

the mortgage under which mortgaged land is held. I have been particularly asked to direct the attention of the Minister to what might happen. It would be distinctly unjust for the commissioners to have unlimited power to pay arrears of rent to the Crown or arrears of instalments on repurchased estates, which could be construed as any other advances under Clause 50, and would have priority over any other encumbrance. I hope that members who opposed our attempts to amend Clause 50 as well as the public, will fully realise the position.

Schedule put and passed.

Title—agreed to.

Bill reported with amendments.

*House adjourned at 12.2 a.m.  
(Wednesday).*

## Legislative Council,

*Wednesday, 28th November, 1934.*

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

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

*Report Presented.*

Hon. J. Nicholson brought up the report of the select committee.

Report received and read.

On motion by Hon. J. Nicholson, ordered: That the report, with the accompanying documents and evidence, be printed.

### LEAVE OF ABSENCE.

On motion by Hon. H. S. W. Parker, leave of absence for six consecutive sittings granted to Hon. J. M. Macfarlane (Metropolitan-Suburban) on the ground of urgent private business.

### PAPERS—AGRICULTURAL BANK.

*Officers' Dismissal Recommendation.*

Debate resumed from the previous day on the following motion moved by Hon. E. H. H. Hall:—

That all files and papers concerning the two officers of the Agricultural Bank, whose dismissal was recommended by the Royal Commission on the Agricultural Bank, be laid on the Table of the House.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [4.50]: I have no objection to the production of the papers. There are a large number of them and they are now being assembled. When they are collected, they will be laid on the Table of the House.

Question put and passed.

### BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

*Second Reading.*

Debate resumed from the previous day.

**HON. H. SEDDON** (North-East) [4.51]: In 1931, when the Premiers' Plan was first put into operation, the Act that the Bill seeks to amend was one of the measures introduced. At that time every Government in Australia was faced with two alternatives. One was to introduce the Plan as embodied in the Financial Emergency Act and other measures. The other was to face what was declared by the then Prime Minister to be in the position, namely, that Governments would not be able to meet their obligations, and he also said he could see no alternative for them but to reduce wages and salaries to an amount which meant that they would be able to pay about 12s. 6d. only in the pound. When moving the second reading of the Debts Conversion Agreement Bill,

which was associated with the Premiers' Plan, the then Premier of this State, Sir James Mitchell, made the following statement in the Legislative Assembly:—

The conference has, therefore, adopted a plan which combines all possible remedies in such a way that the burden falls as equally as possible on everyone, and no considerable section of the people is left in a privileged position. This sharing of the burden is necessary to make the load more tolerable; it is still more necessary because only on this condition will it be possible to get the combined effort required. The plan has been adopted by the conference as a whole, each part of which is accepted on the understanding that all the other parts are equally and simultaneously put into operation. It embraces the following measures:—

- (a) A reduction of 20 per cent. in all adjustable Government expenditure, as compared with the year ended the 30th June, 1930, including all emoluments, wages, salaries, and pensions paid by the Governments, whether fixed by statute or otherwise, such reduction to be equitably effected;
- (b) Conversion of the internal debts of the Governments on the basis of a 22½ per cent. reduction of interest;
- (c) The securing of additional revenue by taxation, both Commonwealth and State;
- (d) A reduction of bank and Savings Bank rates of interest on deposits and advances;
- (e) Relief in respect of private mortgages.

It is interesting to refer back to those conditions under which the legislation was introduced in order to point out just exactly what the position is to-day, to see how far the Plan has been carried out, and to note to what sections relief is being extended to-day. Regarding the Bill under discussion, last year the Government granted relief to a certain section of the Government employees who received up to a certain amount, and also to those employees engaged in private enterprise who came under Arbitration Court awards. Under this year's Bill, the proposal is to extend the provisions of that measure to allow relief from the Plan to all Government employees who receive £500 per annum or under who did not benefit from the legislation last year. Other officers who are in receipt of salaries exceeding £500 per annum are still to be subject to a reduction on the proportion of their salary in excess of £500. We were told that the cost of the concession granted last year was in the vicinity of £110,000, and this year we

have been informed the cost will be £90,000. I have already pointed out that the intention of the Premiers' Plan was that the burden consequent upon the depression was to be applied as equally as possible. One would have thought, when the time came for the Government to grant relief from the operations of the Plan—and it has been contended that the position has so materially improved as to warrant that course—the remedy could be given in accordance with the principle laid down in the Plan. So far, however, the only relief that has been extended is that provided for in this Bill. Other measures in connection with the Plan are still in operation, and in some instances the reductions effected have exceeded those provided for in the Plan. The interest on our public debt is lower than that indicated in the Premiers' Plan. Whereas in 1931 our internal loans amounted to £560,000,000 in respect of which the average rate of interest was slightly over 5 per cent., to-day, according to the "Commonwealth Government Gazette," published in March last, the rate of interest is £3 16s. 1d. As to our external loans, I find from the same authority that the rate has been reduced from an average of £5 11s. 6d. to £3 17s. 8d. That means that persons who have lent money to Governments, Commonwealth and State, have suffered a materially reduced return from their securities. Additional revenue has, of course, been obtained under the various measures introduced since the Plan was put into operation. On the other hand, taxation this year is to be increased in certain directions by the State Government, although the Commonwealth Government have effected material taxation reductions. Savings Bank and commercial bank interest has been materially reduced compared with what it was before the Plan was instituted. Private mortgages are still subject to a reduction of 22½ per cent under the provisions of the Bill. It is interesting to note that all the other measures embraced under the Premiers' Plan are still in full operation and there is no intention, so far as we are aware, of relief being granted from those several measures. The objective of the Premiers' Plan that was forced on the various States was to balance budgets and introduce a sound system of Government finance. Although three years have elapsed since the Plan was first put into operation, deficits are still incurred by various State

Governments, but there has been a considerable reduction in that direction. The fact remains that Governments are still budgeting for deficits so that the main object of the Premiers' Plan has not been achieved. The accumulated deficit in Western Australia to the end of September, according to the quarterly returns published in the "Government Gazette," was £5,333,000. That represents the deficit that has accumulated since 1929. Prior to that date, although deficits were experienced, they were annually included in the national debt and were funded. The deficits at the present time we are informed are provided for out of Treasury Bills or what are called short-term loans which each Government is carrying and renewing from time to time. It is argued by the Government that under this form of borrowing it is not necessary to bring into operation the provisions laid down in the Financial Agreement of 1928, the agreement which was accepted by all Governments, the present Government of this State included. This was that where deficits were funded they were to carry a sinking fund of four per cent. That provision is being evaded under the guise that the debt, being a short-term debt, is not a funded debt, and that therefore there is no necessity to apply to it the provisions of the Financial Agreement. Personally I consider the distinction a very fine one. I fail to see that there is the slightest difference between a short-term debt or a long-term debt as far as its being a debt is concerned. It is only right that we should draw the attention of the general public to the position which existed then and the position existing now, and also to the policy which actuated Governments then and the policy being pursued to-day. We find it is now an accepted principle that Governments are content to budget for continued deficits instead of making strenuous efforts to place the finances on a sound basis and balancing budgets. The time has arrived when the whole of the financial emergency legislation might be put into the melting pot, so that we might approach the question from an entirely different standpoint. A number of anomalies exist under the present unbalanced plan, and it is quite time the question was approached with a new objective and something done to effect relief on an all-round basis of perhaps 15 per cent. The present piecemeal method is acting unfairly, and

commercially it is acting detrimentally in the direction of preventing investors from supporting those industries of the State which go so far towards providing permanent and productive employment. I am inclined to support the previous speakers who intimated their intention of opposing the extension of this legislation with a view to recasting it entirely.

**THE HONORARY MINISTER (Hon. W. H. Kitson—West)** [5.4]: Although there is only one point involved in the Bill the debate has covered a very wide range indeed. One or two members have surveyed the whole of our emergency legislation, and therefore it might be desirable for me to reply briefly to some of the points which those members have endeavoured to make. First of all the Bill merely carries on the principle which was agreed to last year of extending exemptions to certain people in the employment of the Government. Last year we exempted those receiving £293 or less. This year we have increased that amount to £500, and here again I may say that that is strictly in accordance with the policy of the Government as enunciated at the last election. We then said we would, when the opportunity offered, relieve the wage earners and salary earners of their liability under this Act in a progressive manner. We hope that the time will shortly arrive when we shall be able to do without this particular measure and all other emergency legislation, and we simply say at the present time that we believe the position is such that in all fairness, particularly to members of the civil service, we should agree to extend the exemption from £293 to £500. As a result of the Bill which we agreed to last session there were quite a number of anomalies which created dissatisfaction in various circles. The Bill before us, if it is agreed to, will remedy those anomalies, and principally the anomalies which had to deal with the question of margins, that is, the margin of payment received by one person on account of occupying a position carrying more responsibility than the position occupied by another person. While the Bill will not restore the whole of the margins in full, it will go a long way towards reaching that position, and to that extent it is calculated at least to give satisfaction to those persons who

considered they were hardly dealt with by the Bill of last year.

Hon. J. Cornell: It is so unsatisfactory that the civil servants intend to approach the Arbitration Court.

Hon. H. Tuckey: What about the margins concerning property owners?

