

and look into the question. Undoubtedly the intention of Parliament has not been expressed in the Act. The intention of Parliament must be carried out. If the Act does not do that, this Parliament should amend the measure as soon as possible. There is another matter on which I desire to touch, more with the idea of giving information to the public than in the hope of getting anything done to remedy the trouble. I refer to the big expense under which North-West members labour as compared with other members of Parliament. I suggest that the Government take into consideration the question of furnishing some sort of travelling allowance for members representing North-West constituencies. The fact that we do labour under a disadvantage is recognised in the Income Tax Assessment Act, which allows us to deduct £100 from taxable income for travelling expenses.

The Premier: I get that allowance, too.

Mr. RODOREDA: Metropolitan members are allowed to deduct £50.

The Premier: I am on the same scale of deduction as you are.

Mr. RODOREDA: That is absolutely wrong. The relief which the deduction of £100 from taxable income represents to the North-West members is infinitesimal. However, there is a recognition that we do labour under a disadvantage as compared with metropolitan members and, I would even say, country members representing southern electorates. In the Assembly there are only four North-West members, and nearly all of us have to spend five or six days in getting to our constituencies. We have no railways to take us to them. We have to go either overland by car, or travel by steamer. In our own electorates we have to rely entirely on our own resources to get about. We have to hire motor cars, or travel by the mail cars and pay for it, or take our own motors up; and thus we are under continual expense when visiting our electorates. I have made it a practice to visit my electorate once every year. It takes me about three months to cover the area, and I have to travel 4,000 or 5,000 miles to visit even the principal centres in the electorate. Hon. members know what it costs to be away from home and travelling for about three months in every year. The member for Kimberley (Mr. Coverley),

I believe, has been away travelling for five months this year—travelling by motor car, packhorse, camel, donkey, lighter, lugger, and in fact anything that enables him to get about. The hon. member has to go through that process every year in order to visit his constituency adequately. Taking those things into consideration, some concession might be made in the way of a travelling allowance. The matter can be safeguarded. Undoubtedly, if it is left in the capable hands of the Treasurer, it will be safeguarded.

The Premier: You have made out a very good case, and I will see what I can do.

Mr. Moloney: The hon. member had better let well alone now.

Mr. RODOREDA: If I have an assurance from the Premier that he will look into the matter, I have no more to say.

Progress reported.

House adjourned at 5.44 p.m.

Legislative Council,

Tuesday, 24th September, 1935.

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

QUESTIONS (2)—ELECTORAL.

Circulars to Council Electors.

Hon. J. J. HOLMES asked the Chief Secretary: 1, Is it a fact that communications have been sent by the Electoral De-

partment to Legislative Council electors, asking if they are still qualified to be enrolled? 2, In how many cases has this been done, and in what provinces? 3, Do the Government intend to circularise all electors in the same way?

The CHIEF SECRETARY replied: 1, Yes, communications are sent out daily with regard to qualifications of Legislative Council electors. 2, Approximately 5,000 per annum, for all provinces. 3, Yes, where the necessity arises.

House-to-House Canvass.

Hon. H. SEDDON asked the Chief Secretary: 1, Have men been employed by the Electoral Department to make a house-to-house canvass in certain Assembly electorates in connection with the revision of electoral rolls? 2, In which electorates has this been done? 3, Will similar steps be taken in all Assembly electorates? 4, If not, in which electorates will this course be adopted? 5, Will the Government see that similar steps are taken in the Legislative Council provinces?

The CHIEF SECRETARY replied: 1, Yes. 2, All metropolitan districts, Kalgoolie and Hannans. 3, Yes. 4, Answered by 3. 5, Personal inquiries regarding districts also affect provinces.

QUESTION—TENANTS, PURCHASERS AND MORTGAGORS' RELIEF ACT.

Orders Granted.

Hon. H. SEDDON asked the Chief Secretary: 1, How many protection orders under the Tenants, Purchasers, and Mortgagors' Relief Act were granted during each year since its inception? 2, How many orders for relief under Section 13 were granted during the same period? 3, How many—(a) protection orders, (b) orders for relief, are in force at present?

The CHIEF SECRETARY replied: 1, Number of protection orders under Tenants, Purchasers, and Mortgagors' Relief Act—1931, 468; 1932, 116; 1933, 71; 1934, 18; 1935, 10; total, 683. 2, Orders under Section 13—four, all made in 1931. 3, (a) No orders for relief are now in force; (b) Two protection orders were in force on the 21st September

MOTION—MINES REGULATION ACT.

To Disallow Regulation.

Debate resumed from the 17th September on the following motion by Hon. J. Nicholson:—

That Regulation No. 17a, made under the Mines Regulation Act, 1906, as published in the "Government Gazette" on the 8th March, 1935, and laid on the Table of the House on the 6th August, 1935, be and is hereby disallowed.

HON. W. J. MANN (South-West) [4.39]: Recently I visited the Eastern Goldfields and took the opportunity to discuss this regulation with a few men interested in the industry. So far as I could gather, there was a feeling that the regulation, in its present form, would not be for the general benefit of the industry. There seemed to be some fear that the regulation would inflict hardship. At the same time the view was expressed that there was room for some improvement in the matter of control, an idea which seems to have been corroborated by some of the speeches delivered here. In order to prevent any hardship being done to a very estimable body of men, it seems to me that the Government might adopt the course of withdrawing the regulation for the time being and giving further consideration to the matter. Whatever the object in framing the regulation might have been, there is evidently some doubt as to the need for it. In view of that doubt, expressed by men who have spent the whole of their lives in the industry, the Government would be wise to review the matter. I hope they will adopt that course. If further consideration is not given to the regulation, I shall be forced to support the motion for disallowance, but I would do that reluctantly because, apparently, there is something to be said on both sides. I decided to voice this opinion because I should not like a vote of mine to disallow the regulation to be given without explanation.

On motion by Hon. H. S. W. Parker, debate adjourned.

BILL—TRAFFIC ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—PLANT DISEASES ACT AMENDMENT.

Report of Committee adopted.

BILL—BRANDS ACT AMENDMENT.

In Committee.

Resumed from the 19th September; Hon. J. Cornell in the Chair, the Chief Secretary in charge of the Bill.

Clause 12—Amendment of Section 45, principal Act (partly considered):

The CHAIRMAN: An amendment has been moved to delete all the words after the word "amended" in the first line, and substitute the following:—" (a) by striking out the words 'and no sheep under the age of six months' in lines 1 and 2; (b) by adding a proviso at the end of the section as follows:—'Provided that no sheep under the age of six months shall be deemed unbranded by reason of the fact that no registered wool brand has been placed thereon.'"

Hon. J. J. HOLMES: I have no further objection to offer, but the original question is still before us.

The CHIEF SECRETARY: There is no specific method of determining the age of a lamb; but if a lamb is not palpably over the age of six months, expert evidence would be taken.

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

Clause 13—agreed to.

Postponed Clause 11—New Section 43B:

The CHAIRMAN: At the postponement of the clause the following amendment had been moved:—

In proposed new Section 43B—(a) Insert the words "subject as hereinafter provided" at the beginning of subsection (1); (b) strike out paragraph (b) of subsection (1) and substitute the following:—"a registered wool-brand is distinctly and legibly marked in the prescribed manner on the sheep." (c) Add a proviso at the end of subsection (1):—"Provided that this subsection shall not apply to any sheep under the age of six months."

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

New clause:

On motion by the Chief Secretary, the following new clause inserted after Clause 11:—"12. A new section is inserted in the principal Act as follows:—'43C.

No owner of sheep shall sell or offer the same for sale unless a registered wool brand is distinctly and legibly marked in the prescribed manner on the sheep, provided that this section shall not apply in any case where the sheep are under the age of six months.'"

New clause:

Hon. L. B. BOLTON: I move—

That after Clause 12 there be inserted a new clause to stand as Clause 13, as follows:—"13. Section 49B of the principal Act is amended by inserting after the word 'process' in the fourth line of the section the words 'or held in selling brokers' stores for sale, and/or in skin buyers' stores awaiting shipment.'"

The passing of the Bill as it stands will considerably increase the difficulties in handling and selling skins by auction. No doubt members are aware that brokers handle large numbers of skins from the abattoirs, and country butchers' as well as farmers' and station owners' consignments. During the slaughtering, drying, and handling of skins it often happens that the head or ears of a skin become removed. Then, again, during the process of handling and classing skins in the stores the heads sometimes become torn off. Taking those facts into consideration hon. members will see that brokers and skin buyers would be placed in an awkward position, and rendered liable to a penalty, if some provision were not made for this. I think I am justified in reading a letter which has been addressed to me on this subject by the president of the W.A. Sheepskin and Hide Buyers' Association, under date of the 18th September—

The members of my Association, who are all representatives of firms buying sheepskins and hides, either for export, fellmongering or tanning, wish me to call your attention to the difficult and dangerous position in which they would be placed should the Bill, now before the Legislative Council, be agreed to in its present form.

Sheepskins, as offered at public auction by the members of the Wool Selling Brokers' Association, have to be handled so often, first in their reception into store; counting, weighing, lotting, etc.; secondly in the delivery to the buyers when the same operations have to be gone through again as a check on number of skins and weight, plus loading on to lorries.

When the skins are received into buyers' packing stores, they have to be unloaded and counted again. They are afterwards put through a painting process (poisoning against weevils) then hung to dry. When they are dry they are handled singly to be classed according to quality and length of the wool and con-

dition of the pelt. They are afterwards packed into bales for shipment.

It will therefore be easily realised that a certain number of skins can become damaged during these operations and in such a way as to expose a bona fide buyer to have skins in his possession which have accidentally placed him in the position to be liable under the Act.

Furthermore, the head portion of the skin is of absolutely no use to consumers overseas and buyers are in many cases required to trim the skins by cutting off head pieces and leg points, etc., so as to save paying freight on those useless portions.

I would therefore respectfully suggest that Clause 49B of the old Act be so altered so as to allow the necessary mutilations required by the trade, or accidental mutilation in the selling brokers and buyers' stores while being handled and prepared for shipment.

I understand the South Australian Government has recently passed a similar Act to the one now before the Legislative Council and has granted some exemptions similar to the above-mentioned, in so far as bona fide exporters, fellmongers or tanners are concerned.

I recommend the new clause also because the firms in question are all firms of repute and well established, and it would be easy to trace any evasion of the measure by them. The section as it stands gives protection where tanning is proceeded with, but not half the skins handled in this State are tanned here.

The CHIEF SECRETARY: I must oppose the clause, which I am informed would be most dangerous, opening the door to skin buyers of whom many are regarded either as sheep stealers or as persons who receive skins from sheep stealers, and to others who buy stolen skins. Under Mr. Bolton's amendment a skin buyer would be exempt from the operation of the Act, and anyone classing himself as a broker would also be exempted. Thus there would be abundant facilities for the disposal of stolen skins.

Hon. L. B. BOLTON: There need not be the danger the Chief Secretary fears if the new clause is applied to registered skin dealers.

Hon. L. Craig: You would need to put in the word "registered."

