate part of the duty which the testator did not wish him to pay. The insertion of this amendment makes that position clear.

Hon. G. W. Miles: Perhaps the Chief Secretary would postpone consideration of the clause.

The CHIEF SECRETARY: I move—

That further consideration of the clause be postponed.

Motion put and passed.

On motions by Hon. J. Nicholson, the following amendments were agreed to:—

Clause 19—Non-testamentary dispositions with intent to evade duty:

Subclause 1: Strike out "two years," in line 13, and insert "twelve months"; and in Subclause 5 insert after the word "section," in line 35, the words "subject to the provisions of section seventy."

Clause 20—agreed to.

Clause 21—Settlement to be registered:

Insert after "Commissioner," in line 19, the words "or the Court."

Clauses 22 to 25—agreed to.

Clause 26—Settlement not admissible unless registered:

Strike out the words "No settlement requiring registration under this Act" and insert "when the trust or dispositions of any settlement within the meaning of this Act have taken effect the settlement shall not."

Clause 27—Recovery of duty:

In line 1 insert after "settlor" the words "or any other person"; and in line 3 after "duty" insert the words "at the appropriate rate and."

Clause 28—Other non-testamentary dispositions:

In line 8 of Subclause 4 strike out "immediately" and insert the words "within three months."

Clause 29—Property on which duty is payable under non-testamentary disposition:

In line 1 of paragraph (a) insert a bracket before "including," and after "appointment," in line 4, insert the words "exercised by such settlement or other non-testamentary disposition)." Strike out the proviso and insert the following:—

"Provided that, with reference to paragraph (b), if the settlement or other non-testamentary disposition includes personal property not in Western Australia, but in some proclaimed reciprocating jurisdiction, and duty has been paid in respect thereof under the laws of that jurisdiction, then the amount of such duty may be deducted from the duty to which the same property is liable under this Act.

In this section 'proclaimed reciprocating jurisdiction' means any country or place the laws of which contain provisions substantially the same as this proviso, in the case of property situate in this State but dutiable under the laws of such jurisdiction, and which the Governor may from time to time declare by proclamation to be a reciprocating jurisdiction for the purpose of this section. Any such proclamation may from time to time be revoked by the Governor."

Clauses 30 to 33—agreed to.

Clause 34—Executor, administrator, or trustee may adjust duties:

In Subclause 4 strike out "The powers and discretions conferred by this section shall be subject to the control and direction of the court as in cases of ordinary trusts, and"; and in the same line strike out "also."

Clauses 35 to 37—agreed to.

Clause 38—Valuation:

Insert at the end of Subclause 4 the words "and shall furnish the executor, administrator, trustee or any other person liable for the payment of the duty, on payment of the prescribed fee, with a copy of the notes of evidence taken by him on the hearing of such summons."

In Subclause 5 strike out in lines 8 and 9 "upon payment of the duty in conformity with the value so determined."

Clause 39—Where too little duty assessed:

In line 1 of Subclause 1 insert after "If" the words "within two years," and add to the end of the subclause the words "provided that there shall be no limited time wherein the commissioner may claim such additional duty, where the payment of such duty was not made owing to fraud or gross negligence."

Clause 40: Where too much duty paid:

Hon. J. NICHOLSON: I move an amendment—

That after "years," in line 1, the words "or within such further time as the Commissioner may allow" be inserted.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That the following be added at the end of the clause:—"together with interest at the rate of five pounds per centum per annum, calculated from the date when such duty was paid to the Commissioner."

The CHIEF SECRETARY: The Government strongly object to fixing a definite rate of interest in a permanent statute. The measure may remain on the statute-book for years and five per cent. may be too high a rate and may extend over a long period. I move—

That the further consideration of the clause be postponed.

Motion (postponement) put and passed.

Clause 41—Appeal from Commissioner:

Hon. J. NICHOLSON: I move an amendment—

That after "Commissioner," in line 4, the words "or court" be inserted.

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

Clause 42—Procedure on appeal:

Hon. J. NICHOLSON: I move an amendment—

That the words "fixed pursuant to subsection (4) of this section, which is for the time being current" be struck out, and the words "of five pounds per centum per annum" inserted in lieu.

The CHIEF SECRETARY: I move—

That the further consideration of the clause be postponed.

Motion (postponement) put and passed.

Clause 43—Interest on duty:

Hon. J. NICHOLSON: I move an amendment—

That the words "fixed pursuant to subsection (2) of this section, which is for the time being current" be struck out, and the words "of five pounds per centum per annum" inserted in lieu.

The CHIEF SECRETARY: I move—

That the further consideration of the clause be postponed.

Motion (postponement) put and passed.

Clause 44—agreed to.