The HONORARY MINISTER: Replying to Mr. Cornell's interjection, the Government have no objection to any section of the workers approaching the Arbitration Court. As a matter of policy we say that any workers who desire to approach the court should be allowed to do so. Mr. Cornell in the course of his speech surveyed pretty well the whole of our financial emergency legislation, and as I understood his remarks, he made two points in particular. The first does not affect this Bill, but refers to another Bill, that dealing with reduction of rents. He stressed the fact that there were two cases on the goldfields where hardship was being suffered as a result of the operation of that particular Act. My reply is that there is provision in the Act whereby a landlord, if he is not satisfied, or if he feels that he has a right to receive a higher rental than that prescribed by the Act, is able to make representation to the proper authorities, and if his case is good enough he will get redress by being permitted to charge a higher rent. There is a qualification, however, that no one shall be allowed to charge a higher rent than that operating previously. The other point the hon. member stressed was with regard to the method by which we arrived at the benefits to be given to various people under this Bill. He said there was no valid reason why the Government should apply the basic wage principle to the restoration of the cuts under the Financial Emergency Act. I have come to the conclusion that he is not objecting so much to the restoration as to the method by which it is being arrived at.

Hon. J. Cornell: Exactly. The original wage was not fixed by that method.

The HONORARY MINISTER: That is not altogether true because the Public Service Commissioner stated in his report when he classified the service that he had taken the cost of living into consideration together with the responsibility of the position. We are endeavouring to be equitable, and as far as those who come under the jurisdiction of the Arbitration Court

are concerned they must naturally be affected by the variations in the basic wage. That applies to all workers who are operating under awards or industrial agreements. Then with regard to those members of the service who were exempted last year, those under the £293 basis, in order to place them on the same basis as the workers subject to Arbitration Court awards, we decided it would be necessary to take into consideration the variation of the basic wage which amounted to £42 per annum.

Hon. J. Cornell: Can you tell me why the State hotels charge civil servants as much for board to-day as they did before 1929?

The HONORARY MINISTER: The hon member had better give notice of that question.

Hon. J. Cornell: Well, they are doing so.

The HONORARY MINISTER: If that be true, I am certain that the charges compare favourably with those imposed by other hotelkeepers.

Hon. J. Cornell: Other hotels have reduced their tariffs, but not so the State hotels.

The HONORARY MINISTER: We are endeavouring to make equitable the position of all persons affected by this measure and having adopted that principle last year, we are continuing it this year. I will be patent to all members that when the time arrives when there will be no necessity for this particular Act—and I sincerely hope that that time will arrive—it will be allowed to go by the board; then the cost of living or the basic wage variation to which Mr. Cornell objects so strongly will probably go by the board too because when this Act does go out of operation it will then be the duty of the Public Service Commissioner to fix salaries as he did in the past. Should the civil servants go to the Arbitration Court they will then be subject to the decisions of the court just as are other organisations. I the court declares that the basic wage variation must be taken into account, they will suffer that disability, if it should be a disability. The hon. member said he desired to warn members that there was more behind this move than appeared on the surface. There is nothing more behind this move than I have already stated. We desire to be consistent with all persons affected by the Act. I wish the position

were such that we could do away with the Act altogether. Some reference was also made as to why we should be restoring cuts to the extent we are doing, when the other States are not making a move in the same direction. I have made inquiries and I find that something is being done, not necessarily by the same method and not necessarily to the same extent. The Commonwealth was mentioned by more than one member, but the Commonwealth have restored the original salaries to all the members of the Commonwealth service who come within the automatic range. The Commonwealth have gone a long way further than we propose to go. I would also point out that the financial position of the Commonwealth is considerably different from ours. Their finances are almost buoyant compared with ours, so that there is every justification not only for what the Commonwealth Government have done up to date, but also for going a little further.

Hon. J. Cornell: But our finances are not buoyant.

The HONORARY MINISTER: For the information of hon. members, these are the remissions which have taken place in the Commonwealth and in other States. Where Commonwealth deductions are still taking place, they range from  $10\frac{1}{2}$  to  $17\frac{1}{2}$  per cent. In New South Wales the original deductions were from 15 to 25 per cent., and are now from 12 to 20 per cent. In Victoria the original reductions were from 6 to 27 per cent., and are now from  $4\frac{1}{2}$  to  $20\frac{1}{4}$  per cent. In Queensland the original deductions were from 15 to 20 per cent., and to-day there is a basic wage deduction on £500, somewhat similar to our proposal.

Hon. J. Cornell: Perhaps you are working together.

The HONORARY MINISTER: There is no collusion, if that is what the hon. member infers. In Tasmania the original deductions were from 20 to 25 per cent., and to-day they are from 10 to  $12\frac{1}{2}$  per cent. Commonwealth salaries fluctuate with variations in the cost of living. While we have been advised that Commonwealth remissions from financial emergency legislation have been  $2\frac{1}{2}$  per cent. in 1933-34, with a further five per cent. in 1934-35, a table prepared by the Commonwealth Public Service Federation shows that normal salaries have

been restored to all officers receiving up to £390 per annum. Salaries outside that range appear to be subject to deductions ranging from  $12\frac{1}{2}$  to  $17\frac{1}{2}$  per cent. on the balance above £400, after the cost of living reduction has been applied; again very similar to what we propose in our Bill. As a consequence the remissions to higher-paid officers are much more substantial than those proposed under our Bill. Commonwealth officers who in 1930 received £912 per annum obtain a benefit of £76, and those who in 1930 received £2,000 obtain a benefit of £109 per annum. As I have already informed the House, under our Bill it does not matter what the salary may be—the maximum amount of benefit to be obtained is £58 per year. Mr. Holmes had quite a lot to say on the measure. He commenced his criticism of the Bill by stating that it was the only financial emergency measure which the Government had attempted to amend. I do not find fault with the hon. member for saying that.

Hon. J. J. Holmes: It is a fact.

The HONORARY MINISTER: I do take exception, however, to one of Mr. Holmes's statements, that about half a million pounds would be taken out of profitable employment, placed in the Treasury and used, as he thought, in a reckless manner. I do not think the hon. member has any just reason for suggesting that the expenditure of the present Government is reckless. If it is, I would like the hon. member to show us where.

Hon. J. J. Holmes: No more reckless than that of any other Government.

The HONORARY MINISTER: The hon. member referred to half a million of money being taken out of profitable employment, placed in the Treasury and used in a reckless manner.

Hon. J. J. Holmes: That refers to the emergency tax.

The HONORARY MINISTER: What is reckless as regards the manner in which the money is being spent? It is all very well to make such statements. May I ask, for instance, whether the restoration of the Onslow jetty represents reckless expenditure?

Hon. C. F. Baxter: It depends on what happens in the future. There may be more storms.

The HONORARY MINISTER: We are rebuilding that jetty. There is a case affect-

ing the hon. member's own province. I do not think one item of the present Government's expenditure since taking office can be rightly pointed to as being reckless. We have spent a tremendous amount of money on relief work. The greater part of our Loan money has been devoted to finding employment for the unemployed, a thing which every member of the Chamber has been pressing the Government to do, day in and day out. Is that reckless expenditure? The balance of our Loan expenditure is so small that I do not think it matters much. It is easy to criticise what is being done, but there seems to be extreme difficulty in suggesting an alternative that would be more satisfactory.

Hon. J. J. Holmes: You will not take any notice of our suggestions, or of our amendments to Bills.

The HONORARY MINISTER: It all depends on what they are. They may be reckless from our point of view.

Hon. J. Cornell: After all, recklessness is only a question of degree.

The HONORARY MINISTER: It may be a question of opinion, too. In any event, Mr. Holmes, while discussing the Bill, took the opportunity, as he frequently does, to impress upon the House the fact that the primary industries of Western Australia, and particularly those of the North, are in a very bad way indeed. I agree with him that they are, but I am afraid I cannot agree with some of the contentions put forward by the hon. member. I know, for instance, that the cattle industry of the Kimberleys is having a very bad time indeed. The hon. member suggests that something more could be done for it than has already been done. Now, the hon. member knows just as well as I do that the Wyndham Meat Works represent a big liability to be undertaken every year by the Government. It costs the Government between £60,000 and £70,000 per annum to keep those works going, and the cattle growers are not charged with one penny of that loss. The fact shows that not only the present Government, but previous Governments as well—

Hon. J. Nicholson: Perhaps that is the reckless expenditure to which Mr. Holmes refers. You may be paying excessive sums up there.

The HONORARY MINISTER: I do not think Mr. Holmes meant his remark in that

way. The £60,000 or £70,000 to which I referred represents interest on capital expended in the past.

Hon. G. W. Miles: You would have to pay that interest if the works stopped.

The HONORARY MINISTER: Undoubtedly. So far as the cattle industry is concerned, that is a liability which Governments have to accept. During the last few years the present Government have taken steps which I believe will prove of great benefit to the cattle growers. I refer now to the alteration of the works to an extent enabling us to export chilled beef instead of frozen. There is a big problem in that direction, and nobody knows it better than Mr. Holmes.

Hon. G. W. Miles: That is the only ray of sunshine we have.

The HONORARY MINISTER: I believe it is the only ray of sunshine so far as Wyndham is concerned. I am pleased to be able to inform the House that the three experimental shipments we made last season have turned out most satisfactorily. One shipment in particular meant an increase in price of a little over 30s. per head for the cattle comprised in the shipment. That, undoubtedly, is a fine result. If we can increase the quantity of chilled beef for export and obtain that improvement in price as compared with the return from frozen beef, the position of the Kimberley growers will be much improved.

Hon. J. J. Holmes: Were not those big carcasses specially picked for chilling?