Hon. L. B. BOLTON: Yes, I could do that. Upwards of a million skins are handled by the brokers, and it takes about ten seconds to examine each separately. That I am told would be a reasonable time. Just imagine therefore what it would mean to handle and examine all the skins for export! It would be a serious matter. With

the permission of the Committee I will add the word "registered."

Hon. T. MOORE: If we are going to pass an Act and not police it afterwards, it will be mere waste of time. The hon. member's proposal will not get us any further in our efforts to prevent sheep stealing. I know that at times sheep's heads are mutilated, and also that half the ears are torn off.

Hon. L. B. Bolton: That is a good argument in favour of the clause.

Hon. T. MOORE: The Act has been on the statute-book for many years, and no notice has been taken of it. It has been found unworkable and the mere fact of our adding something to it as the hon. member proposes to do will not get us any further.

Hon. V. HAMERSLEY: The Act provides that the ears shall be left on, and I contend that unless the ears are left on there will be less chance of policing the Act. Because the Act has not been policed in the past is no reason why it should not be policed in the future. There are many instances where ears have not been left on the skins, and it has not been possible to trace them to the selling brokers' floors. Moreover, sending the skins away without the ears, and putting them on the market at the other end of the world in that way, might prove a serious handicap.

Hon. A. THOMSON: The object, of course, is to endeavour to prevent sheep stealing. Deputations from agricultural societies and primary producer organisations and others interested have pointed out the immense losses that have been sustained by those engaged in sheep breeding, and with a view to preventing losses it was decided that it should be an offence to mutilate ears.

Hon. T. Moore: But that has been in existence for 31 years.

Hon. A. THOMSON: Wool brokers have not suffered any serious disability.

Hon. L. Craig: The Act has never been enforced.

Hon. A. THOMSON: Then it is time it was enforced. Anyone who purchases the skins must protect himself, and I am certain that wool brokers and buyers will be able to do so. I do not consider that the

Act as it stands should be altered, and therefore I will oppose the clause.

Hon. H. V. PIESSE: I have had a lot to do with the killing of sheep, and my instructions have always been to leave the ears on the skin. Unless the ears are on the skins, it will not be possible to trade in them.

Hon. R. G. MOORE: I oppose the new clause. It will make it possible for people to drive a horse and cart through the Act. The law as it stands has inflicted hardship upon no one.

Hon. L. B. Bolton: It has inflicted nothing.

Hon. R. G. MOORE: Let us not alter it. If it is amended in this way, the registered dealer can snap his fingers at the authorities.

Hon. J. J. HOLMES: We seem to be paying more attention to the skins than to the carcasses. Thousands of sheep are killed in the bush, the carcasses burnt and the skins taken away. Tens of thousands of skins are sold each year. If they have to be sold with the ears and legs and heads on, it will prejudice their disposal overseas. The proposed new clause would inflict considerable hardship. How can an exporter expect to sell skins if they are not got up in a form that makes it possible to dispose of them?

Hon. L. CRAIG: I support the proposed new clause. I would like to know what would happen to the skin that is sent to a store without ears. Under the Act the brokers will be liable. Are they to send the skins back to the farmer, and is the latter to stand the loss? The Act itself is unworkable and has never been enforced. The intention of the proposed new clause is to relieve the brokers of responsibility. Thousands of skins are rightfully sent into the market with mutilated ears. I agree that skin buyers should not be exempt, but I think the brokers should be excluded. My concern is chiefly for the farmer, who will be the real loser.

Hon. C. F. BAXTER: This is one of the most important parts of the Bill. If the new clause is passed, sheep stealing will go on as much as ever. The ears must be left on the skin, because it is a simple matter to get rid of the wool brand. I hope the new clause will not be agreed to.

Hon. J. M. MACFARLANE: Farmers are often careless when killing sheep, in that they mutilate the ears and the head,

but they are still entitled to get the value of those skins. As things are, if a broker accepted such skins, he would be liable for the penalties. Something should be done to amend our legislation to cover any skins that are properly traded in. The exporter must be allowed to send his skins away in a condition for sale. It is not those associated with an export firm in the city, but the men who are perambulating around the country buying skins from farmers, that we want to get at. If it is correct that skins will not be accepted overseas with certain parts attached, we might agree to the export merchants being permitted to cut those parts off just prior to shipment. I do not desire to agree to anything that may do the industry any harm. Even if the Act has been inoperative for 31 years and no exception has been taken to that fact, the point is that the Government have allowed the measure to become a dead letter, but now some action is required.

Hon. E. H. ANGELO: Section 49B permits ears to be removed from the hide immediately before the skin is subjected to any tanning process. I would be prepared to support an amendment that would permit the exporter to remove the ears and so forth immediately before shipment. Mr. Bolton's proposal goes further than I am prepared to follow.

The CHIEF SECRETARY: We have already passed Clause 10 that has Section 49 in contemplation. A sweeping amendment was made to the clause that was in the interests of those who deal in skins.

Hon. T. MOORE: The discussion has indicated that it may be possible to catch the man who is transacting a "snide" business. The Act has been a dead letter for many years, but if it had been thought that a certain buyer of skins was purchasing skins taken from stolen sheep, it would have been possible for the police to prosecute that individual. For that reason, I must vote against the proposed new clause in its present form, but if it were altered along the lines suggested by Mr. Macfarlane, I think Mr. Bolton would achieve his objective.

Hon. H. TUCKEY: I have owned sheep for over 20 years and have had the unpleasant experience of having some of them stolen. The proposed new clause would merely open the door to further thefts. I

agree with Mr. T. Moore that an amendment could be framed so as to permit the removal of ears and other parts from the skins before shipment. I cannot support the proposed new clause in its present form.

Hon. L. B. BOLTON: If the Chief Secretary will report progress, that will give me an opportunity to frame an amendment that will meet the wishes of the Committee.

The CHAIRMAN: I suggest that Mr. Bolton ask leave to withdraw his proposed new clause, and then the matter can be dealt with again to-morrow.

Hon. L. B. BOLTON: I will act on that suggestion, and ask leave to withdraw the proposed new clause.

Proposed new clause, by leave, withdrawn.

New Clause:

The CHIEF SECRETARY: I move—

That a new clause, to stand as Clause 12A, be inserted as follows:—

“12A. Section 49A of the principal Act is hereby amended by inserting a further subsection at the end of the section as follows:—

(2) Any inspector or police officer may at any time stop and search any conveyance or boat which he suspects on reasonable grounds is carrying stock or the skins of any slaughtered stock and inspect and seize and detain for the purpose of evidence all such stock or skins which may afford evidence in connection with any breach or suspected breach of this Act.”

Mr. Holmes suggested that abundant powers of search should be provided for the police. I examined the principal Act and found that although some powers of search had been provided, in view of the development of motor transport, the provisions in the Act did not appear to me to go far enough. They covered land, structures and, among other things, “place.” The term “place” is very indefinite, and has been the cause of endless litigation. The amendment will give extended powers to the police.

New clause put and passed.

Progress reported.

BILL—DROVING ACT AMENDMENT.

In Committee.

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

Clauses 1 to 4—agreed to.

Clause 5—Amendment of Section 5, principal Act:

Hon. J. J. HOLMES: In paragraph (d) it is provided that, before commencing to move stock, the proprietor or manager shall send a triplicate of the delivery note to the nearest police officer. Some of those people are over 15 miles from the railway station, and unless we make an amendment here, such a man will have to send a messenger to the nearest police station to notify his intention to move some of his sheep. Most of those people have agents at the railway station and could telephone to an agent to serve the notice at the police station. That would simplify matters considerably. I move an amendment—

That after “police,” in line 4, of proposed Subsection 4, the words “or agent” be inserted.

The CHIEF SECRETARY: I can see no objection to the amendment.

Amendment put and passed.

Hon. W. J. MANN: I move an amendment—

At the end of proposed new subsection (4) add the words:—“Provided that where an owner desires to travel stock from one of his properties to another for the purposes of temporary grazing, a waybill covering both outward and return movements may be issued.”

The purpose of the amendment is to obviate the necessity for a stockowner getting out two waybills and making two notifications to the police. In my province it is customary for the stockowners to send their stock down to the coast, and it is often inconvenient to get out a second waybill to bring them back.

Hon. H. TUCKEY: I support the amendment. In many cases in the South-West the sheep or stock have to remain on the coast for three or four weeks, or six weeks at the outside. Without the amendment, the owner would have to go to the police station twice in that short time.

The CHIEF SECRETARY: I think it is a necessary amendment.

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

Clause 6—agreed to.

Clause 7—New Section 15A:

The CHIEF SECRETARY: I move an amendment—

That there be inserted at the beginning of Subsection (1) of proposed new Section 15A the words “subject as hereinafter provided.”

Amendment put and passed.

The CHIEF SECRETARY: I move an amendment—

That there be added at the end of proposed Subsection 6 the words "or to any sheep which are removed pursuant to any sale or contract of sale from any place in the metropolitan area for consignment by rail. For the purpose of this section the Governor shall define the metropolitan area by proclamation and may by any subsequent proclamation vary or amend such definition."

Hon. J. M. MACFARLANE: I move an amendment on the amendment—

That in lines 3 and 4, after "metropolitan area," the following be inserted:—"or from registered stock saleyards outside the metropolitan area."

Hon. J. J. HOLMES: Sheep from the North are travelled from Fremantle to Midland Junction sometimes by rail and sometimes by road, and held in agents' paddocks until the day of sale. Will this amendment on the amendment permit of that? I think not.

Hon. L. CRAIG: Sheep coming from the North or anywhere else would require to have a waybill, which, I take it, would cover them to Midland Junction. But the Bill seeks to exempt the issue of a waybill when the sheep go out from the metropolitan area by rail. The amendment on the amendment further seeks to exempt registered saleyards in country districts, where the sheep are sent out by rail. It is rather dangerous.

Hon. C. F. Baxter: But 85 per cent. of them travel by road when outside the metropolitan area.

Hon. L. CRAIG: They would not be exempt. They should have a waybill. Thousands of sheep are bought at Kataning and are taken by rail to the South-West.

Hon. C. F. Baxter: Only 15 per cent. of them would be railled.

Hon. L. CRAIG: We want to get at the man who buys some sheep at a country saleyard and drives them to their destination, picking up a number of other sheep on the road. It is necessary that he should have a waybill so that he could be stopped while his waybill was checked with the number of sheep in his possession. It would be quite possible, if we passed the amendment, to examine sheep sent by rail because the man in charge would have what amounts to a waybill. I support the amendment on the amendment.

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

Clauses 8, 9, 10—agreed to.

Progress reported.

BILL—RURAL RELIEF FUND.

