

times are abnormal, an announcement by the Government that they are prepared to consider the purchase of any one or more of those concerns would be welcome.

Hon. P. Collier: What a time to sell, when there are no buyers for anything!

Mr. SAMPSON: One never knows.

Hon. P. Collier: Oh!

Mr. SAMPSON: It would show a readiness—

Hon. P. Collier: To sacrifice!

Mr. SAMPSON: —to do what Parliament has approved of.

On motion by Hon. S. W. Munsie, debate adjourned.

*House adjourned at 10.54 p.m.*

## Legislative Assembly,

*Thursday, 28th May, 1931.*

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

### QUESTION—UNEMPLOYMENT RELIEF.

*Sustenance Payment Methods.*

Mr. RAPHAEL asked the Minister for Railways: 1, Is it a fact that only one child of those over the age of 14 years of each unemployed family is allowed to draw rations? 2, Is there any other source from which these children can obtain sustenance?

3, Is it a fact that Greeks and Italians and other foreigners are being paid sustenance by the Government? 4, If so, can the Government define their attitude in refusing sustenance to Britishers although paying sustenance to foreigners?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, It is considered in large families the ration is sufficient to provide for such cases. 3, Yes; in accordance with accepted British practice so contrary to most foreign countries. 4, Sustenance is not refused to qualified persons.

### QUESTION—HERDSMAN'S LAKE, HOUSING SCHEME.

Mr. RAPHAEL asked the Minister for Lands: 1, How many houses have been erected to date under the Government housing scheme at Herdsman's Lake? 2, What was the total cost of the houses? 3, From what source was money made available for the erection of the houses?

The MINISTER FOR LANDS replied: 1, Forty. 2, £10,220. 3, General Loan Fund.

### QUESTION—LAND AND HOMES, LTD.

Mr. CORBOY asked the Chief Secretary: 1, Was an application from Land and Homes, Ltd., received for a license under the Land Agents Act? 2, Was any objection lodged to the issue of such license? 3, If so, by whom? 4, Was any such application, as a result of police objection, subsequently withdrawn?

The CHIEF SECRETARY replied: 1, (a) An application was received, and a license granted for 1928; (b) an application was received, and a license granted for 1929; (c) an application was received for 1930. 2, As regards (a) and (b), No. As regards (c), a notice of intention to oppose was lodged with the Clerk of Petty Sessions. 3, By the police. 4, After notification of the intended objection had been served, the applicants' solicitors withdrew the application and notified the Clerk of Petty Sessions that no license was necessary inasmuch as their clients sell their own land, do not act as agents, and consequently are not bound to hold a license.

**BILL—TRAFFIC ACT AMENDMENT.**

Report of Committee adopted.

**BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 19th May.

**HON. P. COLLIER** (Boulder) [4.40]: Although the Farmers' Debts Adjustment Act came into operation at the beginning of January only, it is not surprising that we should have a considerable number of amendments placed before us so early in the history of the measure. The Act was unique and experimental in character. No doubt experience gained in the operations of the measure during the past few months has resulted in the discovery of defects, mainly, I think, of a machinery description. When introduced originally, the Act had few friends. Even the Government admitted the position dealt with was most difficult to legislate upon. After the measure passed through this House in a certain form, it had to undergo a severe overhauling in another place and, as the result of the recommendations of a select committee, it came back to us practically a new Bill. Although little was expected of it, I think, looking back now, we can say it has been of some benefit to those whom it was designed to assist. There were many difficulties in the way and the number of farmers who have taken advantage of its benefits is comparatively small when we consider the total number of farmers in the State. I have no doubt that, had the Bill become law before harvesting operations commenced, many more farmers would have availed themselves of its provisions. The Minister for Lands informed the House that 303 farmers had been carried on under the provisions of the Bill and that there had been 481 applications. He also told us that financial relief to the extent of £60,000 had been granted to the 303 farmers mentioned, affecting an aggregate area of 750,000 acres. Those figures demonstrate that the Act has been of some assistance to the farming community, although perhaps we may recall the famous words the Premier uttered many years ago when he said, "If the Bill will do no good, it will at least do no harm." That is rather a negative virtue to claim

for an Act of Parliament. For my part I think the Act has done a little good. In addition to the direct assistance referred to, it must be remembered that there were arrangements between creditors and other farmers that avoided the necessity of the latter coming under the provisions of the Act. There were not, perhaps, a great number who found themselves in that position. I believe the Act resulted in a considerable number of farmers being able to carry on operations, whereas without its provisions they would not have been able to do so. I understand that the creditors as a whole did co-operate and endeavour to act in accordance with the spirit of the legislation, assisting those in need of help. The amendments outlined in the Bill, as the Minister explained, are almost entirely of a machinery character and have been found necessary as the result of experience gained in the administration of the Act during the past four or five months. The defects discovered are sought to be remedied in the Bill. The Act itself has been generally in the interests of the farmer. It has provided a cheap method for the making of arrangements with creditors, and it has avoided the necessity for taking proceedings under the Bankruptcy Act. Although, as I have said, it has not been of very wide benefit to the farming community, it has been of some little assistance, and I believe most of the amendments contained in the Bill are by way of improvement to remedy the defects that have been discovered, so that the Act might be carried on until the end of next year. I have no objection to the second reading of the Bill.