The HONORARY MINISTER: I do not think it is right to suggest that the cattle were specially picked for chilling, but it is true that only a percentage of the cattle in the far North are fit for chilling. That is where the grower will have to do his bit in order to try to improve the position.

Hon. C. F. Baxter: What percentage were you paid?

The HONORARY MINISTER: I do not think it would be fair for me to hazard a guess on that point.

Hon. C. F. Baxter: Could you increase the quantity of chilled beef?

The HONORARY MINISTER: Yes. In fact, we are expending further money in the alteration of the works; and we hope that these alterations will enable us next season to export twice as much chilled beef as we have exported this year. As we have proved that our method is highly satisfactory, that the transport is perfectly all right, and that

we can market the chilled beef in the Old Country with good results, it seems to me that all that remains to be done is to improve the quality of our stock in the far North.

Hon. J. J. Holmes: It is necessary to begin with the herds.

The HONORARY MINISTER: Several things are necessary to be done. First of all, I should imagine, the cattle growers will have to introduce new blood.

Hon. E. H. Angelo: I do not think they have the money.

The HONORARY MINISTER: I know there are difficulties, but that is one thing which undoubtedly will have to be done. Further, the growers will have to go in for a great deal more in the way of fencing and water supplies than they have been able to accomplish up to date.

Hon. G. W. Miles: More money!

The HONORARY MINISTER: We all require more money. That is one of the problems we have to face. The present Government and I as Minister controlling the Wyndham Meat Works, are doing our best to help. Mr. Holmes came down the coast by degrees, eventually arriving at Broome. He stresses the fact that Broome is in a highly parlous condition—I think those were his words.

Hon. C. F. Baxter: It was my expression.

The HONORARY MINISTER: There again the hon. member is perfectly right. I was at Broome only recently, and I realise that what the hon. member says is quite correct.

Hon. J. J. Holmes: Sometimes I do make a mistake and say the correct thing!

The HONORARY MINISTER: Undoubtedly the pearling industry is at a lower level than it has ever been. The probabilities are that if there is no improvement in the price of pearl shell, quite a number of those engaged in the industry must necessarily go out of it.

Hon. T. Moore: Did not the Government assist the pearlers too last year?

The HONORARY MINISTER: The assistance given them last year was in the form of loans of £100 each to a certain number of boats. The owners agreed to repay that loan, at the rate of £20 per ton, on the sale of shell after the first ton. So far as I know, they have met that obligation.

Hon. G. W. Miles: Yes, they have.

The HONORARY MINISTER: Unfortunately, however, they are now in a worse position than they were in then. Probably it will be necessary to finance them twice as much as last year before they will be able to start next season's work. If the price of shell does not improve, their position will become worse and worse each year, until eventually they will reach the stage where they will not be able to repay any advances. I objected to one statement the hon. member made, to the effect that if the State Government do not reduce the charges imposed on the industry at Broome, the industry must go out of existence. That is not a fair statement, for concessions have been granted to Broome in several directions. While it may be true to say that if representations are to be made to the Commonwealth Government it would help considerably if it can be shown that the State Government have given assistance, it certainly is not true to say a reduction in the charges levied by the State Government on Broome is necessary if the industry is not to go out of existence. That is putting it too strongly.

Hon. J. J. Holmes: That was an extract from a letter received from the Pearlers' Association.

The HONORARY MINISTER: I do not think so. In any event, I interjected, and the hon. member suggested that perhaps I knew the figures. I do, and I will quote them. There are two departments concerned in this matter; one is the Harbour and Light Department, which charges tonnage dues on pearling luggers and store ships, and also wharfage and handling. The total amount of money received by that department from Broome is £793. Yet even at the low prices ruling, shell is worth £125 per ton, and there are 80 boats engaged in the industry; so we can see how infinitesimal is the revenue received by the department. Then the Fisheries Department have received from Broome fees amounting to £912 3s.

Hon. G. W. Miles: Does that figure for the Harbour and Light Department include the £2 8s. per boat?

The HONORARY MINISTER: Yes, it includes everything. There are many essential services rendered in Broome, all of which are charged for at an entirely reasonable rate. So members can see that even

if we did not impose any charge at all, it would not make any material difference to the position.

Hon. J. J. Holmes: So you cannot do anything at all for Broome?

The HONORARY MINISTER: I do not say that. While in the Eastern States recently, I tried very hard to do something for Broome. Representations are being made at present by our Commonwealth representative, with whom I have been working in co-operation. Then Mr. Green, M.H.R., and also Mr. Curtin, M.H.R., are both interested in this matter, and are doing what they can with the Federal Government. When I was in the Eastern States a few weeks ago it was very difficult to get anything definite from any Minister, probably because the Commonwealth Cabinet was in the melting pot, while the Duke's visit also complicated the position. However, I did what I could to assist the industry. Even this year there has been a little assistance rendered in another direction, which, while not affecting the pearling industry, will be helpful to the people of the North. We realise the position those people are in, and we desire to assist them as far as we possibly can. I feel sure the representatives of the North Province will agree we have endeavoured to meet them in every possible way. Mr. Thomson indulged in criticism somewhat on the lines of other speakers, and complained that most of the loan money was to be spent in the metropolitan area, which, as I showed last night on another measure, is far from being the truth. He went on to say that unless the Government provided assistance for the primary producers we were not justified in proceeding with this Bill. He admitted that assistance had been rendered in the past, but he said that assistance had not been by way of increased income or of relief from payments. He added that their land rents had been put up, and that the farmers themselves were not in a position to pay those rents, and in consequence were being charged interest on arrears at the rate of 6 per cent. I am astounded that a member representing a country constituency, and who for many years has been closely associated with the primary industries, should make a statement like that.

Hon. T. Moore: He generally tells a tall story.

The HONORARY MINISTER: I challenge Mr. Thomson to quote any instance of land rents being increased.

Hon. A. Thomson: I did not say they had been increased.

The HONORARY MINISTER: Oh yes, you did.

Hon. A. Thomson: However, it is not correct.

The HONORARY MINISTER: The only instance of increased rents is to be found in the pastoral areas where, under the latest arrangement, the rents vary according to the value of wool. All other land rents are fixed.

Hon. J. J. Holmes: It is a very equitable arrangement, too.

The HONORARY MINISTER: I agree that it is. But the hon. member went on to say that the farmers could not pay those rents, and that on their arrears of rent they were being charged 6 per cent. That is not true either. What happens in regard to arrears of land rents is that a fine of 6d. in the pound, not 6 per cent., has to be paid. And it does not matter whether the arrears are for six months or six years, the fine remains at 6d. When the hon. member makes such a statement, he either does not know what he ought to know or, if he does know, he is misrepresenting the position.

Hon. J. Cornell: Probably he interpreted the 6d. as 6 per cent.

The HONORARY MINISTER: I do not know what his interpretation may have been; I am replying to his statements. Mr. Nicholson had a little to say on the Bill, but he pretty well confined his criticism to the fact that no relief had been given to property owners under the Reduction of Rents Act. While that is the position, I do not know that it really comes within the scope of this measure.

Hon. J. Nicholson: Except that it is allied to it.

The HONORARY MINISTER: That may be, but it does not come within the provisions of the Bill. All we are endeavouring to do is to be equitable in our treatment of people affected by this measure in point of salaries and wages.

Hon. G. W. Miles: And you are borrowing the £90,000 to pay them.

The HONORARY MINISTER: Do not be uncharitable. Mr. Seddon, in his remarks this afternoon, was very fair. I was struck with one remark of his which I thought



might be noted by several other members who have spoken on the measure. He said loan interest had been reduced, and that to-day the loan interest amounts to £3 16s. 1d. in one case, and £3 4s. in another. Those figures probably are correct. Does not that go to show—particularly in view of the fact that we have had big conversions within the last 18 months or two years—that money is not as tight to-day as it was, and that those people affected by other measures should be content with a lower rate of interest to-day than they were able to obtain previously? And when I hear members asking, "What have you done for the landlords?" I ask myself, have the landlords really suffered? I know that some of them have suffered and that many of them have been generous; but our legislation does not provide that they should get five per cent. on their money.

Hon. J. Nicholson: Landlords do not get five per cent.

Hon. J. Cornell: No, only mortgagees get that.

The HONORARY MINISTER: It applies to landlords as well, but in a different way.

Hon. J. Nicholson: It hits them harder.

The HONORARY MINISTER: Dealing with the question of mortgagees, it often strikes me when I hear members talking about the raw deal they are getting, that after all they are in a much better position than the mortgagors. In very few instances have they lost any of their principal. All that they have suffered has been a reduction in the rate of interest.

Hon. H. S. W. Parker: Some have lost everything. Others have got nothing and have had to pay rates and taxes to keep the property going.

The HONORARY MINISTER: There may be exceptions, but generally speaking the mortgagee has lost nothing except portion of the interest to which he was previously entitled.

Hon. H. S. W. Parker: Have you met any second mortgagees?

The HONORARY MINISTER: Yes.

Hon. H. S. W. Parker: Have you met one who has got anything back?

The HONORARY MINISTER: I was speaking generally.

Hon. C. B. Williams: Are there any mortgagees on the dole?

The HONORARY MINISTER: Speaking generally, the position is as I have mentioned.

Hon. J. Nicholson: You will find that there are numbers of instances of hardship.

The HONORARY MINISTER: I admit there are some.

Hon. J. Nicholson: Very many.