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [6.3] in moving the second reading said: The period of depression through which we have been passing for some years has had a most deplorable effect upon the farming industry of Australia, and I think it is now recognised that until such time as the industry can return to a more normal condition of affairs, there is little chance of a return to the prosperity that we enjoyed a few years ago. With a view to bringing about such prosperity, inquiries have been made, Royal Commissions have been appointed, and reports have been submitted to the various Governments of Australia, and I think that, generally speaking, one can say that the concrete fact which has emerged from all those inquiries, etc., is that there can be no hope for the farming industry of Australia until the liabilities of the farmers have been materially reduced and additional financial assistance has been provided for them, or until there has been a very material increase in the world's prices for the commodities which the farmers produce and export. Responsible authorities have taken the view that there is very little chance of the latter coming to pass, at any rate for some time to come, and although quite recently there has been a very welcome increase in the price of wheat, and also in the price of wool, nevertheless I cannot believe that anyone would be so optimistic as to say that we are approaching the time when the primary producers of Australia will be in anything like the position they occupied a few years ago.

Hon. A. Thomson: It will take some years to get back to that position.

The HONORARY MINISTER: Even though prices improved considerably, there is such a lot of leeway to be made up by individual farmers that a considerable time must elapse before they would reap the real benefit. Responsible authorities considered that it was essential to give relief to the farming community by means of a reduction of their liabilities, and further financial assistance in order to help farmers to do many things which are absolutely necessary

but which, owing to lack of finance, they have not been able to do during recent years. Several of those things might be mentioned. One is machinery. It is admitted on all sides that the great majority of farmers are working with implements which in some instances are out-of-date, and in other instances are in such a state of repair that it is not possible for them to carry on their farming operations as they themselves know those operations should be carried on, and as they would be carried on if the wherewithal were available to put the machinery into proper condition. Then, as regards this State, many farmers cannot be expected to make a success of their operations until they have carried out further improvements on their properties. It can rightly be said that a larger proportion of the farms in this State are in the developmental stage than in any other State of the Commonwealth. More fencing is required; water supplies are needed, and it is necessary that a large number of farmers who have been engaged in one particular line, such as wheatgrowing, should have other avenues of earning revenue. It is not possible for them to undertake the production of other lines unless additional capital is spent on their holdings, and for the majority of the farmers to get additional capital at present is impossible. The word "rehabilitation" has been commonly used in connection with this important question, and I am just wondering whether the Bill I am introducing will have the effect of rehabilitating the farming industry. It certainly will be of some material assistance to a large number of farmers, but to my way of thinking, it does not go far enough. Certainly the Bill provides means whereby many farmers will be enabled to carry on a while longer, but I am of opinion that unless we can find ways and means to provide additional finance, apart from what is provided for under this measure, there will still be many farmers who will have very little hope of carrying on successfully. The Commonwealth Government, having given consideration to the position of the farming industry in Australia, promised to find a certain amount of money with the object of rehabilitating the industry. Last session the Commonwealth Parliament passed a Bill which became known as the Loan (Farmers' Debt Adjustment) Act, 1933, which made pro-

vision for the distribution of a sum of money amounting to £12,000,000. The Commonwealth laid down certain conditions to govern the distribution, and it is necessary that those conditions should be embodied in State legislation. The £12,000,000 which is to be divided amongst the States is to be used, in the words of the Commonwealth Act, "for the payment to or for the benefit of farmers to enable them to make compositions or schemes of arrangement with their creditors in respect of their debts." Members will realise that that does not go nearly so far as the suggestions I made a few minutes ago in outlining what I considered necessary to rehabilitate the farming industry of the Commonwealth. Of the £12,000,000, it is proposed to raise first of all a sum of £10,000,000, of which amount £1,300,000 has been allocated to Western Australia. From the balance of £2,000,000, making up the total of £12,000,000, this State is to receive approximately £260,000, which will make a total of £1,560,000 over a period of probably three or four years. As I remarked, certain conditions are laid down in the Commonwealth Act with which it is necessary for us to comply. We are not entitled to share in the grant until such time as we have established an authority having power to suspend either wholly or in part the debts of farmers. Consequently it is necessary to make provision of that kind in this measure, and also to embody the other conditions laid down in the Commonwealth legislation.

Hon. J. J. Holmes: Will you quote the other conditions?

The HONORARY MINISTER: Yes. The principal conditions laid down in the Commonwealth Act are as follows:—

1. No payment of any of the moneys shall be made to or for the benefit of any farmer unless, in the opinion of the authority administering the State scheme, the farmer will have, as the result of any composition or scheme arranged, a reasonable prospect of successfully carrying on farming operations.
2. No payment of any of the moneys shall be made to or for the benefit of any farmer for the purpose of discharging, in whole or in part, any debts of the farmer, unless in the opinion of the authority administering the State scheme, some discharge of the debt is necessary to ensure that the farmer will continue to carry on farming operations and to give him a reasonable prospect of carrying on those operations successfully.
3. If any of the moneys are advanced to or for the benefit of the farmer and are repaid wholly or in part to the State, the moneys so

repaid shall be applied by the State for the purposes of the State scheme, and, for the purposes of this section, shall be deemed to be moneys granted to the State under this Act.

4. No payment under a composition or scheme of arrangement shall be made in respect of any debt due or accruing due to the Commonwealth or the State or to a governmental authority.

5. No portion of the moneys shall be used for the payment of the expenses incurred by the State in or in connection with the application of the moneys.

Sitting suspended from 6.15 to 7.30 p.m.

The HONORARY MINISTER: Before tea I quoted the most important conditions laid down in the Commonwealth Act as to the money to be made available for the relief of the farming community. From those conditions it will, I think, be seen that while the Commonwealth Government are providing the money, the onus of distributing it is placed upon the State Government. That is a somewhat invidious position in which to place the State Government, but if we are to take advantage of the money we must accept the responsibility. It will also be gathered, from what I have said, that the State is excluded from deriving any benefit from the distribution of the money. In view of the fact that at least 50 per cent. of the debts of farmers in Western Australia are owed to State institutions, such as the Agricultural Bank, it will be realised that to that extent Western Australian farmers will not receive the same consideration as farmers in other States.

Hon. J. Nicholson: The Commonwealth make a difference between the two?

The HONORARY MINISTER: Yes. In this State approximately £34,000,000 is owing by farmers of all descriptions, and over £17,000,000 of that total is owing to the Agricultural Bank, Lands Department and the Water Supply Department. As the Commonwealth Government have laid down that State institutions are not to benefit from the distribution of the money, it means that those clients of the Agricultural Bank cannot secure any material benefit, in that respect, from the distribution of the money.

Hon. L. Craig: They can if they have outside creditors as well.

The HONORARY MINISTER: Yes. In that case they will receive a benefit.

Hon. H. V. Piessé: There is provision in the Agricultural Bank Act for writing-down of debts, is there not?

The HONORARY MINISTER: Yes.

Hon. H. V. Piessé: Will not the trustees use that power?

The HONORARY MINISTER: I suppose they will, sooner or later. We must not forget that the Commonwealth Government, through their Act, have laid down that the trustees must provide for the compulsory suspension of debts due to the State, while at the same time it is laid down that the State shall not receive any benefit from the distribution of this money. We must also remember that the arrangement provides mainly for schemes of composition whereby farmers will be enabled to carry on with the assistance of this money. So of course we have to make provision for that aspect in the Bill. I have already pointed out that it is necessary for us to appoint a responsible authority. Clause 4 of the Bill establishes the responsible authority. It provides for the appointment of three trustees, whose duty it will be to control the money; and the money is to be paid into a special trust account at the Treasury called "The Rural Relief Fund." The trustees will be appointed by the Governor. The Bill provides that at least one of the trustees shall be a farmer. The trustees will have wide powers, including power to suspend any debts of the farmer at their discretion. So that the trustees are accepting a big responsibility, one which, I believe, if carried out faithfully will be of considerable assistance to a large percentage of the farming community. So that the trustees may carry out their work satisfactorily, the Bill must provide the necessary machinery. The measure proposes to use the machinery of our State Farmers' Debts Adjustment Act, 1930-34. In order to fulfil all requirements, it is necessary that the Act should be amended. I believe I am right in saying that those people who have had experience of the working of our Farmers' Debts Adjustment Act agree that it is a highly useful piece of legislation, and has proved highly beneficial to the farming community; but that Act merely provides that the farmer may apply for a stay order, whereas this Bill provides that not only the farmer, but any creditor of the farmer, may submit a scheme of debt adjustment. Consequently it is necessary to amend our State Act in order that that may be possible. From my own knowledge of the working of the Farmers' Debts Adjustment Act I feel sure that the machinery in the Bill is ample for its purpose. In addition to what I have already

stated, the Bill provides that all applications must go to the Director appointed under the Farmers' Debts Adjustment Act.

Hon. H. V. Piesse: Did not the Minister for Lands agree, in another place, that the applications could go direct?

The HONORARY MINISTER: The Bill as it stands provides that all applications shall go to the Director. That official, by virtue of his position, already has an intimate knowledge of the situation of large numbers of farmers. When the Bill comes into operation, his work will naturally be increased considerably, because numerous farmers who are not at present under the Farmers' Debts Adjustment Act will be entitled to receive consideration. For instance, at present, under the Farmers' Debts Adjustment Act, if a farmer applies for a stay order it is necessary, before any scheme of adjustment can be put into operation, that a four-fifths majority in value of his creditors shall agree to whatever the scheme may be. In many cases the creditors are not prepared to agree, or perhaps one or two of the creditors may not be prepared to agree, to the scheme put forward. The farmer may be a highly deserving farmer, entitled to all the consideration it is possible to extend to him; and he may be entitled to every consideration under this Bill. Therefore, provision is made whereby, in the event of his creditors not agreeing to the extent of four-fifths in value under the Farmers' Debts Adjustment Act, he shall have the right to approach the trustees appointed by the Bill, who shall then give consideration to his case.

Hon. H. V. Piesse: But cannot the secured creditors block him?

The HONORARY MINISTER: I do not know whether that is so or not. The trustees are all-powerful. At present, as I have already said, creditors may raise objection to any scheme put forward under the State Act. Under the Bill, however, the farmer then has the right to make an application, through the Director, to the trustees. When he has done that, the circumstances of his case will be examined by the trustees; and whatever their decision may be, subject to certain limitations laid down in the Bill, will be binding on his creditors.

Hon. L. Craig: The board will not make any compulsory writing-down?

The HONORARY MINISTER: No. There is no compulsory writing-down in the Bill. The only compulsion in the Bill is with regard to suspension of debts. The trustees can compulsorily suspend debts for a period, and during that period no interest shall be charged. There is, naturally, a limit to the period.

Hon. H. V. Piesse: The trustees can suspend secured debts if interest is paid on those debts. On the portion suspended, interest is not payable.