**MR. PIESSE** (Katanning) [4.46]: I desire to congratulate the Minister and the director on the early bringing down of amendments to make the present measure more effective in its working. I am reminded by the Leader of the Opposition that the original Bill, now the Act, both when it came to this House and when it left this House had very few friends; because there were very few members who understood and thoroughly appreciated the intention of the measure. It has perplexed many members representing agricultural constituencies to find the reason why material alterations were made in the measure in another place. One might almost say the Act has been regarded with a certain amount of distrust by the commercial community who, it seems,

feared it was going to injure the mortgagees and others who had securities from the farmers. It is gratifying to know that although the measure is not what many members would have liked, yet it has been of material help to many unfortunate farmers who found themselves unable to meet their just debts. It has been instrumental in helping many farmers, and also has been inexpensive in its operations. Again, it has had a wider effect than one would surmise from the figures quoted by the Minister of the number of cases in which relief has been sought. To some extent it has had a good effect upon the greedy creditor and the impatient creditor, who frequently are responsible for the difficulties of the unfortunate farmers. It is not generally known that there are outside the operations of the Farmers' Debts Adjustment Act, many farmers who, without having recourse to the Bankruptcy Act, have been able to make satisfactory private arrangements to carry on their affairs. Still, in my opinion, there are one or two features of the Act and the proposed amendments that do not meet the present-day needs. More particularly am I afraid that unless produce prices increase materially before next harvest, the position of many of our farmers will be very little better, if not actually worse, than they are at present. Therefore I hope the Government will be fully alive to their responsibilities and that Parliament will not be afraid to pass legislation if introduced as the result of the inquiries the Government are about to make through the appointment of a Royal Commission. I hope some more comprehensive legislation will be passed which will give quicker remedy for the difficulties of the farmers of to-day. Those difficulties are likely to increase unless produce prices rise materially. One might be excused for briefly referring to the number of applications made for relief under the Act. The total number is 481. It is to be regretted that there should be necessity for so many of our farmers to seek relief under that measure.

Hon. P. Collier: It is not a very large number, compared with the total number of farmers.

Mr. PIESSE: That is so. Indeed the proportion might be considered reasonably small. Neither is it comparable with the number that have had to seek protection in South Australia. But it must be remembered that almost as many more of our farm-

ers have had to meet their creditors and arrange for financing under one scheme or another. At least 1,000 farmers in this State are in acute financial difficulties to-day.

The Minister for Land: More than that.

Mr. PIESSE: At all events, one can safely say that at least 1,000 of our farmers are in financial difficulties. If, as the Minister indicates, there are even more, then clearly there is urgent necessity for the early consideration of a measure that will give more complete relief and grant more material assistance for the lifting of those farmers out of their difficulties. What I am afraid of and what I want to warn members and the Government against is the leaving of this question until we are into the next harvest before legislation is introduced. Unfortunately that is what occurred last year. Now we have had the experience of last year and of the operation of the Act, and as far as I can speak from my own knowledge of the position of many of our farmers, and having regard to the fact that there is so little prospect of any material improvement in prices next year, there is certainly need to follow the lines of the Act in South Australia and introduce a thoroughly comprehensive measure. There are in the South Australian Act many important provisions which would meet the present and future situation of the farming industry. I understand that in the administration of the Act in this State expenses have to be kept down to a minimum. I am sorry there should be necessity to increase to ten guineas the fee to be paid to the receiver. Still, after all, I have no objection to that or to the giving to the director discretionary power to spend up to £30 as provisional expenditure out of the assets of an estate, provided the estate warrants it. However, I think that in Committee an amendment might be brought down prescribing that the fee to the receiver shall not exceed ten guineas. Amendments to the other clauses seem to me to be in the best interests of the State and necessary to the better working of the Act, while I regard the proposed new clause as being, perhaps, justifiable. Frequently has my attention been drawn to the position of the country storekeeper, who often finds himself embarrassed in giving assistance to his clients.

Mr. SPEAKER: I hope the hon. member will confine his remarks within the scope of the Bill.