The HONORARY MINISTER: Instances of hardship are inseparable from legislation of this kind because we cannot legislate for the individual; we must legislate for the whole. There are many instances of hardship suffered by those people for whom we are endeavouring to do something under this Bill. One thing that has actuated the Government in introducing the Bill is a desire to be consistent and to give equitable treatment to members of the Civil Service and others affected by the measure. Strong opposition has been raised to the Bill by more than one member, but I would impress upon the House the seriousness of the position that would be created if the Bill were rejected. We are simply submitting a further instalment of our policy. Last year we went to a certain point. This year we propose to go a little further, and as opportunity offers we intend to go still further until such time as there is no need for a continuance of this legislation.

Question put and passed.

Bill read a second time.

#### *Personal Explanation.*

Hon. A. THOMSON: By way of personal explanation, I should like to point out that the Honorary Minister made a great deal of an error which I inadvertently made through speaking without notes. I said that nothing was provided for assistance to farmers and that they were penalised to the extent of 6 per cent. That was a slip. I should have said they were penalised by a fine of 6d. in the pound. I regret that the Honorary Minister was not as generous in his criticism as he might have been.

#### *In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 6:

Hon. G. W. MILES: I hope the clause will be deleted with a view to making this

measure a re-enactment of last session's statute. The Government are not in a position to restore £90,000 to members of Parliament and others. I consider that they will have to borrow the money in order to make the restoration, and to do so would not be sound finance.

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

Ayes	..	..	..	17
Noes	..	..	..	8
Majority for				9

## AYES.

Hon. C. F. Baxter	Hon. W. H. Kiteon
Hon. L. B. Bolton	Hon. W. J. Mann
Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. L. Craig	Hon. T. Moore
Hon. J. M. Drew	Hon. H. S. W. Parker
Hon. C. G. Elliott	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. C. H. Wittenoom
Hon. G. Fraser	Hon. C. B. Williams
Hon. E. H. H. Hall	(Teller.)

## NOES.

Hon. E. H. Angelo	Hon. J. Nicholson
Hon. V. Hamersley	Hon. A. Thomson
Hon. J. J. Holmes	Hon. H. Tuckey
Hon. G. W. Miles	Hon. H. Seddon
	(Teller.)

Clause thus passed.

Clause 3—Further amendment of Section 6:

Hon. G. W. MILES: Some members consider that this is a clause upon which the feeling of the Committee should be tested. It is proposed to restore part of the cut to members of Parliament, and I strongly object to members voting themselves a restoration in the present state of the finances. The Government have budgeted for a deficit of three-quarters of a million, and I want the Committee to enter a protest against cuts being restored to the extent proposed. If we protest, we shall have done our duty. If the Government will not accept an amendment, the responsibility will be theirs. I appeal to members to vote against the clause.

Hon. C. B. WILLIAMS: I am prepared to shoulder my share of the responsibility for voting for the increase. This is the opportunity for which I have been waiting ever since the cut was imposed. I make no apology to my constituents for my action. As a matter of fact, I believe they must have agreed that the cut should not have been imposed because they returned me unopposed. My province is a costly one to represent. Recently I traversed the South-West Province, and I consider that is a

costly one to represent, especially for members who have to rely on their parliamentary allowance. They have many calls on them and the cost for motor hire, in order that they might do their duty to their constituents, is great.

Hon. H. SEDDON: Last year we fought the Bill on the principle that there should have been a percentage restoration of the cut all round, rather than that a section should have been singled out for benefit. This Bill endeavours to remedy that anomaly, inasmuch as teachers, civil servants and other employees will be given a restoration to which we considered they were entitled last year. I shall support the clause.

Hon. R. G. MOORE: I support the clause, which I consider is the most important part of the Bill. The chief opposition to the Bill of last year arose from the anomaly that gave an increase to some employees while withholding it from others. This year the Government are equalising matters, and yet some members desire to revert to the position of last year.

The CHAIRMAN: I point out that the clause applies to others than members of Parliament.

Hon. G. FRASER: The objection raised by this Chamber last year was that the whole of the benefit was given to one section, instead of a percentage being given to all. On this occasion the Government are proposing what members said they should have done last year, and still there is objection. How can any Government interpret the wishes of members when such an inconsistent attitude is adopted? I support the clause because the Government say they will be able to restore the cuts to the extent indicated.

Hon. G. W. MILES: Members who have spoken have not taken the point to which objection was raised last year. On that occasion it was a matter of £130,000 that was rebated to civil servants. This year the Government are not in a position to give even the £90,000 that it is proposed to distribute.

Hon. G. Fraser: They did it last year.

Hon. G. W. MILES: And we have got that much further into debt. Soon there will be a millstone around our necks that will lead to unification. Members should protest against giving the Government this £90,000 for civil servants, and paying it out of borrowed money. If in 1930 the

civil servants had not agreed to accept the reduction, 20 per cent. of their number would have been dismissed. To avoid that they agreed to accept the cut. The Government last year were not in a position to refund the £130,000, and are still less in a position to refund £90,000 this year. If members are consistent they will vote against the clause. I do not suggest a conference if the Government decline to accept our action, but it will be a means of recording our protest against this sort of thing.

Hon. G. Fraser: You want a sham fight, do you?

Hon. G. W. MILES: No, but I do want our protest to take some form.

Hon. L. CRAIG: The Government are inconsistent. Members of Parliament require an increase in salary as much as other sections of the community require it. A member who is living upon his salary needs it all, and a little more. It is inconsistent on the part of the Government to give back the cuts to citizens who already earn £400 or £500 a year, and to continue charging settlers six per cent. on the money they have had. I oppose this clause on principle. The Government ought to have done something to reduce the burden that falls upon those who have little or no income.

The HONORARY MINISTER: The clause applies to all Government officers, not to one section of them. Amongst them are many who deserve every consideration. They have had their troubles just as much as other people have had them.

Hon. L. Craig: Not to the same extent.

The HONORARY MINISTER: I have made inquiries concerning the rate of interest that is being charged to civilian settlers on repurchased estates. In connection with certain moneys the Commonwealth Government have made available, returned soldiers are paying a reduced rate of  $4\frac{1}{2}$  per cent.

Hon. L. Craig: From the 1st January last?

The HONORARY MINISTER: Yes. Civilians on repurchased estates are still being charged six per cent. by the same Government.

Hon. A. Thomson: Is that only on money advanced by the Commonwealth Government?

The HONORARY MINISTER: It applies to the whole of the amount advanced.

Hon. L. Craig: It is interest on the purchase price of the property.

The CHAIRMAN: I hardly think this is the right time to discuss such a matter.

The HONORARY MINISTER: I had better give that information later. All Government officers, whether they receive over £500 a year or not, will derive a benefit under the Bill. Members of Parliament are just as much entitled to consideration as are members of the service who are receiving the same salary or more.

Hon. C. F. BAXTER: I am sorry that members of Parliament are included in this clause. The officers in the service to whom it will apply have had a bad time financially while this Act has been in operation. They have had their commitments, insurances, etc., which they could not avoid, and have had a reduced income with which to meet them. Many have eaten into the little capital they have saved, and others have had to borrow money at high rates of interest to discharge their responsibilities. I disagree with members who consider that the officers of the service should continue to suffer as they have done in the past. That would be neither just nor reasonable.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	8

Majority for .. .. 9

#### AYES.

Hon. C. F. Baxter	Hon. W. J. Munn
Hon. L. B. Bolton	Hon. R. G. Moore
Hon. A. M. Clydesdale	Hon. T. Moore
Hon. J. M. Drew	Hon. J. Nicholson
Hon. C. G. Elliott	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. H. Seddon
Hon. G. Fraser	Hon. C. B. Williams
Hon. E. H. R. Hall	Hon. H. S. W. Parker
Hon. W. H. Kitson	(Teller.)

#### NOES.

Hon. E. H. Angelo	Hon. G. W. Miles
Hon. L. Craig	Hon. A. Thomson
Hon. V. Hamersley	Hon. H. Tuckey
Hon. J. J. Holmes	Hon. C. H. Wittenoom
	(Teller.)

Clause thus passed.

Clauses 4 and 5—agreed to.

Clause 6—Repeal of Section 18:

Hon. J. NICHOLSON: I move an amendment—

The the following proviso be added:—“Provided that such repeal shall not annul any orders made by the Court of Arbitration under

the said section or be construed to limit the duration or effect of any such orders."

The CHAIRMAN: I would point out that if a section of the Act be repealed it cannot well be qualified. If the repeal is going to do anyone an injury, why repeal it? If it is repealed there is nothing left to amend.

Hon. J. NICHOLSON: Section 18 of the Act led to a conference between the two Houses last year. It provides for the right of certain parties to apply for an order from the Arbitration Court in cases where awards or industrial agreements were in existence at the commencement of the Act. Various applications were made to the court in accordance with that section. If orders of the court are in existence to-day and this section is repealed entirely, the opportunity that was given to parties to apply to the court will no longer exist.

The CHAIRMAN: I have never known of an attempt to amend a clause that repeals a section. If a section is repealed the assumption is there is no further need for it. If there is need for it the remedy is to allow it to stand.

Hon. J. NICHOLSON: If members will vote against the clause that will have the effect I desire. I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

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

Hon. J. NICHOLSON: If the clause be agreed to, it will repeal Section 18 of the principal Act under which orders made are still current. In consequence, I believe the section should not be repealed. It should be allowed to operate so long as orders made under its provisions are current. If we repeal Section 18, it will be open to argument whether orders made under it are still valid. That is not intended by the Government.