The HONORARY MINISTER: In the Committee stage the hon. member will have opportunities of going into details with regard to clauses. At the moment I am rather concerned to examine the main principles of the Bill, so that the discussion by the Chamber may take place as early as possible, allowing the measure to be passed with the least avoidable delay, since it is highly desirable that finality should be reached speedily. If a farmer makes application under the Farmers' Debts Adjustment Act and is not successful in getting his creditors to agree to a composition or to the scheme he puts forward, he still has the right to apply to the trustees, and the trustees have the power to grant a stay order for a period. The stay order can be extended from year to year, but not exceeding four years. The trustees are also given power to cancel at any time a stay order which has been issued under the Act. The Bill also provides that on debts that have been suspended no interest shall be charged, and when the stay order ceases to operate, provision is made whereby proceedings which would have been taken previously may be continued. I have already pointed out that provision is made whereby a creditor, in addition to the farmer, may make application and submit a scheme to be considered by the trustees. This is a valuable provision. Then there are farmers who already are under the Farmers' Debts Adjustment Act. The Bill provides that they also may make application for advances from this fund. In that case, of course, creditors have already agreed to a scheme, or an arrangement has been made, but under the Bill farmers would be able to get further benefits by applying to the trustees

through the director, and if a scheme which involves composition of farmers' debts is agreed to, then, of course, the farmer will reap the additional benefit. In order to assist the farmer in making his application, as I have already said, the applications must first go through the director, who has an intimate knowledge of the position of the farmer. It has also been provided that certain officers shall be appointed in various districts to assist him in the preparation of his case, and, so that there might be as little trouble in that direction as possible, there is a clause in the Bill which provides that the trustee may, with the consent of the Minister administering any department in the Public Service, and the consent of the Commissioners of the Agricultural Bank, make use of any person employed in the department or by the commission for the purpose of carrying out the provisions of this section of the Bill so far as it relates to a district. That will mean that Government officers in various districts may be availed of for the purpose of assisting the farmer in connection with his application for an advance from this fund. There are certain limitations placed on the trustees by the Commonwealth legislation, and it would be just as well if I quoted them word for word, because they are important. In my opinion the Bill as drafted is very clear and easily understood. Usually when we have Bills of this nature we find that very frequently they are somewhat ambiguous. In this case, however, having in mind the operation of the Farmers' Debts Adjustment Act and how it works, it seems to me the Bill is easily understood by anyone who is at all interested in the subject. The limitations I spoke of read as follows:—

Clause 9. Subject only to the provisions of this section, the trustees shall have unfettered discretion in regard to the advancing of funds to farmers for the purpose of this Act, but no advance shall be made to any farmer—

- (a) who has not, in the opinion of the trustees, a reasonable prospect of carrying on his farming operations successfully if assisted under this Act;

I think there will be quite a number of people who will come under that category.

- (b) who has shown by his past conduct in regard to farming operations that he is undeserving of such assistance;
- (c) unless, in the opinion of the trustees, some discharge of the debt or debts in respect of such advance is made is necessary to ensure that the farmer

will continue to carry on farming operations, and to give him a reasonable prospect of carrying on those operations successfully;

- (d) for the payment of a debt or a composition on any debt due to the Crown;
- (e) for the payment of a debt, or a composition on a debt, which is barred by any statute of limitations.

These mean it will not be possible to revive an old debt for the purpose of securing an advance from the fund. With regard to advances to be obtained from this fund, it is provided that they may be repaid over a period not less than 20 years, and that repayments shall not commence earlier than three years from the making of the advance, although the farmer has the option, if he wishes, of repaying any part or the whole of the advance if he is in a position to do so any time he chooses. Another very important clause states that the trustees may consent in writing to the postponement of their security in favour of any other encumbrancer on such terms and conditions as the trustees may think fit. When money has been advanced from this fund, the trustees may take a mortgage over the whole of the assets of the farm.

Hon. J. Nicholson: Can you say whether the mortgage will take precedence over a registered mortgage now existing?

The HONORARY MINISTER: I think it will.

Hon. L. Craig: No; this deals with unsecured creditors.

The HONORARY MINISTER: It deals with advances to farmers.

Hon. J. Nicholson: It is a very important point, and should be inquired into.

The HONORARY MINISTER: I do not know whether I misunderstood the hon. member.

Hon. J. Nicholson: I asked whether the mortgage would take precedence over an existing registered mortgage.

The HONORARY MINISTER: I do not see how it could.

Hon. J. Nicholson: I want to make sure about that.

Hon. L. Craig: Impossible!

The HONORARY MINISTER: The registration of any mortgage or security taken under this measure will not be necessary. Notification in the prescribed manner must be sent by the Director to the Registrar of Titles, the Registrar of Deeds and the Registrar of the Supreme Court, who shall

record the registration in the prescribed manner. It is also provided that a record shall be kept in the office of the trustees, and shall be open for inspection by any member of the public on payment of the prescribed fee. The Bill also provides that where repayment is made by the farmer, such money shall be repaid into this fund and shall be treated as further money advanced by the Commonwealth for the same purpose; so that when advances are repaid, those advances will constitute additional money which can be used again for the same purpose. There are a number of other provisions in the Bill which are rather important. One is that there shall be no interest charged on the money advanced. I have already explained that the State is to administer the fund through trustees and the cost of administration will be borne by the State. The farmer who has received an advance will not be charged interest on that money and, as I have pointed out, when he makes any repayment it can go back to the fund and be used again for the same purpose.

Hon. J. J. Holmes: Free of interest for 20 years?

The HONORARY MINISTER: There will not be any repayment in the first three years. The Bill provides for repayment by instalments over a period of not less than 20 years, so that if a farmer is in a position to repay the money at any time before the expiration of that period, there will be in existence a fund for the purpose of assisting other farmers who might be in straitened circumstances. But the position to day is so bad that no one can say with any certainty what the condition of affairs is likely to be in 20 years' time. I should imagine, however, that if we are to make any progress in this State, there must be a big improvement in the agricultural industry and a large proportion of the farmers who will receive assistance from this fund and who, by means of that assistance, have been able to carry on successfully, will return to the fund at least a fair proportion of what they have received. I should also say that we must not forget the Bill is providing for schemes of composition whereby there will be a writing-down of the debts of the farmer. In addition it does provide for the suspension of debts during which time there will be no interest charged.

Thus if there is any material improvement in the agricultural industry within the next few years those persons who will receive a benefit from the operation of the Bill will probably be placed in such a position that they can reasonably be expected to repay some proportion of the money that has been advanced to them. The trustees will have certain duties to perform such as to present to the Minister not later than the 14th day of July in each year a report on their activities for presentation to Parliament.

Hon. C. F. Baxter: They are not given very much time.

The HONORARY MINISTER: There should be no difficulty about that. The scheme will become somewhat automatic, and a provision of that kind will readily be carried out. It is also provided that funds necessary for the administration of the Act must be appropriated from time to time by Parliament. None of the moneys we receive from the Commonwealth will be operated upon in any respect other than in providing for assistance to farmers who are eligible to get it. One important clause gives the trustees' power to summon and compel the attendance before them of any person, to give evidence, to produce any documents for their inspection, etc., and the trustees themselves may exercise all the powers of a justice in petty sessions. They may also administer the oath and take affirmations. Regulations may be made from time to time for the carrying out of the Act. The Bill appears to me one of the clearest we have yet had to deal with. It is thoroughly understandable, and its provisions are such that those who are eligible to obtain the benefits under the Act will be able to do so with a minimum of trouble. A large number of applications are bound to be made, and these will mean a lot of work on the part of the Director (who is appointed under the Farmers' Debts Adjustment Act) and the various officers who will be appointed in the different districts. There will naturally be delays. The average farmer is not in a position to present an accurate case at any moment. Each case will require to be investigated. After that has been done by the Director, and he has submitted his recommendation to the trustees, and the trustees have given consideration to all the facts, the applicant may rest assured that, provided he is entitled to assistance, it will be forthcoming for him.

There are other points about the Bill which can no doubt be dealt with in Committee.

Hon. C. F. Baxter: Will the present Director under the Farmers' Debts Adjustment Act be available for the position under this Bill?

The HONORARY MINISTER: The Bill provides that one of the trustees shall be a farmer. We feel that the Director has quite enough to do without taking on further responsibilities. He will be called upon to deal with every application and to make recommendations to the trustees, so that he will carry a certain amount of responsibility in any case. No additional responsibility should be put upon him.

Hon. C. F. Baxter: The chairman should be a man of experience.

Hon. G. W. Miles: Was he not originally intended to be a commissioner?

The HONORARY MINISTER: The Bill as originally brought down was amended in another place. I move—

That the Bill be now read a second time.

HON. H. V. PIESSE (South-East) [8.7]: I have had an opportunity of studying this Bill. As it is important that it should be brought into operation as early as possible, I have decided to continue the debate to-night, although I know it is not usual in this Chamber to do such a thing immediately after the second reading has been moved.

Hon. C. F. Baxter: It is all right if you happen to have the material.

Hon. H. V. PIESSE: I have the material. I congratulate the Government on bringing down this Bill so promptly. I also congratulate the Minister for Lands, and am inclined to agree with him in connection with the Farmers' Debts Adjustment Act passed by the Federal Government. The Parliamentary draftsman has excelled himself in the understanding manner in which he has placed this Bill before us. Western Australia is in its infancy in the matter of farming properties. The Bill before us is not as helpful as it might be in the way of rehabilitation. It is purely for debt adjustment. In New South Wales and Victoria there are many old-established farms that have been handed down from father to son for several generations. Western Australia, however, is practically in its infancy, particularly in the wheat areas and those areas in the eastern portion of the State. The wheat commissioners recommended a rehabilitation Bill which would have been of

greater benefit to Western Australia than this suggested legislation. When speaking on the farmers' debts adjustment measure last session, I recommended the establishment of a No. 2 fund for the assistance of farmers who needed help from the rehabilitation point of view. Mr. Nicholson said I was keen on this Bill, but that he had no information before him at the time that this money would be available. The machinery, which was then brought in, was in connection with the adjustment of farmers' debts, and for the administering the expenditure of this money that was coming from the Federal Government.

Hon. J. Nicholson: The Bill did not deal with that.

Hon. H. V. PIESSE: It provided the machinery. When the Bill was before the Federal Legislature, the Premier of this State advised the Prime Minister that he did not consider the debt adjustment measure was in the best interests of our farmers. I think he said it would take at least a million pounds to put the plant in order, to replace the old horses, and generally put the farmer on a reproductive basis. On the 21st March, 1935, the Loan Farmers' Debt Adjustment Bill was introduced in the House of Representatives by Dr. Earle Page, the Deputy Prime Minister. He spoke on the advantages of creating the fund, and distributed amongst Federal members the Farmers' Relief Bill of New South Wales. That legislation is unlike our own, because it gives power to write down Government debts. Our legislation does not allow the board to do that other than through the Agricultural Bank Act. On the 4th April there was a further discussion on the Bill. Several Eastern State members spoke upon its advantages and others opposed it. The only Western Australian member who took part in the debate was the member for Forrest (Mr. Prowse). I have read his speech. It appears he was perfectly satisfied that it was a good Bill, and congratulated the Federal Government on bringing it down. Our Federal members, knowing the conditions in Western Australia, should have advocated an amendment providing for the rehabilitation of our industry. A proportion of the £1,500,000 that is to be allocated to Western Australia should have been used to assist in the carrying on of the industry. In my opinion this important Bill was rushed through. I have

the Federal "Hansard" here to prove that statement. Dr. Page introduced the Bill at 5.46 p.m. on the 21st March. The debate was adjourned by the Leader of the Opposition, who spoke on the measure on the 4th April at 3.23 p.m. The debate was continued until the early hours of the morning of the 5th April, when Mr. Parkhill moved the closure. The division was 30 ayes and 17 noes. Only one Western Australian member had spoken on the Bill, and only one of our members had voted against the closure, namely, our stalwart friend Mr. Gregory. Our members must have known the serious position in which our farmers find themselves. Surely we should have had advice from members representing us in the Federal Parliament. When the Bill was before the Senate, Senator Johnston took the Government to task and stated that the conditions set out in the Bill were not suitable for Western Australia. He pointed out that the Premier had forwarded a letter in which he stated the conditions he thought would be more beneficial to our primary industries. Most of us have had an opportunity to read the report of the Royal Commission. It is a splendid document and will be handed down for many years as an authority on the affairs of graziers and farmers in Australia. Members of this House must be proud to think that Mr. Walter Harper, a son of an old member of Parliament and a pioneer of Western Australia, was instrumental in giving such good advice and personal help to his fellow commissioners, and so assisting them to arrive at their decisions. The Federal Government would have been well advised to act along the lines suggested by the Royal Commission. They could have accepted that advice to a great extent with a resultant benefit to our farming and grazing community.