Clause 45—Valuation of partnership interests:

Hon. J. NICHOLSON: I move an amendment—

That the following subclauses be inserted:—

"(2) Provided that any legatee, beneficiary, donee, or other person to whom any share or interest in a partnership passes on the death of any other person shall be liable to pay to the person responsible for the payment of the duty on such share or interest under the provisions of this Act, any increase in duty which may be necessitated by valuing the share or interest of the deceased partner in accordance with this section.

(3) The person liable to pay such increase in duty shall have the same right of appeal as if he were the person responsible under this Act for the payment of the whole of the duty, and the provisions of sections forty-one and forty-two shall apply accordingly, with the necessary modifications to any such appeal."

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

Clauses 46 to 48—agreed to.

Clause 49—Duty on shares in foreign company on death of shareholders:

Hon. J. NICHOLSON: I move an amendment—

That all the words after the numerals "49" be struck out, and the following inserted in lieu:—

(1) Whenever after the commencement of this section a member domiciled in this State of any foreign company carrying on business in Western Australia dies, the shares or interest of such member in such company shall, for the purpose of assessment of duty under this Act, be considered as locally situated in Western Australia.

(2) (a) Whenever after the commencement of this section a member domiciled out of Western Australia of any foreign company carrying on business in Western Australia dies, there shall be chargeable and payable under and subject to the provisions of this Act, and, except as hereinafter provided, without any deduction or exemption whatever, a duty, at such rate as Parliament may prescribe, on the net present value of the shares or stock in the company held by the member at the time of his death: Provided that—

(i) the duty mentioned in this subsection shall not be payable where the net present value of the shares and stock in the company held by the member at the time of his death does not exceed one thousand pounds as ascertained by the next following paragraph.

(ii) where the company carries on business within and without Western Australia the duty payable by the company under this subsection shall be assessed on that part of the value of the shares of the deceased which bears the same proportion to the full value thereof as

the assets of the company situate in Western Australia bear to the total assets of the company, wherever situate. In this subsection the term "assets" means the gross amount of all the real and personal property of the company of every kind, including things in action, and without making any deduction in respect of any debts or liabilities of the company;

- (iii) no duty shall be payable by a foreign company under this subsection where estate duty has been paid under this Act in respect of all shares or other interest in the company held by the deceased at the time of his death:

Provided further, that no duty shall be payable by any foreign company which the Treasurer certifies to be a bona fide railway, timber, mining insurance or developmental company: provided that the Treasurer may at any time revoke such certificate, if in his opinion any such company ceases to come within any of the categories hereinafter mentioned.

(b) Duty shall be payable as aforesaid by the company, and may be recovered by the Commissioner at any time after the expiration of six months from the date when the company shall receive notice of the death of the deceased member.

(c) Any payment by the company of any duty imposed in respect of shares or stock in the company held by a member at the time of his death shall be deemed to be payment on behalf of the estate of such member, and may be deducted by the company from any moneys payable by the company to the personal representative of such member in respect of the shares or stock, or recovered by action from such representative.

(d) On receiving a notification of the death of any member, upon whose death the company would be liable to pay duty hereunder, the company shall cause to be delivered to the Commissioner a return giving the name and address of such member, the number, description, and value of the shares in the company held by such member at the time of his death.

(e) If any such return is not delivered in accordance with the provisions of this subsection, the company making default shall be liable to a penalty not exceeding fifty pounds; provided that it shall be a defence on the part of any such company if it be proved that it had no notice of the death of any such member.

The CHIEF SECRETARY: I move—

That the amendment be amended by striking out of paragraph (i) of subclause (2) "one thousand pounds" and inserting in lieu "five hundred pounds."

In one respect the entire clause has been widened in its ambit, and in another respect it has been cut down. It has been widened to include the full value of the

estate of any person domiciled in Western Australia who is interested in a foreign company carrying on business in Western Australia. The initial proposal was to charge only in respect of proportionate value. The clause has been cut down by excluding certain descriptions of companies from its operation. In addition, where the Bill proposed an exemption of £50 the amendment proposes one of £1,000. I do not object to the liability of the attorney for non-compliance being transferred to the company, but I am opposed to the exemption of £1,000, which to me seems too great. For that amount we should substitute £500.