Hon. H. S. W. PARKER: Section 18 provided that within a month of a certain date specific proceedings could be taken in the Arbitration Court. As that period has expired, no one can make use of the provisions of Section 18 and therefore, from that standpoint, it would not matter if the section were repealed. The point is that if we repeal the section, it may have an effect on the validity of orders made under it. It would be better to allow the section to re-

main in the Act because its deletion might cause confusion, and possibly expense in approaching the court to secure an interpretation. Probably the clause crept into the Bill by mistake.

The HONORARY MINISTER: The clause has certainly not crept into the Bill by mistake. It was inserted because there is no further use for Section 18, which provided that certain applications could be made to the Arbitration Court within one month. As that month expired long ago, naturally no action can be taken under the section now. I cannot follow the argument advanced that the repeal of the section would affect the validity of any orders made by the court under the provisions of that section. I contend orders made under it remain valid until such time as the court is approached again to vary such orders. On the other hand, I admit that it will not affect the position to any extent if the clause is deleted.

Hon. J. Nicholson: Then let the clause go, because it might give rise to argument.

The HONORARY MINISTER: The Interpretation Act deals clearly with such a matter.

Hon. J. Nicholson: But that is certainly arguable.

The HONORARY MINISTER: If members read Section 16 of the Interpretation Act, they will see that the position is quite clear. Orders made under the section to be repealed will remain valid until such time as the Arbitration Court makes a varying order.

Clause put and negatived.

New clause:

Hon. J. NICHOLSON: I move--

That a new clause, to stand as Clause 4A, be inserted as follows:—"4A. Section 11 of the principal Act is amended by striking out the word 'seventy' in the fourth line and inserting in lieu thereof the word 'eighty'."

In considering the various financial emergency measures, we should extend equal consideration to all sections bearing portion of the burden imposed upon the community. Last year we granted relief to a section of the community and the Bill will extend that relief. Similarly, I think consideration should be given to mortgages in respect of the interest payable to them. That is the object of my amendment. The section in the Act means that if a man is receiving £10 a

year he can only receive that amount less 22½ per cent., so that the £10 will be reduced by £2 5s. What I propose to do is to alter the 77½ mentioned in the Act and make it 87½, which will reduce the percentage by 10. The interest to be paid will be reduced in that way to 12½ per cent.

Hon. G. W. Miles: Are mortgagors in a position to pay that?

Hon. J. NICHOLSON: If there is to be restoration to one section, surely there ought to be an equitable adjustment all round. We cannot give to one without giving to the other.

The CHAIRMAN: I direct the attention of the Committee to the Title of the Bill. The Title reads, "An Act to amend Sections 6, 7 and 17 and to repeal Section 18 of the Financial Emergency Act, 1934." Therefore the Title circumscribes the Bill. The Title itself is not an impediment to the new clause, but the body of the Bill deals solely with wages and salaries, excepting Clause 5, which continues the operation of the Bill to the end of 1935. The effect of the new clause would be to introduce totally new matter. In itself the Bill does not provide in any way for the consideration of mortgages. It deals solely with wages and salaries. Therefore I rule that the proposed new clause is not permissible in that it is foreign to the scope of the Bill.

Hon. J. NICHOLSON: I appreciate the position you have outlined, but I should like the Minister to see that in some way generous treatment is extended to other sections of the community, those who do not come under the provisions of the Bill we are now considering. When I gave notice of the proposed new clause I also gave notice of my intention to amend the Title.

The CHAIRMAN: As I explained, the Title would not be an impediment to the proposed new clause. I have ruled that the proposed new clause may not be moved. At present there is nothing before the Chair.

Hon. G. W. MILES: If your ruling is right, I contend that the ruling of the Chairman the other evening with regard to the Gold Tax Bill—

The CHAIRMAN: Order! If the hon. member had any objection to raise against that ruling, he should have raised it at the time.

The HONORARY MINISTER: As it will be necessary now to amend the Title, I move—

That the Title be amended by striking out "and to repeal Section 18."

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

Bill reported with an amendment, and an amendment to the Title.

## BILL—APPROPRIATION.

Order of the Day read for the resumption of the debate on the second reading from the previous sitting.

On motion by Hon. W. J. Mann, debate adjourned.

## BILL—CONSTITUTION ACTS AMENDMENT ACT, 1931, AMENDMENT.

*Second Reading.*

Debate resumed from the 21st November.

HON. J. NICHOLSON (Metropolitan) [7.57]: Any remarks one might be prepared to offer with regard to this Bill have been shorn by the passing of another Bill, the Financial Emergency Act Amendment measure, which has undoubtedly rendered it almost unnecessary to offer further comment. There was one question, however, which was alluded to by Mr. Cornell, and I think what he said was fully justified. The judges here, having had their salaries fixed by our Constitution Act, stood in a different position from those whose salaries were fixed by other methods. We well remember the attitude taken up by the High Court judges with reference to the deduction it was proposed to make from their salaries. In Western Australia, however, the judges fell in with the scheme of general reductions, and they are therefore worthy of the fullest consideration if the Government feel that they are in a position to meet the demands made upon them.

Hon. J. J. Holmes: They can meet the demands so long as they can borrow the money.

Hon. J. NICHOLSON: That is just the point. I can only repeat what I stated previously, that I for one foresee a time of great difficulty here, and probably the

submergence of this State in the Commonwealth. Undoubtedly, if we continue borrowing money at the rate we are doing, it will mean unification. Until we can achieve that position which it is desired we should achieve—namely, balance our Budget and not borrow money to meet those outgoings and restorations which have been provided for—I fail to see how the Government can be justified in doing what they propose. However, in view of the fact that the Financial Emergency Act Amendment Bill has been passed, I feel that it is futile to offer further observations in this case.

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West—in reply) [8.1]: Mr. Craig raised a question which I have looked into, the question of the rate of interest being paid by civilian settlers on estates which were purchased for the settlement of returned soldiers. I find a rather remarkable state of affairs in connection with those estates so far as interest payments are concerned. Mr. Craig took the stand that until such time as the Government were prepared to give to the civilian settlers some concession in the matter of interest rates, he on principle must oppose all other financial emergency legislation. The hon. member referred to one estate particularly, but I have obtained information regarding quite a number of repurchased estates situated in the province represented by him. There are seven of these estates altogether. Some of the money used for their purchase was borrowed at 5 per cent., and some at 6½ per cent.; and the State is charging 6 per cent. to the settlers. The Commonwealth Government made a certain amount of money available for the purpose of reducing the interest to be paid by returned soldier settlers. Their interest has accordingly been reduced from 6 per cent. to 4½ per cent. No alteration has yet taken place in that respect with regard to civilian settlers. The return I have here covers the following seven estates: Brooklands, Cundinup, Dardanup, Offer's, Roseneath, Trigwell, and Upper Capel. Out of those seven estates only one is in credit—Dardanup. On all the others there is a net loss of interest, ranging from £404 in the case of a very small estate to £7,779 in the case of another estate. The total loss of interest through those settlers not paying it is £19,100. That is rather a surprising state of affairs, and

shows that the settlers on those estates must be in a very bad way. At the same time, in view of the fact that the State has already lost £19,100, the Minister for Lands declares that it is at present impossible for him to do anything by way of reduction of interest in the cases mentioned by Mr. Craig. The amount of £19,100 does not include interest on the money which has had to be borrowed by the State in order to meet the deficiency. Again, I am advised that had it not been for the amount recoverable from the Commonwealth for soldier settlement, the loss would have been £22,401 greater. In view of this information I feel there is not much substance in the claim put forward by Mr. Craig. While it may be hard on those few settlers whom he mentioned, who are certainly endeavouring to meet their interest liabilities to the State, and are doing so with success, the general position is such that for the present at any rate it is not possible to do anything in the way suggested by Mr. Craig. The Bill itself is in accordance with the policy which I have tried to enunciate on more than one occasion recently. I do not see any reason why judges, and others covered by the measure, should not be treated in the same way as other officers of the State who are members of the Public Service.

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—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.**

*Recommittal.*

On motion by Hon. J. Cornell, Bill re-committed for the purpose of considering a new clause and further considering the Title.

*In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

New clause:

Hon. R. G. MOORE: I move—

That the following be inserted to stand as Clause 2:—"Section 4 of the principal Act is

amended by inserting a new paragraph after paragraph (a), as follows:—“(aa) in receipt of compensation under the Miners’ Phthisis Act, 1922, and/or the Third Schedule of the Workers’ Compensation Act, 1912-1924.”

People who are drawing compensation should not be subject to taxation under the Bill.

Hon. C. B. WILLIAMS: The Miners’ Phthisis Act is practically out of existence.

The CHAIRMAN: The new clause means that men who are beneficiaries under the Miners’ Phthisis Act or under the Third Schedule of the Workers’ Compensation Act will be relieved from taxation under this Bill.

Hon. C. B. WILLIAMS: If no additional men come under the Miners’ Phthisis Act, that Act will go out of operation. No new clients will be taken under the Miners’ Phthisis Act, but many will be taken under the Mine Workers’ Relief Act. So, too, only a small percentage will come under the Workers’ Compensation Act.