Hon. J. Nicholson: Are you referring to the Wheat Commission?

Hon. H. V. PIESSE: Yes. As one who takes a great interest in farmers' debts and as a man of experience, I desire to congratulate the "West Australian" on the three articles they prepared and published on the 28th, 29th and 30th of May last. Those articles gave the people of the State an opportunity of knowing the contents of the report of the Commission. Criticism was also invited so as to give everyone a chance of discussing this most important proposal. The matter is now be-

fore us. Surely it is not too late to approach Federal members with a view to considering legislation which has been put through the Federal Parliament, and which is not beneficial to us. Surely it is not too late to ask the Federal Government to give consideration to the report of the Federal Royal Commission that inquired into the wheat industry. I maintain that portion of the £12,000,000 to be used for debt adjustment could be utilised to much better advantage.

Hon. T. Moore: That amount might do for this State alone, instead of the whole of Australia.

Hon. H. V. PIESSE: That is so. Although the prices received from primary products have been unprofitable, the farmers and graziers of Australia have assisted greatly in the payment of our financial commitments overseas, because they were able to produce more wool and more wheat at the request of the Federal Government. There is no doubt that Australia's credit abroad has made it possible for other industries to be maintained, and thus keep in employment a large number of our people who otherwise would have been placed on the dole. The continued low prices received for our products, particularly since the depression, make it necessary for some form of debt adjustment to be invoked. One has but to travel through the country to realise the number of farmers who have left their holdings and have gone elsewhere to seek employment. The burden of debt still remains, although in many instances the debts of farmers have been suspended. The existing conditions are responsible for a large proportion of their troubles, but even a moderate improvement in prices would greatly help the position. To wipe out the debts entirely under the present value of prices would possibly provide a maximum advantage for the debtor, but it would be at the expense of the creditor. A rise in price would certainly be helpful to the farmer, but, on the other hand, it would be better to take a valuation of properties on the basis of 3s. per bushel for wheat, and 1s. 3d. per lb. for wool. The country storekeepers have been to the fore in assisting to carry on the primary producers, but those storekeepers are not large institu-

tion, with big reserves of capital. Moreover, they have mixed sentiment with business, and in consequence have suffered considerably.

Hon. J. J. Holmes: Are you going to write down their debts too?

Hon. H. V. PIESSE: There are many provisions in the Bill under which we might suspend them, even if we do not write down the debts of the farmers. How can the country storekeepers carry on, if the farmers cannot be placed on the proper basis? I think we must first rehabilitate the farmer, and then I hope the country storekeeper will be dealt with later on. It is necessary to give farmers reasonable hope of improvement in their position, and ensure to them some equity in their properties, even on the present basis of values, which, as we know, are improving. In my opinion, there are three classes of farmers who are carrying on in Western Australia. First, there are those whose position is such that they can look after themselves and make provision for the settlement of their debts. Secondly, there are the farmers who are on unimproved or perhaps poor land, whose position is desperate, and, perhaps, hopeless. Perhaps some of those men took up their land after the commencement of the depression, and therefore have not had a proper chance to develop their holdings. Thirdly, there are the farmers who have liabilities in excess of their assets. The position of such men is very difficult to deal with, because of their inability to obtain ready money. I know of instances of farmers in the second category I have mentioned. There are men in that position in the Nyabing district where agricultural and grazing properties have suffered because they were not developed during the depression period. There are holdings in the Lake Grace and other wheat areas that are in the same position. Regarding the men whose liabilities are in excess of their assets, many of them have been just about able to live from the results of sidelines produced on their properties. I feel that those men are in great need of assistance, and I believe the present Bill will be of material benefit to them. I can instance many cases that have come under my notice regarding the application of the provisions of the Far-

mers' Debts Adjustment Act. Many settlers have been considerably helped under that legislation, and there is no reason why other farmers, who have not taken advantage of that Act, should not receive assistance under the present Bill. Men who have received assistance under the Farmers' Debts Adjustment Act invariably have their machinery in good order; their super is supplied to them on the specified dates; they draw monthly cheques for sustenance; they have the necessary credit arranged for spare parts. Nothing hinders them in the task of carrying on, and they are therefore able to produce good crops. Their neighbours in adjoining areas, in many instances, are not in the same fortunate position. I know of some instances where farmers have prepared their fallow, and have been able to obtain only 50 lbs. of super instead of the usual 90 to 100 lbs.

Hon. J. J. Holmes: You mean per acre?

Hon. H. V. PIESSE: Yes. It has been very difficult for those men to carry on. I can give an instance to lend point to what I say. On a farm I was controlling last year, the weeds had sprung up thickly. The farmer had done his fallowing, and 400 acres were prepared for cropping. In the early part of the season weeds showed up badly on the property. He came to me and said that because of his agreement under the Farmers' Debts Adjustment Act, he could not get sufficient kerosene to enable him to again cultivate the 400 acres. He asked me what he could do, and if I could arrange credit for him. At first I said I was afraid I could not do so, but, after discussing the matter with him, I told him to get the kerosene and charge it to me. I was prepared to take a risk and see what he could produce. As a result of that assistance, the man was able to replough the 400 acres and cultivate it. In consequence of that, he secured an average of 16 bushels to the acre, whereas his neighbours could not produce more than seven bushels to the acre. That merely goes to prove that that man was rendered far greater assistance by being provided with £90 to enable him to carry on, than he would have been had £200 or £300 been written off his indebtedness. As a result of that assistance the farmer was far better off because he was able to make a profit out of his produce. I would like to ask members how the farmers can carry on successfully unless money is provided

for that purpose. Even if their secured debts were written down by way of composition, many of the farmers will experience grave difficulties in arranging for credit to enable them to carry on. In effect, they will merely substitute secured debts for unsecured debts. There have been many instances in this State of wheat buyers making special advances to farmers on their wheat, and when the wheat was sold the merchants failed to recoup the full amount of the advance. This, in many instances, is practically the only unsecured debt of some farmers and, owing to the low prices for produce, they have been unable to effect any reductions in the advance so made. Wheat merchants have been prepared to stand aside so long as the farmers have acknowledged their indebtedness to them. In such instances, the new legislation will be helpful from the standpoint of compositions and adjustments. From boyhood I have been connected with grazing and mixed farming, and in the Province I represent some of the finest wool grown in Australia has been produced. Woolgrowers have suffered in silence during the depression and while the wheat farmers have received large bonuses, practically the only assistance the grazier has received is a bonus on the superphosphate he has used.

Hon. C. F. Baxter: The wheat farmer has had a worse time than the woolgrower.

Hon. H. V. PIESSE: The price of wheat has been affected in the same way.

Hon. C. F. Baxter: The wheat farmer lost 1s. per bushel on the wheat produced last season.

Hon. H. V. PIESSE: I will show the position regarding wool. On page 15 of the Royal Commission's report the various costs of producing wool are set forth as follows:—

	Per lb. of wool.
(a) Expenses of production—	
Working expenses, excluding all interest	6½d.
Annual maintenance and average drought expenses ..	1¾d.
Total wool expenses at the sheep properties	8½d.
(b) Expenses of production and marketing expenses—	
Expenses as above	8½d.
Rail freight, handling and selling charges	1d.
Total	9½d.

(c) Expenses, including interest on borrowed capital—	
Expenses, excluding interest paid at the point of sale as above	9½d.
Interest liability on borrowed capital	1¾d.
Total	11¼d.

I understand that there are 70,000 wheat farmers in Australia, of whom 60,000 are engaged in the production of wheat alone. There are 90,000 wool growers, and the total debts of wool and wheatgrowers are as follows:—

	£
Crown debts	50,000,000
State banks	20,000,000
Trading banks	73,000,000
Wool firms	30,000,000
Trustee companies	26,000,000
Insurance companies	5,000,000
Private mortgages	67,000,000
Unsecured debts	17,000,000
Total	228,000,000

It will readily be seen that with a total cost of 11¼d. per lb., it is impossible for the woolgrower to improve his property and carry on successfully with a minimum of 1s. per lb. He must receive at least 1s. 3d. per lb. for his wool.

Hon. L. Craig: One shilling will do.

Hon. H. V. PIESSE: I have heard that stated.

Hon. C. F. Baxter: The Woolgrowers' Association say that 1s. per lb. will cover costs.

Hon. H. V. PIESSE: Of course it will cover costs, but if any profit is to be shown, the 3d. extra is required. It has been stated that, in order to provide for the interest due in connection with the wool industry, which amounts to £7,000,000, the wool of no fewer than 21,000,000 sheep will be required on the basis of wool prices last year. If we exclude the flocks of over 10,000 that are owned by the graziers and companies, that leaves a total of 74,000,000 sheep out of which 21,000,000 sheep, or roughly one-third have to earn the interest required. In their report the Royal Commission that inquired into the wheat industry claimed that 30 per cent. of the wheat farmers can produce wheat at from 1s. 10d. to 1s. 11d. per bushel.

Hon. C. F. Baxter: It is a pity the members of the Commission did not try it.

Hon. H. V. PIESSE: They also pointed out that 70 per cent. of the farmers could produce wheat for 2s. per bushel and upwards. Interest is not included in those estimates, but I place the figure at 3s. per bushel, including interest. Wool production costs represent 9½d. per lb. without interest or, approximately, 11½d. per lb. including interest. That demonstrates that the largest burden that the two branches of industry have to shoulder is represented by interest. It has been said by city people that those engaged in the wool industry are wealthy and, to a great extent, do not require assistance. From my experience, I can flatly contradict that. The Wool Committee's report shows that there are in Australia 50,749 flock owners who each have a number of sheep less than 500, the total number of sheep they own being 9,661,000. Those men certainly are not making a fortune. I have a number of similar figures here dealing with larger flocks, but I will not weary members with them. Undoubtedly the Bill will assist the small sheep owner, and I think all will agree that those men should have assistance both from the State Governments and the Federal fund.

Hon. J. Nicholson: This extends to the pastoral industry.