Hon. J. NICHOLSON: The clause has the support of the select committee, who gave it a great deal of thought. It was felt that there was only one way of arriving at the recommendation, and that was to increase to £1,000 the ridiculous amount proposed in the Bill, £50. The clause raised certain questions really of international law. We in this State were seeking to charge a duty on the property of persons not domiciled within our borders at all, but resident outside our borders, because they happened to hold shares in a company carrying on business here. That form of taxation is considered most reprehensible in other countries which pay respect, may I say, to the rules of international law, and do not exact duty in similar circumstances to those contemplated by the clause. It is absolutely wrong in principle to do what the Bill proposes in this respect. By passing Clause 49 we shall be doing something which will drag in a responsibility on every company that brings its capital into Western Australia; such a company will be required to pay duty on shares held in it by shareholders domiciled in England or elsewhere outside our borders. In addition, such a company will have to furnish reports of the deaths of such shareholders, and other information. Legislation of this nature has done harm in other States. I have no doubt as to the un wisdom of the clause. If one saw an estate shorn of capital by the exaction of duty in this way, one would not be inclined to invest money in Western Australia or any other State having such a law. I signed the select committee's report, to which I adhere; but I point these matters out so that hon. members may realise the position. What is stated in the select com-

mittee's report is the result of the discussions which took place. It was felt that the exemption of £1,000 might possibly relieve the large body of shareholders from liability. The ordinary man would hold only a reasonable parcel of shares. If he held a large parcel, over the value of £1,000 ascertained on the basis laid down, his estate would be liable. The select committee felt it would not be wise to render liable the ordinary small holder up to £1,000. Accordingly I cannot support the Chief Secretary's amendment on the amendment.

The CHIEF SECRETARY: This is the most extraordinary development in all my parliamentary experience. Here we have the chairman of the select committee which brought down the amendment of £1,000, departing from the proposals of the Government, introducing new proposals, and instead of giving the amendment his benediction the hon. member curses it and denounces it.

Hon. J. Nicholson: No. I do not want to depart one iota from the recommendations of the select committee.

The CHIEF SECRETARY: The more the hon. member thinks of it, the more he comes to the conclusion that the amendment is a great danger to the State; and that is after sitting on a select committee for two months! I wonder whether Mr. Nicholson offered any objection to the proposal during the select committee's sittings. I wonder who drafted the amendment.

Hon. J. Nicholson: The Assistant Crown Solicitor

The CHIEF SECRETARY: I presume with the concurrence of the Chairman, Mr. Nicholson.

Hon. J. Nicholson: It was at the request of the select committee.

The CHIEF SECRETARY: The select committee decided to make this recommendation with the exemption up to £1,000 respecting estates of shareholders in foreign companies, and I wish to reduce the amount to £500. Instead of attacking my amendment, Mr. Nicholson denounces the whole principle.

Hon. J. Nicholson: I say that the principle is wrong.

The CHIEF SECRETARY: Mr. Nicholson denounces it in most extreme language.

Hon. J. J. Holmes: The amendment may have been agreed to by a majority of the

select committee in opposition to the Chairman.

The CHIEF SECRETARY: I presume that if the exemption is reduced from £1,000 to £500, it will be contended that it will drive capital away from the State. How can that be?

Hon. H. V. PIESSE: There was a decided argument on this point among the members of the select committee. Our object was to protect the interests of Western Australia so that the State would collect probate duty to which it was entitled. The intention is that probate duty will be assessed on the proportion of the assets held in Western Australia. The select committee gave very careful consideration to Clause 49 and came to the conclusion that we would be acting fairly to the State if we provided for the exemption of £1,000. Our object was not to defeat the Bill but to enable the State to collect its fair share of probate duty. I was surprised to hear the Chief Secretary move his amendment.

Hon. R. G. MOORE: Does this mean double duty, so that there will be payments on the same shares in Western Australia and also in another State?

Hon. J. Nicholson: Yes.

Hon. R. G. MOORE: I do not think that is a fair thing.

Hon. H. V. Piesse: Let any other State affected worry about that. We should not do so.

Hon. G. W. MILES: I agree with Mr. Nicholson that the £1,000 exemption should stand. As Mr. Nicholson pointed out, the majority of the members of the select committee considered it a mistake to tax foreign companies in this way, but we cannot get away from the fact that the tightening up of the Act should have been undertaken years ago. When it is considered that if a shareholder in Boans should die probate duty has to be paid in Western Australia, whereas if a shareholder in Foy and Gibson, a firm carrying on similar business to that of Boans, dies, then probate duty on that person's estate is paid in Victoria and not in Western Australia. We consider it right that Western Australia should receive portion of the probate duty paid in respect of the shares held in Foy and Gibson.

Hon. H. V. Piesse: The Swan Brewery provides another instance.

Hon. G. W. MILES: That was a typical case. Following upon the death of one shareholder in the Swan Brewery, £10,000 was paid as probate duty in Victoria. In another instance probate duty was paid in Western Australia on £2,000 whereas the duty was paid in Victoria on £30,000. The committee endeavoured to frame an amendment that would be a measure of justice to Western Australia. We have no desire to drive capital away, and the provision of the £1,000 exemption will not be irksome with regard to small shareholders. Our idea was to frame amendments that would be acceptable to the Government and so avoid argument and possibly a conference on the Bill. Although every member of the select committee thought it would be better to delete Clause 49, we recommended the amendment as measure of justice to the taxpayers.