Hon. C. G. ELLIOTT: My object in moving the amendment is to exempt those beneficiaries under the Miners’ Phthisis Act—although, as Mr. Williams has said, that Act has practically gone out now—and the beneficiaries under the Workers’ Compensation Act. The amendment does not establish any precedent, for the precedent is already established through the men suffering from disabilities under the Miners’ Phthisis Act. Sir James Mitchell was Premier when the financial emergency taxation measures were passed, under which there were penalties to the extent of 18½ per cent. on those beneficiaries. A representative Kalgoorlie deputation waited upon Sir James Mitchell on behalf of those beneficiaries, and he gracefully acceded to the request that those men should be exempt from the new legislation. Also he went further and made it retrospective to the inception of the Act. The present tax on those men is 4d. in the pound. It means only a negligible sum in the aggregate, but it means a lot to the individual men. As Mr. Williams suggested, probably the Mine Workers’ Relief Act should also be included in the amendment, because men suffering from tuberculosis alone come under that Act. I do not think the Government will place any obstacle in the way of the amendment. These beneficiaries should not be taxed. An extra

shilling or two per week to them individually would provide them with a few small comforts. I trust the amendment will be carried.

The HONORARY MINISTER: I cannot accept the amendment. It would discriminate between beneficiaries under the Miners’ Phthisis Act and the Mine Workers’ Relief Act. Moreover if the amendment were accepted it would be found that probably there is a large number of other people in other parts of the State—

Hon. J. J. Holmes: And in other industries.

The HONORARY MINISTER: —in somewhat similar position. We are sympathetic with these beneficiaries, but they are not taxed unless receiving in compensation under the Miners’ Phthisis Act a larger amount than the exemption provided in the Act. For instance, a married man receiving compensation under the Miners’ Phthisis Act must receive more than the £3 10s. provided in the existing legislation before he is taxed. So while we agree that these men are fully deserving of our sympathy, we cannot see how far the amendment might go. For instance there are many other people suffering from tuberculosis who have to struggle along with their work, and who probably are receiving less money than these beneficiaries receive in compensation. Also I am inclined to think that payments under the Workers’ Compensation Act are not treated as income, in which case there is no necessity for the concluding part of the amendment. I cannot accept the amendment.

New clause put and negatived.

Hon. R. G. MOORE: On a point of explanation. I gave notice yesterday that I would further explore the possibilities of framing an amendment to exempt all basic wage-earners from the tax and so put them all on an equal footing. On the assurance of the Minister that the Government were also engaged in the same direction and intended in another place to insert a clause to that effect, I have decided not to proceed with my amendment now, but will wait until the Bill comes back, and if the Government’s amendment carries out my desire I shall be satisfied. If not I will then proceed with my amendment.

Hon. J. J. Holmes: If the Bill goes back to another place no new amendment can there be inserted.

The CHAIRMAN: I think it can be.

Title, as amended by a previous Committee, agreed to.

Bill again reported, without further amendment, and the report adopted.

## **BILL—LOAN, £3,938,000.**

### *Second Reading.*

Debate resumed from the previous day.

**HON. J. NICHOLSON** (Metropolitan) [8.28]: I had not intended offering any remarks upon the Bill until certain observations were made about the money the Government contemplate expending on sewerage works in the metropolitan area. The amount proposed to be expended is about £1,000,000 spread over three years, and in the schedule the amount to be spent from this loan is £650,000. One welcomes the idea of a work which will be reproductive. Last night the Honorary Minister showed clearly that this work would be reproductive, and that the persons who ultimately would pay for it would be those who were receiving the benefit of it. This work certainly is a change from many of the works which successive Governments have, through necessity, been compelled to undertake in order to provide employment for the unemployed. It is certainly much more advantageous to have men engaged on that class of work than in doing some of the work to which we have become accustomed, such as clearing in remote districts or on work not directly reproductive. The question of sewerage recalls to mind the report of a select committee which inquired in 1924 into the operations of the Metropolitan Water Supply, Sewerage and Drainage Department. The report shows that the committee did not deal very extensively with the item of sewerage. They were appointed in view of certain happenings, and one item referred to the Mt. Hawthorn filter beds. Members will recall that the filter beds constructed at Mt. Hawthorn collapsed and caused considerable trouble. The other items dealt with consisted largely of water supply and the construction of various

reservoirs, some of which works have been advanced considerably since that time. The feature of the report which appealed most to me was Paragraph 114 headed "Necessity for highly qualified engineer." The paragraph read:—

Apart from the disasters which have occurred, e.g., collapse of the filter beds, the impracticable design for Churchman's Brook dam, the lack of regard for the economic effect of constructional work, etc., appearing from the evidence, the need for the services of a highly skilled engineer was emphasised by the last witness examined. Mr. Hopkins, who was the draftsman for the filter bed design, told your committee that the practice in connection with the promotion of works was substantially as follows:—The engineer would advise the chief draftsman as to his requirements. He, in turn, would hand over the work to a subordinate, who would prepare the plans and make the calculations. These would then go back to the chief draftsman, whose duty it would be to make the necessary checks. They would then be passed on to the engineer, who would not, and could not, have the time to check them. The discovery or otherwise as to whether they were correct or not, or whether the structure was weak or unstable, would depend upon the engineer's trained eye on a view of the plans. "If the engineer," said Mr. Hopkins "had had no previous experience in similar works, he would not be able to detect any flaw." Such is what actually occurred in connection with the filter bed and Churchman's Brook plans. The drawings and calculations were made and submitted, but the engineer on his own admission had had no previous experience, and by an unfortunate administrative act on the part of the Minister, the Engineer-in-Chief had practically been superseded, hence the results which the evidence discloses.

If the large sum proposed is to be expended, the Government must admit that the first essential is to have a highly qualified engineer in charge of the work. I believe that the engineer at present in charge holds high qualifications, but we as a House are entitled to have an assurance from the Government in view of what was pointed out by the select committee after their investigation in 1924. We are not justified in authorising the expenditure of huge sums of borrowed money unless we have an assurance that the work will be carried out efficiently and to the best possible advantage. I consider that the best method of undertaking the construction of sewerage work would be by contract.

Hon. V. Hamersley: Hear, hear!

Hon. J. NICHOLSON: I gathered from a remark by Mr. Baxter yesterday and a



reply by the Honorary Minister that the work would be carried out by day labour. Is it wise and in the best interests of the State that the Government should shoulder the responsibility for such work? There are undoubtedly many risks attendant on the carrying out of sewerage and drainage work. When certain works to carry street drainage were undertaken by the City Council some years ago, claims were made against the council because of subsidences which occurred. The ground in the vicinity of the Perth Railway Station and Post Office is very treacherous and dangerous. Subsidences have occurred to buildings not only here, but in other places when such works have been put in hand.

Hon. C. F. Baxter: But the worst feature of day labour is the excessive cost which the householder, not the Government, has to carry.

Hon. J. NICHOLSON: I intend to deal with that. Great risks attend such work, and whatever claims may arise could be safeguarded under contract. Whoever undertook the contract would have to test the ground beforehand and safeguard his position, whereas under day labour the people have to shoulder the whole risk and stand the whole expense. Then, as Mr. Baxter has indicated, there is the important question of cost. Are we justified in these days of financial difficulty in incurring a greater cost in order to do the work by day labour than would be entailed by contract?

Hon. A. Thomson: There is no adequate check under the day labour system.

Hon. J. NICHOLSON: Absolutely none. It has been suggested that day labour is the policy of the present Government, but should not the policy of any Government, Labour or Liberal, be to safeguard the interests of the State? One means of achieving that purpose is to carry out such works as sewerage in the most efficient manner and as cheaply as possible.

Hon. G. Fraser: If the previous Government believed in that, why did not they apply it to sewerage works?

Hon. G. W. Miles: Two wrongs do not make a right.

Hon. G. Fraser: Contract was their policy and they did not adopt it.

Hon. J. NICHOLSON: The Government propose to embark on a big work which would lend itself to contract, because it entails risks, and it is well for someone other

than the Government and the people of the State to shoulder those risks. I trust that the Government will take these matters into consideration. The work is worth undertaking, because the sewerage of any large city is essential to the health and well-being of the community. At the same time I maintain that it should be carried out in a manner that would be beneficial to the people as a whole and should not involve any extra loading of taxation. The people are already taxed heavily enough. We have not been supplied with information as to the extra cost in rates and charges to the people who receive the benefit of this service. No doubt the Minister will supply the information when replying to the debate. In the annual report of the Metropolitan Water Supply, Sewerage and Drainage Department for the year ended 30th June, 1934, it is stated, under the heading of "Finance," that the Act which came into operation on the 1st July, 1926, fixed the maximum rates as follows:—Water rate 2s. in the pound, sewerage rate 1s. 6d. in the pound, storm water rate 5d. in the pound, making a total of 3s. 11d. in the pound. The rates for the financial year ended 30th June last were as follows:—Water rates 1s. 7d., leaving a margin of 5d., sewerage rate 10d., leaving a margin of 8d., and storm water rate 4d., whereas the maximum is 5d. There is not a wide margin to come and go on. If the cost of the work is going to entail extra taxation on the people, the matter requires careful consideration.

Hon. H. Seddon: Was not that aspect handled by the select committee?

Hon. J. NICHOLSON: It was handled with regard to Subiaco. It was pointed out, when the storm water project was being dealt with, that if it was treated as a separate entity, owing to the number of rate-payers in the area, it might involve a rate as high as 6s. 10d.

Hon. A. Thomson: What about the Herdsman's Lake drainage? That would be a good example of uncertain estimates.

Hon. J. NICHOLSON: That was not dealt with by the select committee. An estimate was given for the work at Herdsman's Lake.

Hon. A. Thomson: Yes, for £35,000, but the cost was over £100,000.