Hon. H. V. PIESSE: Just prior to the depression many purchasers of farms lost their all by reason of the severe drop in the price of wool. In the south-west portion of the South-East Province there are many graziers who have gone through very difficult times, and in the western portion of the province the farmers have been endeavouring to lay down pastures for many years. In many instances they plant the seed, clear the land and top dress the pasture, but as they have to earn interest, there is a necessity to feed off the fodder before it is properly established. I sincerely hope the Agricultural Bank Commissioners in their wisdom will give extended time for this class of settler to meet his interest. One of the commissioners informed me that it was the intention to give this class of settler every sympathy. The fat lamb trade is going to be of great assistance to our district, and we are told a new company has been formed for the export business at Albany. This will be a great help, particularly to the small grazier and mixed farmer.

The following are the figures from one of my farms this year:—

	£	s.	d.
180 ewes valued at 7s. 6d. ..	67	10	0
Produced 146 lambs.			
The ewes and lambs were sold as follows:—			
146 lambs at 13s. ..	94	18	0
176 ewes in wool at 16s. ..	140	16	0
Total ..	£235	14	0
Cost of ewes ..	67	10	0
Surplus ..	£168	4	0

These ewes were offered for sale by public auction in 1934, and when the highest bid was 6s. I decided to cross them with long wool rams. So much of my speech I had intended to make on the Address-in-reply, but did not have the opportunity on that occasion. The Honorary Minister to-night in moving the second reading of the Bill, read what is known as the Abbott clause, as follows:—

That no grant shall be made under this Act to a State until there is in force in the State legislation constituting an authority empowered on application being made to it, and at its discretion to take action having the effect of suspending wholly or in part the rights of any secured or unsecured creditor of a farmer against the farmer.

As pointed out by the Honorary Minister, this is one of the main clauses in the Federal Loan (Farmers' Debts Adjustment) Bill. Some time ago at the request of a number of meetings of farmers in my district, I published in the Great Southern papers a copy of the Federal Bill and gave my ideas as to its provisions. At the same time I submitted a digest of the South Australian, the Victorian and the New South Wales Acts. Whilst not setting myself up as an expert in farmers' debts, I certainly have had a lot of experience, such as controlling an accountancy business which deals with farmers' affairs, and being a practical farmer and also a director of several businesses which deal mainly with the farmers. I must confess that the success of the businesses I am controlling is governed by the success of the primary producers. Dr. Earle Page when in Kalgoorlie, wired stating that our Farmers' Debts Adjustment Act was quite sufficient to deal with the Federal money, but unfortunately that has proved to be incorrect. The Honorary Minister to-night said it was not provided in the measure that the director of the Farmers'

Debts Adjustment Act, Mr. White, should have the control of the Bill when it becomes law.

Hon. C. F. Baxter: It is very necessary that he should be there.

Hon. H. V. PIESSE: That is so. He could depute his work under the Farmers' Debts Adjustment Act and take part in the greater work. The Bill provides that the Federal Farmers' Debts Adjustment Fund shall be administered by three trustees, the fund to be kept in a special account at the Treasury. I think we can leave it to the Government to appoint the right men, but I hope they will take into consideration those men who have had training in the Agricultural Bank and who have acted as trustees. Under the Bill the duties of the trustees are (1) To consider farmers' applications for advances from the fund to effect compositions with creditors, and (2) to consider applications from farmers and their creditors for the suspension of any debt, if the farmer has failed to obtain his creditors' approval to any satisfactory scheme of adjustment proposed under the Farmers' Debts Adjustment Act.

Hon. L. Craig: Most of that work will be done by the director.

Hon. H. V. PIESSE: Yes, but he has to submit his proposals to the other trustees. As conciliation is the motive underlying the debt adjustment proposals in this State, the Farmers' Debts Adjustment Act remains the machinery for the receipt and consideration of applications for relief. Thus all applications are to be placed in the first instance before the director, who will issue a protective stay order under the Farmers' Debts Adjustment Act. A further amendment will permit applications to be made direct to the trustees of the fund. The director may cancel this stay order before the date fixed for a meeting of creditors if a satisfactory arrangement with a creditor or creditors has, with the approval of the trustees, been arrived at without recourse to a meeting of creditors. If a meeting of creditors under the Farmers' Debts Adjustment Act proves necessary in order to obtain the requisite majority to enforce the scheme, the trustees must decide either before or after the meeting whether the amount required to effect the proposed composition can be released from the fund. The stay order at the disposal of the trustees issues only if a farmer applies for the suspension of debts after

having failed to arrive at any arrangement with these creditors, and the stay order may continue to enforce any debt suspension approved by the trustees, no interest being chargeable on the suspended debts during the period of suspension. Bank accounts are in a very different category. A man with an associated bank account may wish to apply to the trustees, and I was pleased to hear the Honorary Minister say that a clause was to be provided by which a man can apply for the adjustment of his debts whose account is under a bank or a mortgagee who does not wish him to make application. I wish to read this paragraph from a letter I have received from a Pingelly man with regard to the valuation of farmers' assets—

In my opinion it is doubtful whether any one man in the State has sufficient knowledge to enable him to place satisfactory valuations throughout the State. We have all seen too many mistakes made by valuers coming into our district who, while experts in their own districts were devoid of local knowledge.

I should like the Honorary Minister to consider this statement when the trustees are appointed. The trustees will have power to appoint in different districts valuers who should know the conditions. Let me give an instance. A certain man in the Lands Office refused to allow a farmer in the Nyabing district to carry on. The settlers condemned the official, Mr. Wardle, and called him everything under the sun. To-night I received a letter from the local branch saying that no man was more fit to carry on that work than was Mr. Wardle. That goes to prove that we have men available to carry out this essential work. Under the Agricultural Bank Act, all Agricultural Bank farms will be valued by officers of the Bank, and under the Farmers' Debts Adjustment Act the services of Agricultural Bank inspectors are available in an honorary capacity for this work. There is power to call in Bank officials for valuation work, and they could do it gratuitously. The trustees will have power after a valuation is made to postpone any portion of a first mortgage which they consider is an unsecured debt. Suppose a farmer owes on mortgage £2,500, and the property is valued on a productivity basis, the trustees and valuer would decide the largest amount possible that the debtor could pay in interest. If the mortgagee was charging 6 per cent. interest and the

trustees considered that the property could pay on its productivity only £90 per annum, £1,000 of the £2,500 mortgage would be placed in cold storage, or would be suspended for four years. Therefore the 6 per cent. interest, namely the £90, would be paid on the £1,500, this being considered the secured value of the property.

Hon. T. Moore: It could not be wiped off.

Hon. H. V. PIESSE: No, it has to be suspended. It is a first mortgage. If the mortgagee was charging 4 per cent. and the trustees considered that the farm could pay the £90 per annum, the secured value of the property would then be £2,250, and £750 would be suspended. Therefore it is really of no moment what rate of interest is being charged while this measure operates so long as the property is valued on its productivity. Under the form of stay order the trustees may, on the farmer's application, examine the debtor's original proposal and the decision arrived at by a meeting of creditors, with a view to suggesting, if the case warrant such action, another basis of settlement with creditors. The trustees may cancel this form of stay order at any time. Under the Farmers' Debts Adjustment Act, the stay order operates for only 21 days unless the creditors at a meeting resolve to continue it. Therefore it was necessary to have fresh legislation to permit of the using of the Federal money. If a stay order is issued by the trustees it will automatically close any bank account that is being operated by the farmer. I understand, from conversation I have had with the Minister, that the clause bearing on that matter is to be rectified. Important amendments are made to the Farmers' Debts Adjustment Act allowing the creditor of a farmer to apply on behalf of the farmer, if he so wishes, thus avoiding dealing under the Federal Bankruptcy Act. The trustees have power to hold meetings in any district in the State, but this will mainly depend upon the number of applications and the amount of work the trustees have to carry out. The power that the trustees have of appointing debt adjustment officers will obviate the need for many meetings in the country. The trustees have been empowered to delegate their authority,

and will allow debtors and creditors to meet together in the country with a view to presenting a proposition to the trustees. Regarding the charges proposed to be made, I intend to move that the fees be not more than £1. Surely the important consideration is to get the industry placed on a sound basis. Surely the State should be able to afford to make special grants instead of charging application fees to the farmers. The Premier, in his Budget speech on the 10th September, stated that he intended to restore the salary cuts made under the financial emergency legislation. I would much prefer to see that legislation kept in force, particularly if the proceeds could be used to assist farmers, who are the backbone of the State, and without whose prosperity the workers and the State will be the sufferers. Surely the State could help in this small matter of finding the necessary funds to cover the cost of the work. The Commonwealth have granted the money for debt adjustment, and it should not be too much to ask the State Government to assist similarly.

Hon. L. Craig: What was the fee charged under the Farmers' Debts Adjustment Act?

Hon. H. V. PIESSE: About £5. It has been stated that the Director has excessive powers. The clause states that the Director shall, after calling for and obtaining such information as he thinks advisable, submit the application to the trustees. The Director cannot agree to any composition unless the trustees are in accord. As a trustee and a man accustomed to operating under the Farmers' Debts Adjustment Act, I say that the unfettered power gives the trustees the right to carry out the necessary adjustment. The trustees should have unfettered power to grant and refuse advances. This clause, in my opinion, is the most important feature of the Bill. Paragraphs (a), (b), (c), (d) and (e) prescribe the only conditions under which trustees cannot make advances. The trustees have the following powers:—

1. Valuation of farmers' assets. They may have the farmers' assets, both secured and unsecured, valued, and are empowered to arrange a composition with the secured or unsecured creditors for varying amounts in the pound, according to the value of the unsecured assets of the farmer. They have the same power to deal with the unsecured creditor, but cannot

pass any resolution affecting a first mortgagee except with his consent.

Hon. J. Nicholson: That would be overridden by this Bill.

Hon. H. V. PIESSE: No.

2. Reduction of interest on secured debts. They may reduce the amount due for interest to what is considered possible for the farmer to pay, but not interfere with the rate per cent.

3. Variation of composition. Provision can be made for varying rates of payment for various classes of debts where investigation shows this to be desirable.

People have approached me with a composition and have expressed the wish to pay the man who had supplied groceries 10s. or 15s. in the pound, saying, "We do not want to see him done out of his money." I have a letter from one of the oil companies stating that they are prepared to accept 5s. in the pound. Given unfettered powers, the trustees may make any composition they like. They may give the country storekeeper 10s. in the pound and the city man 5s. in the pound.

Hon. L. Craig: It would have to be a just composition.

Hon. H. V. PIESSE: It would be just if the creditor were prepared to accept it. Justice is only what is asked for.

Hon. J. M. Macfarlane: If you have the power, use it!

Hon. H. V. PIESSE: The next point is—

4. Debtor's responsibility for small advance made. If the value of the unencumbered assets represents more than the amount the trustees are prepared to advance, the trustees can, if they so wish, advance payment on account, and the debtor would still be liable for the difference due.

A similar provision appears in the South Australian Act. Many people think that when an advance of 5s. is made under that Act, the debt is extinguished. It is not. The balance is still due by the debtor to the creditor.

Hon. L. Craig: A very dangerous power.