The CHIEF SECRETARY: After hearing the explanation by Mr. Miles, I ask leave to withdraw my amendment.

Amendment on the amendment, by leave, withdrawn.

Amendment put and passed.

The CHIEF SECRETARY: I move an amendment on the amendment—

That a further subparagraph to Subclause 2 (a) of the amendment be inserted as follows:—

“(iv) Where such deceased person holds at the date of his death shares or stock in more than one foreign company carrying on business in Western Australia then for the purpose of subparagraph (i) of this section the total value of such holdings determined in accordance with the provisions of this section shall be assessed, and duty shall be chargeable and payable under this section if such total value exceeds the sum of one thousand pounds.”

A shareholder in a foreign company may have shares in more than one company and still be allowed the aggregate exemption of £1,000. If he exceeds the £1,000 he will be liable to taxation.

Hon. J. NICHOLSON: I remind the Chief Secretary that under the clause it is necessary that returns be made by each company when a member dies. It will prove an impossible task for a company to find out whether its shareholder holds shares in other companies. I suggest to the Chief Secretary that further consideration of the clause be postponed until the end of the Bill.

The Chief Secretary: Very well, I agree to that.

Clause postponed.

Clause 50—Outstanding options not to be taken into account in valuing property:

Hon. J. NICHOLSON: I move an amendment—

That the following be added to the end of the clause—“but where at such material date the value of the property is greater than—

(a) the value at the time of the giving of the option; and

(b) the amount or value of the option consideration,

then, and in such event the value to be taken shall be the value at the time of the giving of the option, or the amount or value of the option consideration, whichever is the greater:

Provided that, in assessing the value at such material date for the purpose of this paragraph, the value of any improvements to the property, effected at the expense of the option-holder, shall be excluded.

Nothing herein contained shall affect the operation of section forty-five of this Act relating to the valuation of any share or interest in a partnership.”

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

Clauses 51 to 53—agreed to.

Clause 54—Returns to be furnished by life assurance companies:

On motion by Hon. J. Nicholson, Clauses 54 and 55 were transposed.

On motions by Hon. J. Nicholson, the following amendments were agreed to:—

Clause 55—Holding of assets by custodians, etc., pending payment of security for duty:

Strike out the words “money on current account,” in lines 4, 12, and 20.

In line 7 strike out “one hundred” and insert “two hundred” in lieu.

Clause 56—agreed to.

Clause 57—Property not to be disposed of until duty paid:

Insert at the beginning of Subclause 1 the words “except for the purpose of any sale or disposition under Sections 30 and 34.”

Insert after “commissioner,” in line 4, the words “consents thereto or.”

Clause 58—agreed to.

Clause 59—Ascertainment of duty where property given to an uncertain person or in uncertain event:

Hon. J. NICHOLSON: I have an amendment.

On motion by Chief Secretary, further consideration of the clause postponed till the end of the Bill.

Clauses 60 to 68—agreed to.

Clause 69—Legacies to certain public bodies:

Hon. J. NICHOLSON: I move an amendment—

That all the words after "69" be struck out and the following inserted in lieu:—

No duty shall be payable under this Act in respect of any gift, devise, bequest, legacy, or settlement made or given to or in trust for—

- (a) any public hospital within the meaning of the Hospitals Act, 1927;
- (b) any public educational institution in the State which is wholly or in part dependent on any State grant, aid, or subsidy;
- (c) any incorporated public body in the State which dispenses voluntary aid to indigent, aged, sick, blind, halt, deaf, dumb, or maimed persons;
- (d) any publicly subscribed medical service or fund in the State, the main object of which is the relief of the sick, or any public medical service or fund in the State which is assisted by any Government grant or subsidy."

The CHIEF SECRETARY: I move—

That the amendment be amended by inserting after the word "State," in paragraph (c) the words "the main object of"; and by striking out the words "dispenses," in line 2, and inserting the words "is to dispense or provide."

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

Clause, as amended, agreed to.

Clauses 70 to 73—agreed to.

Progress reported.

House adjourned at 10.57 p.m.

Legislative Assembly,

Wednesday, 5th December, 1934.

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The SPEAKER took the Chair at 7.30 p.m., and read prayers.

ASSENT TO BILLS.

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

- 1, City of Perth Superannuation.
- 2, Dried Fruits Act Continuance.
- 3, Land Tax and Income Tax.
- 4, Gold Mining Profits Tax Assessment.
- 5, Road Districts Act Amendment (No. 3).

QUESTION—STATE SERVANTS, RETIRING AGE.

Mr. HAWKE asked the Acting Premier: Will he, before the next session of Parliament, give consideration to the question of applying a uniform retiring age to all persons employed by the State, including judges and others not now covered by the retiring age provision?

The ACTING PREMIER replied: Yes.