Hon. J. NICHOLSON: That was an outstanding example of how misleading esti-

mates can be, and how impossible it is for one to rely upon them as a safe guide. In the case of a contract it is possible to know the exact liability. When dealing with the drainage of Subiaco, the select committee pointed out the following—

From the foregoing it appears that either the rates must be spread over the whole area, in which case some sections will have to be penalised, or if these works are to become chargeable to Subiaco alone, the necessary rates must become oppressive and unbearable. A sewerage rate of 3s. 1d. in the £, a storm water rate of 6s. 10d. in the £, and an increased water rate amounting to 3s. in the £, in addition to the ordinary municipal and other rates, would make the lot of residents of Subiaco an impossible one. Fortunately the present Minister, on becoming aware of the heavy imposition necessary to meet the storm water charges, stopped the work pending further investigation.

That is one of the indications of the need for care and for further information concerning the amount of rates that are likely to be imposed for the carrying out of this particular work.

Hon. G. Fraser: Are they likely to be any different from what have already been charged?

Hon. J. NICHOLSON: Undoubtedly. If an extra service is rendered to the community, costing £1,000,000, there is bound to be an increase in the rates. I am pointing out what a small margin there is between the rates at present charged and the maximum that can be charged under the Act. It is true that the position disclosed by the accounts of the department is fairly good. Whilst there was a loss during last year, this was made up by certain surpluses which have been carried forward. In the accounts, all the items, and the revenue derived not only from water supply but from sewerage and storm water drainage, are embodied. It is pointed out that for the period ended 30th June last there was an actual and accrued surplus of £90,498 from all these sources. There fell to be deducted from that amount a certain sum representing deficiencies amounting to £11,700 odd, leaving a surplus in respect of the whole of the operations of the department of £78,657. I will not attempt to trace the growth of the work of the department, but it has been enormous. There are records supplied showing the growth of the operations from 1911-12 to the 30th June last.

The cost of works in 1911-12 was £355,969, that is in connection with the sewerage sections, whereas for the year ended 30th June last the total cost of the works was £1,195,408. If the proposed extra work is carried out, this will mean an additional expenditure within a couple of years of, say, £1,000,000. If the works are not carried out for a million, as was the case with Herdsman's Lake, the estimate is increased, we do not know what the rates will be.

Hon. J. J. Holmes: There will be a greater number of ratepayers to pay the rates.

Hon. J. NICHOLSON: There may be a larger number, but not a greatly increased number. The work will serve areas which at present are not served by a sewerage system.

Hon. J. J. Holmes: The Government are going further and are altering the system.

Hon. J. NICHOLSON: Yes. Something has been said about the change of system. I agree with the Honorary Minister as to the desirability of changing the system. The filter bed system has been proved a menace to the health of the city. Probably we are indebted in a measure for the mosquitoes we have had for the last year or two to the method adopted for treating the sewage. The danger is a very real one, and is likely to assume greater proportions than we may contemplate, in view of the appearance in a marked way of the malarial mosquito from the North. There is nothing to hinder that mosquito from making its presence felt down here. I am told it is actually in Perth today. The sooner something is done to combat that menace against the health of the community, the better will it be.

Hon. J. J. Holmes: I do not think you can get malaria outside malarial country.

Hon. J. NICHOLSON: If a malaria-carrying mosquito happens to alight on a malarial subject, it will soon disseminate the disease.

Hon. J. J. Holmes: Once a man has had malaria, he may get it again at any time.

Hon. J. NICHOLSON: It has been said that if the ocean outflow system is adopted, it will lead to the partial destruction of our beaches. The assurance given by the Honorary Minister should allay any fears on that point. Probably the Chief Secretary, when replying, will be able to give a definite assurance that there will be no risk of

damage to our beaches through tidal influences, and other causes resulting from the outflow. There are many schemes in vogue in other parts of the world. One leaves these matters to the professional heads. I hope that whatever is done in this matter will be done very carefully by the Government, so that the work is only entered upon after the fullest investigation, and that if possible it is carried out by the method I have suggested, and does not impose a fresh burden of taxation upon the people.

On motion by Hon. R. G. Moore, debate adjourned.

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

#### *Second Reading.*

Debate resumed from the 21st November.

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West—in reply) [9.0]: Because some of the statements made by members regarding the Bill, I desire to point out what the measure really means. It has been suggested that we should limit the operations of the Act to June, 1935. The Government contend the Act should be continued for another 12 months, and we would like to be in the position at the end of that period to say there was no further necessity for it. We must wait until that time before we can determine whether the Act should be continued. The Act can be divided into three parts. The first deals with tenants and the Commissioner is empowered to grant a protection order on application by a tenant, but before doing so he must be satisfied that the tenant, by reason of unemployment, is unable to pay rent, either accrued or accruing. The qualification there for relief is unemployment. It is a fact that there have not been many applications under that part of the Act during the last 12 months, but there have been some. As we have accorded a large number of persons protection owing to unemployment, it is possible that we will still have people placed in a position that requires protection. While the unemployment position has improved compared with the situation in 1930 and 1931, if there are still people

likely to suffer hardship owing to unemployment, they are entitled to the protection that has been accorded so many in the past.

Hon. J. J. Holmes: Why should the landlord provide an individual with a house free of rent and the grocer not provide the individual with goods free of cost?

The HONORARY MINISTER: We have argued that point before. The applicant has to satisfy the Commissioner that his position is due to unemployment, and the Commissioner has dealt with applications very fairly. I have heard very few complaints indeed. From my own experience I know that many landlords have been prepared to make concessions without requiring their tenants to seek the protection of the Act.

Hon. J. Nicholson: As the Act has not been availed of very much, why bother about continuing it?

The HONORARY MINISTER: We should provide protection for those who may require it.

Hon. E. H. Angelo: Why not give them six months' notice of your intention not to re-enact the legislation?

The HONORARY MINISTER: That will not secure employment for the tenants.

Hon. E. H. Angelo: Landlords have suffered a great deal during the last three years.

Hon. A. Thomson: And they have to pay rates and taxes.

The HONORARY MINISTER: The hon. member knows that if an order is granted, there is freedom from the payment of rates and taxes.

Hon. A. Thomson: But they have to pay in the long run.

The HONORARY MINISTER: The second part of the Act relates to people who are purchasing houses and the Act provides them with protection if they cannot meet their obligations on account of unemployment. Again the Commissioner must be satisfied on the point. The applicant must satisfy the Commissioner that he has made reasonable efforts to obtain employment and has been unsuccessful. The Commissioner must be satisfied that the protection order

if granted, will not cause undue hardship to the landlord or mortgagee. If, in view of all the circumstances, the Commissioner is satisfied that no order should be made, no order is made. It will be seen that there is some equity in the Act. The third part of the Act deals with the position of the mortgagors. They also may make application for a protection order but they have to show that it is on account of unemployment that they are unable to meet their obligations. While there have been few applications under the Act during the past 12 months, owing to existing conditions it should be continued for a further year, although a mere handful of people may require protection. The orders made do not last for all time but are limited in duration. If the Act were not continued, it would be distinctly unfair to those who may require protection. Many thousands of people in the metropolitan area who are purchasing their houses on the instalment plan and have some equity in their homes, are in an unfortunate position to-day in that, with the reduction in values, their equity has practically disappeared. It is possible that, with an improvement in conditions, values will rise again, and then the owners may be in a better position to meet their obligations. At the end of 12 months it may be that the position has so improved that the Act will no longer be required.

Hon. E. H. Angelo: Perhaps the warning that you will not re-enact the measure next year will be sufficient for the persons affected.

The HONORARY MINISTER: I made the position clear when I moved the second reading of the Bill.

Hon. H. Tuckey: We will always have a certain amount of unemployment.

The HONORARY MINISTER: Yes, but on appearances it may be difficult to get back to the position we were in eight or 10 years ago.

Hon. T. Moore: Of course we will get back.

The HONORARY MINISTER: We hope so.

Question put and passed.

Bill read a second time.

### *In Committee.*

Hon. J. Nicholson in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Continuance of Act:

Hon. H. SEDDON: To test the feeling of the Committee I intend to move an amendment—

That in line 1 of paragraph (a) after "words," "thirty-first December, nineteen hundred and" be inserted.

My desire is that the measure shall terminate on the 30th June, 1935, instead of the 31st December, 1935, and by inserting the words mentioned in the amendment in the section of the principal Act, I shall achieve my end.

Amendment stated and a division called for.

Hon. H. SEDDON: I should like to explain that I paired with Mr. Piesse on this and two other Bills, and as I moved the amendment and called for the division I shall be obliged to vote.

The CHAIRMAN: The hon. member can arrange with another member to pair in his place.

Hon. V. Hamersley: I shall take the hon. member's place as the pair for Mr. Piesse.

Division resulted as follows:—

Ayes	..	..	..	..	4
Noes	..	..	..	..	14

Majority against .. 10

#### AYES.

Hon. E. H. Angelo		Hon. H. Seddon
Hon. J. J. Holmes		Hon. R. G. Moore (Teller.)

#### NOES.

Hon. L. B. Bolton		Hon. W. J. Mann
Hon. A. M. Clydesdale		Hon. G. W. Miles
Hon. J. M. Drew		Hon. T. Moore
Hon. C. G. Elliott		Hon. H. Tuckey
Hon. G. Fraser		Hon. C. B. Williams
Hon. E. H. Gray		Hon. C. H. Wittenoom
Hon. W. H. Kiltson		Hon. A. Thomson (Teller.)

#### PAIR.

AYE.		NO.
Hon. V. Hamersley		Hon. H. V. Piesse

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

## BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

### *Second Reading.*

Debate resumed from the 21st November.