Hon. H. V. PIESSE: Well, it is given in South Australia. Suppose ten or a dozen creditors are prepared to carry on a man for 10 or 15 years if he pays 5s. in the pound, it will give the man freedom of action. All such compositions, in my opinion, could be made under this measure.

5. Returns for receipts and expenditure. The trustees can, if they wish, insist upon farmers, during any suspension period, keeping a record of their receipts and expenditure, and

inspection is to be made from time to time of the property and a report furnished to the trustees.

6. Overdue road board rates. Municipalities and road boards may participate in the distribution of funds under the Act, and the trustees have power to make compositions with these bodies accordingly.

I feel sure that compositions would be agreed to in many instances. When the Bill is in Committee, I intend to move an amendment that any local authority may agree to a composition without requiring to obtain the consent of the Minister.

7. Debt adjustment not to recur. As the trustees have unfettered power under the Act, any debts that have been adjusted will certainly not be eligible for further consideration as far as the stay orders are concerned in the future.

8. Repayment of money. The trustees have the power to postpone the repayment of money at their discretion to any time they think fit up to 20 years. A free gift is preferable.

The money has been given to Western Australia as a grant and it should be passed on. Paragraph (c) refers to debts that are statute-barred. These are to be exempt from any composition, but where farmers give an acknowledgment that they owe the debt, the claim will be admitted. Some people advised farmers not to make compositions or to give promissory notes, acknowledgments, etc. That advice was given throughout the whole of the State.

Hon. G. W. Miles: Who gave the advice?

Hon. H. V. PIESSE: The farmers were advised.

Hon. G. W. Miles: By you?

Hon. H. V. PIESSE: Not by me. Farmers who are in very difficult circumstances, in many instances, have not been sued by their creditors because they are considered to be honest men, but I am afraid that country storekeepers and other firms will take proceedings against a number of farmers so as to bring their debts within the statute period. Regarding the advancement of funds and protection for the Minister, Clause 10 provides that any advance from the fund is to be secured by a mortgage or charge in favour of the Minister over all the assets of the farmer. This mortgage, we have been told by the Minister, will take no priority over existing encumbrances, but will remain a charge in the event of the sale or realisation of the assets. The Minister has assured us that

this mortgage is not intended to restrict the right of any prior mortgagee to make further advances to the farmer as a means of carrying on his business, and that the mortgagee will certainly be protected in respect of any future advances and has the prior right under his mortgage. I would like to point out to the Honorary Minister that this clause will cause tremendous delay to the farmers. Every business man in the House knows that where a second mortgage or lien is registered, the first mortgage practically goes into realisation, as no further moneys can be advanced without the consent of the second mortgagee or lienholder. In Committee I intend to move the deletion of Clause 10, and make this a free gift. Failing the approval of the Chamber in that regard, I shall move that the Victorian provision be inserted in place of this one. My reason is that the money is a free gift to the State, and should be passed on wherever possible as a free grant to the primary producer. Whilst not altogether in favour of the use of the Federal money purely for debt adjustment, the money having been granted I consider it should be distributed as a free gift. The sole justification for the Government's coming to the aid of farmers in compounding debts lies in the fact that the present excessive debt position is due to abnormal circumstances arising out of the depression, and not due to lack of thrift or to inefficiency or any fault on the part of the individual debtor. I hold that the advance should be in the nature of a free gift, since no obligation remains on the State to repay the money to the Federal Government, nor yet to pay interest thereon. It should be noted that in Western Australia a large part of the indebtedness of the farmer is in the secured category, which is not subject to adjustment. May I give an illustration—

Assets valued at—
£3,500
Indebtedness—
£3,500 secured
£1,500 unsecured
£5,000

would only be £3,500. Let me give another illustration—

Assets—
£3,500
Indebtedness—
£3,000 secured
£2,000 unsecured

In this case the trustees would have to offer 5s. in the pound, or apparently the unsecured creditors would be injuriously affected. The adjustment would be £3,000 to secured creditor remaining fixed, and £500 to unsecured creditor added by the State mortgage to fixed securities. In other words, the farmer would be reduced to the point where he had no margin of security, such as would encourage traders to make credit available for further seasonal operations. The farmer would be tied to the security-holders to such an extent that his operations would be restricted. Further, as the intended mortgage to the fund covers all after-acquired assets, the new mortgage would have an effect similar to that of Section 51 of the Agricultural Bank Act, which has already been proved to discourage initiative on the part of the farmer, and to be definitely detrimental to the State, even though framed to safeguard the State. The effect of the second mortgage given to the trustees would be to prejudice the opportunity of the first mortgagee to render further assistance, since he would have to secure approval for further advances from the trustees before making any money available, or alternatively accept a risk not covered by his mortgage. Now as regards the sale of stock, even though these obstacles could be overcome, the delay occasioned would frequently mean the loss of an opportunity for timely and profitable enterprise. It may be necessary for a farmer to purchase or sell horses or stock at short notice in order to cope with weeds, feed position, and so forth. These emergencies almost invariably crop up without warning, and under ordinary circumstances cannot be foreseen. If possible it is desirable so to organise debt adjustment that it stimulates hope and enterprise in the mind of the farmer. In neither of the cases quoted is there much room for this development. In my opinion, one of the most dangerous effects of any move in the direction of having private debts adjusted at the public expense lies in the fact that it tends to build up wrong psychology in the minds of both creditors and debtors, who reason thus—If

To secure relief, the trustees may offer 2s. 6d. in the pound, £250 from the fund. If this offer is accepted, the farmer would, under Clause 10, be liable for £3,500 to the secured creditor and £250 to the fund, a total of £3,750, against which his total assets

the worst comes to the worst, there is always a chance that the department for debt adjustment will help me out; so why worry about accepting the responsibility for this debt I am incurring at the moment? Clause 10 of the Bill provides for repayment of 5 per cent., equal to 20 years' repayment, of £1,500, or £75 which should, in terms of the Bill, come back to the department annually. The effect of this provision is to maintain a department armed with an annual fund of £75,000 and empowered to use the money available solely for the purpose of debt adjustment. In other words, it perpetuates and encourages a wrong psychology, in the form of a belief that private debts in the last issue may be paid partly from public funds. I consider it would be better to stand on the ground that debt adjustment cannot be justified as a permanent part of our social and business relations, and therefore should be finalised as early as possible. From the farmer's viewpoint it should be noted that the effect of Clause 10 is to move unsecured debts into the secured category. If the provisions of the Act are such that farmers requiring debt adjustment are deterred from making application, then there will be a steady drift downward in the morale of the farmers concerned; and this can only end in injury both to the individual and to the State. The inevitable result of a policy of hampering the process of debt adjustment by the imposition of harsh conditions will be that the least worthy amongst debtors will apply for relief, whilst those most worthy of assistance will refrain from applying. As regards estates under the Federal Bankruptcy Act, where a man has assigned his estate and is working under a trustee, and is still on the property, a meeting of the man's creditors can be called, and as long as every creditor agrees to the re-transfer of the assets to the original owner, who has been placed under Part XI. of the Bankruptcy Act, an order of the Supreme Court could then be obtained and the farmer could make application under the Rural Relief Fund Act. A composition could then be made with his creditors, but the application to the court would be expensive. In many cases the creditors might get a small payment from this fund, and the mortgagee might be prepared to accept a much smaller amount in full settlement of his mortgage. Then the debtor might be able

to carry on successfully. I hold that this matter should be dealt with by the Federal Parliament, and the necessary amendment made in the Federal Bankruptcy Act. This would obviate the cost of applying to the Supreme Court of Western Australia. It has been stated that a satisfactory composition can be made with first mortgagees. Take the case of a man owing £4,000 to a bank on first mortgage. This farmer owes very little money outside his bank, which has paid for his sustenance and met his carrying-on expenses. However, when application is made and his property is valued, it may be found that his share of the assets is worth only £3,000 and that the unsecured part of the mortgage debt is worth £1,000. The first mortgagee may be prepared to accept £500 cash and write off the £1,000 representing the unsecured portion of his debt. The farmer would then have a mortgage of £3,000 to pay interest on. He would start repayment of the £500 advance, which is free of interest, at so much per annum. In this case there would be very little money to be found for outside creditors; and surely the advance of £500 free of interest would be a splendid thing for the farmer if he could get £1,000 written off his secured debts, and better still if the money were a free gift. This might also happen in the case of a private mortgagee or a trustee company. The Agricultural Bank, being a Government instrumentality, is debarred from participating. The Agricultural Bank Act empowers that institution to write down the value of farm mortgages to the productivity of the farms. The trustees are now arranging for re-valuations throughout Western Australia. Every case will be treated on its merits. Under Clause 9 of the Bill the trustees of the Rural Relief Fund are empowered to confer with the Agricultural Bank trustees with a view to agreeing to a composition for the writing-off of unsecured debts of their clients. Finally, I wish again to impress on hon. members that in my opinion the Rural Relief Fund Bill and the Farmers' Debts Adjustment Act must be worked together, as otherwise there will be two distinct departments dealing with the cases that come before them, whereas if the Director under the Farmers' Debts Adjustment Act is also a trustee of the Rural Relief Fund, he would

undoubtedly he in consultation with the other trustees, and would prepare the ground before a meeting was held. That is to say, the valuations could be discussed and a decision made as to how far the trustees would be prepared to go in effecting a composition. The farmers of Western Australia have been waiting patiently for this measure to be proclaimed; but I am afraid there will be many disappointments, as it may be difficult to arrive at finality in the matter. The farmer will not reap a great deal of benefit from the proposed advance unless the co-operation of the banks and the stock firms is forthcoming to assist towards the carrying-on of the man on the land. In considering this Bill, hon. members must bear in mind that it has been brought down with the object of assisting farmers, and not with any idea of helping mortgagees or business men, as stated by the Minister. I am not a believer in compulsion, and I think it would be detrimental to financing the man on the land if the board had power to write down the value of his mortgages. I congratulate the Government on having brought down the Bill. In Committee I shall move various amendments, which I am placing on the Notice Paper.

On motion by Hon. L. Craig, debate adjourned.

BILL—FORESTS ACT AMENDMENT.

Second Reading.

Debate resumed from the 18th September.

HON. W. J. MANN (South-West) [9.15]: My remarks will be very brief. Twelve months ago we had a similar Bill before us, and on that occasion the House agreed that as the Forestry authorities came to the conclusion that the reforestation of sandalwood was impracticable, this amount of money should be diverted to general revenue. Speaking on the question last year I agreed with those members who objected to the Government taking this money into Consolidated Revenue. I still object to the provision in the Bill which permits that to be done. I cannot understand why the Government persist in this action. I would prefer to see the Bill amended, and that particular clause struck out altogether rather than go on as we have been doing. On this occasion I shall vote against the second reading, and

we might do that as a protest against the action of the Government in dealing in the manner they have done with the money they collect from royalties. If the Bill is rejected it will obviate the necessity of the Government introducing it year after year.

On motion by the Chief Secretary, debate adjourned.

OBITUARY—HON. G. TAYLOR.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [9.18]: It is with feelings of deep regret that I have to refer to the death of the Hon. George Taylor who passed away this morning. Mr. Taylor gave many years of his life to Parliamentary work. He entered the Legislative Assembly as the member for Mt. Margaret in 1901, and continued as its representative until 1930. He was a Minister of the Crown and one of my colleagues in 1904-5, being Colonial Secretary in the Daglish Government. He was appointed Chairman of Committees in 1910 and was elevated to the Speakership in 1917. On leaving politics in 1930, he was appointed a member of the Licensing Court and held office for the full term of three years, when age compelled his retirement. In the House, or on the platform, he was a vigorous speaker, and, as a Minister, he gave assiduous attention to his duties. In his other capacities through life, he acquitted himself similarly well. During the last few years he was a severe sufferer, and it was only too apparent recently that the end was near. We must all feel for the bereaved relatives, and extend to them our sincere sympathy.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [9.20] in moving the second reading said: This is the usual Bill that is introduced each session to ensure the continuance of the Land Tax and Income Tax Act. It is not proposed to make any alteration to the existing legislation, and the rates of tax are identical with those levied for several years past. Agricultural, pastoral, and horticultural lands are again exempted from land tax. Other land tax receipts maintain a fairly constant level. The estimated revenue from

land and income tax is expected to approximate last year's receipts. The revenue from land tax receipts last year amounted to £121,895, and the total income tax receipts were £235,331. The estimated receipts for the current year are:—Land Tax, £120,000; Income Tax, £230,000. Income tax receipts registered a considerable improvement last year. The estimate was £175,000 and the actual receipts amounted to £235,331—an improvement of £60,331.

Hon. G. W. Miles: A lot of last year's assessments are not yet sent out.

The CHIEF SECRETARY: That is the case every year. It is considered that the improvement will be maintained this year, and the estimates have accordingly been based on last year's revenue receipts. The measure provides only for the continuance of the present Act without alterations. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—JUDGES' RETIREMENT.

Second Reading—Defeated.

Debate resumed from the 18th September.

HON. R. G. MOORE (North-East) [9.25]: I listened with interest to the debate and particularly to the remarks of Mr. Nicholson, who I think proved conclusively that it will be possible for judges to carry on their duties for many years after reaching the age of 70. Most members stressed the fact that it would be possible for judges to give a longer term of service than that proposed by the Bill. The question however is whether or not the Government should fix a retiring age for all Government employees or Government appointees.

Hon. H. S. W. Parker: Including Ministers of the Crown.

Hon. R. G. MOORE: Judges are appointed by the Government. Members of Parliament are elected by the people, and have no continuity of office except for the period for which they are elected. The

people who elect members to Parliament determine their retiring age. There is no analogy between judges and members of Parliament. All we have to consider is whether or not it is good policy to fix a retiring age for all Government employees. If we look at the position in a reasonable way we must come to the conclusion that there is something to be said for determining a retiring age. If we did not have a retiring age for the members of the public service there would be chaos and confusion in a short time. There are special circumstances connected with judges that entitle them to special privileges. Their retiring age should be greater than the ordinary retiring age. This Bill gives them an extra five years.

Hon. L. Craig: Make the age 75 years.

Hon. R. G. MOORE: Other people retire at 65. I should like to see the age in the case of judges extended to 72 or 73.

Hon. L. B. Bolton: Why split straws?

Hon. R. G. MOORE: Sometimes it is advisable to do that.

Hon. L. B. Bolton: Not with a judge.

Hon. R. G. MOORE: I am not sure that it amounts to splitting straws. If a man has reached the age of 70 and another three years is added to his life of office, it is not a case of splitting straws. The argument advanced by Mr. Bolton impressed me. He spoke about the cost to the State of the pensions we have to pay people when they could carry on for a longer term. That, however, loses its significance unless it is made general in application. If there are many people other than judges to whom it does not apply, it must go by the board. In this case we are the judges. We must deal with this Bill impartially and without fear or favour. We have fixed the retiring age for magistrates who are doing similar work. Many of the arguments that apply to judges also apply to magistrates, who have to retire at 65.

Hon. H. S. W. Parker: They retire at 70.

Hon. R. G. MOORE: I thought it was 65. There are other things to consider. One is the employment of youths. The State has recently launched an appeal on behalf of youth and motherhood.

Hon. H. S. W. Parker: Do you suggest putting apprentices on the bench?

Hon. R. G. MOORE: If a vacancy is created at the top, one must be created at the bottom. The system must be general

application. If the Director of Education left office someone would be taken on from the lower end of the staff.

Hon. H. S. W. Parker: Another solicitor is not appointed when one gets on the bench.

Hon. R. G. MOORE: Another judge is appointed when one retires. Someone else has to do the work he was doing. If one man is shifted from a position, another is put in his place.

Hon. H. S. W. Parker: I am in favour of appointing 200 or 300 judges.

Hon. R. G. MOORE: I am not concerned about the number. It is a matter of putting these people on the same footing as others. If a man has retained office and led a strenuous official life up to the age of 70, and he is still fit to carry on, instead of bemoaning the fact that he has to retire, he should thank God that he is well enough to put in a few years of leisure before he crosses the Great Divide. In the case of a judge it should be a blessing in disguise. I support the second reading of the Bill.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [9.35]: The opponents of the measure do not appear to be in favour of fixing any retiring age for judges—even in excess of 70 years. They apparently believe that our judges belong to a race apart from ordinary human beings—a race that has tapped the fount of eternal youth to such an extent that their faculties never become impaired. Moreover, they seem to be under the impression that judges are not appointed until they are close to the age at which the measure proposes that they shall be retired. From what I have read I should say that this is not so. There has been a definite trend throughout the British Empire, in recent years, towards the policy of appointing younger men of proved ability to judicial office. It is seldom that a person over 55 years is appointed to a high judicial office, although in exceptional cases, an older man may have been appointed. The last three lawyers elevated to the High Court Bench—Messrs. Dixon, Evatt, and McTiernan—were all under the age of 40 years when appointed. Mr. Justice Stark was in the early fifties when he was appointed, and it is expected that the successor to the present Chief Justice will be a comparatively young man. This measure does not propose to put into operation action that has not been con-

sidered and applied anywhere else. On the contrary, it is bringing this State into line with a trend of thought which has been given expression throughout the British Empire at the present time. As a result of the inquiries of a Royal Commission in England, a strong feeling has arisen that, as a matter of policy, a retiring age should be fixed for judges. As I have pointed out, Queensland and New South Wales already have legislation on the statute book to that end, and a Bill has been introduced in the Victorian Parliament for the compulsory retirement of Supreme Court judges at 70 years of age. The debate on the Victorian Bill has been adjourned, at the request of members, until the Government submit further legislation to embrace all branches of the judiciary. Our Arbitration Act makes it compulsory for the President of the Arbitration Court to be retired at the age of 70 years. Surely the occupant of such a position requires wisdom and knowledge, and alertness of intellect. His decisions have widespread effect and the industries of the State and the welfare of thousands of workers are in his keeping. When the Arbitration Bill was introduced in 1925, there was provision that the tenure of office of the president should be similar to that of judges—that is for life.

Hon. H. S. W. Parker: When the Bill was originally introduced it provided for a tenure of seven years.

THE CHIEF SECRETARY: I am speaking of the 1925 measure.

Hon. H. S. W. Parker: It was opposed by the Opposition, and the appointment was then made for life.

THE CHIEF SECRETARY: The Bill did not altogether meet with the approval of members of this Chamber, and it was finally submitted to a conference of managers. Among other amendments made at that conference, was one which provided that the President should not continue in office after he had attained the age of 70 years. That provision met with the approval of members of this Chamber, and the Bill was passed. In 1929 the late Mr. T. A. L. Davy, K.C., introduced into Parliament the Stipendiary Magistrates Bill. Mr. Davy considered that there should, as a matter of policy, be a retiring age for stipendiary magistrates. He expressly provided for it in his Bill and fixed the age at 70 years. Mr. Davy was a legal practitioner of extremely high standing, commanding the greatest respect of the legal profession

throughout the Commonwealth, and of the Supreme Court Judges in the State, and of the Justices of the Commonwealth High Court? He was a man capable of clear and sound judgment, and he considered necessary a policy for a retiring age for stipendiary magistrates.

Hon. J. J. Holmes: That Bill was introduced to give the magistrates some security of office. They had none before.

The CHIEF SECRETARY: If it was a sound principle to adopt in the case of the President of the Arbitration Court, it is equally sound in the case of judges of the Supreme Court.

Hon. H. S. W. Parker: The retiring age of the President of the Arbitration Court was fixed at 70 by the managers of the conference.

The CHIEF SECRETARY: And was accepted by managers representing this House.

Hon. J. J. Holmes: Of whom you were one.

The CHIEF SECRETARY: And one other member I know well. The policy of fixing a retiring age for permanent judicial officers has in different places not only received the support of Governments and members of Parliament, but also that of the legal profession and of eminent individuals whose opinion commanded respect. In Victoria the legal profession is unanimously in favour of amending the Act to enable judges to be retired at the age of 70. Parliament has established the policy in respect of two out of three classes of permanent judicial officers in this State, and any opposition to the extension of that policy to the remaining class is not only illogical, but is definitely inconsistent with the marked trend of modern policy throughout many parts of the British Empire including the Mother Country itself. Members have stressed the fact that many men are at the zenith of their intellectual powers at 70 years of age, but does that entitle us to presume that all judges will retain that physical and mental alertness for many years beyond that age? I do not think it does. I believe that we should make provision to retire them before the decline sets in, not only for the sake of the community, but for their own sakes as well, so that they may be enabled to enjoy some measure of leisure whilst still in full possession of all their

faculties. I hope the House will not reject the Bill.

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

Ayes	..	..	..	..	9
Noes	..	..	..	..	12

Majority against 3

AYES.

Hon. L. Craig	Hon. J. M. Macfarlane
Hon. J. M. Drew	Hon. R. G. Moore
Hon. G. Fraser	Hon. I. Moore
Hon. E. H. Gray	Hon. H. Tuckey
Hon. W. H. Kitson	(Teller.)

NOES.

Hon. E. H. Angelo	Hon. H. S. W. Parker
Hon. V. Hamersley	Hon. H. V. Piesse
Hon. J. J. Holmes	Hon. H. Seddon
Hon. W. J. Mann	Hon. C. H. Wittenoom
Hon. G. W. Miles	Hon. H. J. Yelland
Hon. J. Nicholson	Hon. L. B. Bolton
	(Teller.)

Question thus negatived; the Bill defeated.

House adjourned at 9.49 p.m.

Legislative Assembly,

Tuesday, 24th September, 1935.

Ministerial Statement, Aid to wheatgrowers	... 802
Bill: Traffic Act Amendment, 3R.	... 803
Annual Estimates, 1935-36, Com. of Supply	... 803

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

MINISTERIAL STATEMENT—AID TO WHEATGROWERS.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [4.32]: On Thursday, the 12th September, in reply to a question asked by the Leader of the Opposition, I stated that "The Commonwealth Acts provide straightout payments of 3s. per acre, and 9d. per bushel." I find this was an error, and that the statement should have read, "3s. per acre, and 3d. per bushel."