**HON. A. THOMSON** (South-East) [9.35]: The Honorary Minister, when introducing the Bill, said he hoped this would be the last occasion on which it would be necessary to extend the Act. I regret that we are not in a position to amend the Act. However, this is merely a continuance Bill. Many members have argued that there is no need for the Act, and that ample protection already exists. I have here some rather interesting correspondence showing that the framers of the Act were not successful in protecting the interests of those unfortunately compelled to apply to the court. I propose to read portion of a letter bearing on the subject—

I enclose with this letter sundry documents dealing with my experience of an application made against me under the Mortgagees' Rights Restriction Act in May last. The application was made by the mortgagee under Section 8 of this Act, and the order given by the Judge is set out in Messrs. Dwyer & Thomas' letter to me dated May 12, 1934. I wrote to my solicitors on June 14th, 1934, for information how the Judge arrived at his decision (copy of letter enclosed), and my solicitors replied on June 18th, 1934 (letter enclosed). My solicitors point out in this letter that the Judge chiefly considered clauses (a), (b), (c) of Section 8 of this Act, and gave little consideration to clauses (e), (f), (g) of Section 8. I would also point out that my solicitors advise in their letter to me dated August 12th, 1934, in paragraph 4 "that only on one occasion, so far as they can trace, has the court imposed any conditions as empowered under clause 2 of Section 8." This means that mortgagees have a free hand to hound a man down after he is turned off the property.

In submitting these documents for consideration by your executive, and any possible action you may take to have alterations made to this Act, so that the "reasonably efficient" farmer will receive better protection in future, I fully realise that so far as the order made against me is concerned, you cannot assist me, as there is no appeal (see Section 16 of M.R.R. Act); and as I am quite unable to meet the amount ordered to be paid on October 2nd, 1934, I will lose my farm.

It seems to me that a very large proportion of primary producers, and every farmer who has used up all his reserves, is placed in an impossible position if he is ordered to make quarterly payments equalling, in my case, 70 per cent. of his current yearly-interest bill before any of his production for the year has

been sold. With the drop in the price of wool during the past three months, I am placed in an impossible position.

My mortgagee has told me that he will not be satisfied with the re-possession of the property and the permanent improvements I have made, but intends to make me bankrupt.

Apparently, after the mortgagor has sacrificed the money he has spent in developing the property and has paid all he possibly can, the mortgagee is still able to pursue him for the balance of the money owing.

**Hon. J. J. Holmes:** That is under the personal covenant to pay.

**Hon. A. THOMSON:** Yes. That is the respect in which I should like to see the Act amended. I would be glad if the Honorary Minister could possibly consider the matter though I fear that unfortunately it is too late. I wish to point out especially that Section 8 of the Act does not provide a right of appeal. One naturally thought that the section would have provided ample protection for mortgagors. In this case the man took over a property, spent £1,500 of his own money on it, and kept the place in reasonable condition. It seems that the Judge gave consideration to paragraphs (a), (b), and (c) of Section 8, and not to paragraphs (d), (e), (f) and (g). If there had been a right of appeal under the Act—

**Hon. J. J. Holmes:** To whom would you appeal? To the Commissioner, in the first place?

**Hon. A. THOMSON:** This was a decision given by the Chief Justice.

**Hon. J. J. Holmes:** Yes, as Commissioner.

**Hon. A. THOMSON:** There is the position. The man, having spent all that money, is left without redress.

**Hon. H. Seddon:** But the Chief Justice would take all the circumstances into consideration.

**Hon. A. THOMSON:** I have no desire to place the complete letter on record. The rules of the House, I believe, would not permit the Honorary Minister to have the Bill amended in the way I consider desirable. However, there ought to be a right of appeal. In my opinion, and in that of others who have perused these papers, the man in question has suffered a severe injustice! The other person is like Shylock in extracting the full pound of flesh. I support the second reading, and shall be glad to submit to the Honorary Minister's consideration the documents I have here. I think the hon. gentle-

man, after reading them, will agree with me that if the principal Act could be amended, it would be desirable to do so even at this late hour. Such an amendment, of course, could not help in this particular case, as the Chamber does not approve of retrospective legislation. But either the mortgagor or the mortgagee should be entitled to appeal if he desires to do so.

Hon. J. J. Holmes: Then there would be nothing left for anybody.

Hon. A. THOMSON: This case appears distinctly one of hardship. The position is that owing to the fall in the price of wool the man has not been able to meet his commitments. However, I am only just ventilating the case, and am sorry I did not mention it before so that the Minister might have considered providing against it.

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West—in reply) [9.46]: Of all the financial emergency legislation that we desire to continue, this is perhaps the most essential. Probably I would be quite correct in saying that without this Bill, 95 per cent. of the primary producers would be placed in a much worse position than they are in to-day. Mr. Thomson suggested that we should make provision for an appeal against a decision of the Supreme Court. That would be positively dangerous because, if we gave the right of appeal to the mortgagor, we would have to give the same right to the mortgagee; and the mortgagee, being in the better financial position, would be able to continue his endeavour to secure possession of the property, even after the Supreme Court had decided that the mortgagor was entitled to the protection of the Act.

Hon. A. Thomson: But is not a man entitled to appeal against a decision?

**THE HONORARY MINISTER**: Does not the hon. member see that in providing an appeal for the individual he referred to, we must also provide the same right for the mortgagee? And to whom would he appeal? It could only be to the Full Court, which would cost a lot of money. So we should be placing everything in the hands of the mortgagee and making things worse than ever for the mortgagor. It must be recognised that the case mentioned by the hon. member has been inquired into, and the court has given its decision. No doubt it is a very hard case, but I do not think

because of that we should include in this Act the right of appeal. What the hon. member has said in contradistinction to the argument of another member who represents the primary producers, shows conclusively the necessity for having the Act for another 12 months. Mr. Angelo suggested the Act should be allowed to expire at the end of June next. He used as an argument in support of that contention that money is cheap to-day, and the mortgagor should be able to raise the necessary funds from people other than his present mortgagee in order to pay off that mortgagee.

Hon. A. Thomson: There is nothing to prevent his doing that now.

**THE HONORARY MINISTER**: Not if he can raise the money. I am surprised that the hon. member should have suggested such an amendment, because quite a lot of the pastoralists would be affected by the loss of the Act.

Hon. E. H. Angelo: I do not think one of them has tried to get protection under the Act.

Hon. J. J. Holmes: We represent people who do not dodge their responsibilities.

**THE HONORARY MINISTER**: Yet only a day or two ago the hon. member told us what a bad position those people were in, and explained that it was necessary the Government should do a lot more than they have done to assist them. If the Act expired, a large percentage of the primary producers would be placed in a very embarrassing position. As the result of the increase in the price of wool last year, the values of pastoral properties improved.

Hon. L. Craig: They have gone back again now.

**THE HONORARY MINISTER**: Yes, but as a result of the increase in wool prices those properties did improve; and the equity the wool growers had in those properties increased to such an extent that a number of the wool growers were able to meet liabilities they themselves thought they would never be able to meet. But for the operation of this measure the mortgagees, as soon as the values improved, would be able to step in and say to the mortgagor, "Notwithstanding the hard work you have done in order to maintain this property, because the property has increased in value we are going to exercise our right." That is the protection offered to the primary producers.

Hon. L. Craig: The trouble is that certain mortgagors take advantage of the law.

The HONORARY MINISTER: Some people will always do that. How many wheat farmers could carry on, but for the protection of this measure? How many of them could raise money, as suggested by Mr. Angelo, from sources other than those they have already used?

Hon. L. Craig: How many mortgagees want to take over the wheat farmer?

The HONORARY MINISTER: But if the price of wheat were to rise to 3s. next week, there would be an immediate rise in the value of the properties and, but for this measure, the mortgagee would step in, with the result that many of the mortgagors would lose their properties.

Hon. J. J. Holmes: No one wants to step in now.

The HONORARY MINISTER: At the moment, no. But the measure will be needed more than ever when the prices of primary products are rising. As soon as values rise, the mortgagees will step in, unless we still have the protection given by this measure.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Hon. J. Nicholson in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Continuance of Act:

Hon. E. H. ANGELO: On the second reading I intimated that in Committee I would move an amendment which would have the effect of terminating the Act in June next, instead of in December of next year. Since that intimation was published I have had a lot of letters from both mortgagees and mortgagors. The mortgagors have pointed out the difficult position they would be in if my amendment were carried, while the mortgagees, on the other hand, have pointed to the difficult position they have been in during the last 3½ years. I really believe that more mortgagees are suffering to-day as the result of the Act than there would be mortgagors suffering if the Act were repealed. When, in 1931, the depression fell upon us, Parliament was

right in stepping in and giving protection. But, I ask, have not the mortgagees some rights, do not they deserve some consideration? Had the Act provided that the mortgagor had to appeal to the court for protection, it would have been much fairer; but the legislation is all in the interests of the mortgagor, and in consequence the mortgagee has had to stand out of his money. Mortgagees cannot collect their interest and cannot secure the return of their money in order to start in some other line of business. The Minister said he hoped this would be the last occasion on which the measure would have to be renewed. I suggest that we curtail the duration by six months. That would give sufficient notice to enable people to make arrangements, and those who could not make arrangements within that period would not be likely to do so at all. Why should mortgagees continue to suffer because of inability to exercise their rights? To test the feeling of the Committee, I move an amendment—

That after "words," in line 2 of Subclause 2, the words "December, nineteen hundred and" be inserted.

Amendment put and negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

*House adjourned at 10.8 p.m.*