Mr. PIESSE: The country storekeeper plays a very important part in the agricultural industry, and often is left high and dry respecting the past harvest, because he is not able to participate in the results of the harvest. Consequently he considers he should be placed on an equal footing and share pro rata with other preferential creditors. Sometimes the argument is put up that it limits the financing of the farmer and limits his operations if he cannot obtain his super. and cornsacks without having to pay cash on the spot. The amendment proposed seems to be a good one, and should help the farmer in carrying on his business and putting in his crop. It is evident that the wheat grower has been the first thought of the Government in the drafting of the amendments contained in the Bill. A little more consideration might well have been given to the protection of the wool grower. Sometimes the wool grower is a farmer as well, growing wool and lambs and mutton. He is not receiving under the Bill that protection which I think he should receive. He is in great difficulties to-day, simply because he is unable to get finance to carry on his business as a wool grower. Many of our woolgrowers are clients of the Agricultural Bank and of the Associated Banks and are mortgaged either to the banks or to the stock firms. While I do not wish to reflect in the slightest degree upon the banks or of the stock firms, who have been very helpful in the past, the fact remains that many of the woolgrowers are in a very precarious position. They are not able to get that support or assistance which is to be provided for the wheatgrower under this measure. During the past year or two most of the revenue derived from the business of woolgrowing has been taken to reduce the principal owing. Therefore the storekeepers and other unsecured creditors, who have been assisting the woolgrowers, have not been able to get their reasonable share of the year's return, and consequently are not in a position to grant further credit. I hope that when the Royal Commission make their investigations into the general economic position of the primary producers, they will not overlook the small woolgrower.

Mr. Wansbrough: Or the small orchardist.

Mr. PIESSE: No, the small orchardist is also deserving of consideration. Considering the tightness of the money market, the banks and the stock firms have behaved very well. True, they have restricted their advances, but that was only to be expected. While we are suffering greatly from a lack of necessary finance, our difficulties next year are likely to be much worse unless prices for our primary products greatly increase. Therefore I hope the scope of the commission will be extended to cover all persons engaged in primary industry. Better provision will have to be made for the carrying on of many of our farmers than is being made to-day. It was very interesting to hear from the Minister of the good work done by the Government to supply fertiliser expeditiously to many of the agriculturists who were unable to make satisfactory financial arrangements otherwise. I congratulate the Government upon the action taken and the expeditious manner in which the applications were dealt with. Still, it is somewhat disquieting to know that quite a number of agriculturists, including some Agricultural Bank clients, were unable to obtain superphosphate supplies. I have knowledge of many small farmers who, because their area of fallow did not exceed 100 acres or thereabouts, could not get their applications approved. I am not going to dispute the discretionary power exercised by the trustees of the Agricultural Bank, but I do think it regrettable that some financial arrangement could not have been made to provide superphosphate for those farmers, so that they would have had fodder with which to carry on during the year and seed for next year. The Minister told us that 640 applications had been refused, and I think a good many of them were clients of the Agricultural Bank. I hope that as a result of the impending inquiry, those farmers will not be left high and dry as they have been this year. I regret that so much less superphosphate has been sent to the country as compared with last year. A decrease was to be expected, but when the whole of the seeding is completed, it will probably be found that the quantity supplied this year is 50,000 tons below that of last year. I wish to impress upon the Minister the need for providing security of tenure for our farmers. It must be admitted that most of the farmers who have been carried on under the present Act have received protection by the good grace

of their creditors. Farmers to the number of 330 have protection for one year under the Act, but members will agree that much will depend upon the result of the harvest, the prices ruling, and the financial position of those farmers at the end of the year as to whether they will be longer carried on under the provisions of the Act. I am convinced that the farmers will require some better protection by means of legislation for next year. Various suggestions have been offered as to how the position could be eased for the settlement of farmers' debts. I have a plan which was suggested to me by a gentleman with experience of over 30 years in dealing with farmers, and his experience covers periods when crops and prices were good and when they were indifferent. He divides the farmers into five classes. In Class A he includes those in temporary difficulty only, caused through low prices and the drastic restriction of credit. In Class B he includes those moderately involved, whose assets greatly exceed their liabilities, and who, under normal conditions, would speedily right their position. In Class C he includes involved cases, with heavy liabilities requiring a period of years in which to recover. In Class D he places the farmers who are very heavily involved, and where a writing down of liabilities is essential to their recovery. In Class E he places the bad cases, those who are either hopelessly involved or unfitted for the work.

Mr. SPEAKER: I am afraid the hon. member is wandering from the question before the Chair. I do not like to interrupt a member when he is speaking, but I must ask the hon. member to confine himself to the subject matter of the Bill.

Mr. PIESSE: The amending Bill will affect the future of thousands of farmers in this State, and I am endeavouring to show the Government that the measure might have gone much further. As so many members were afraid that the original legislation to give protection to the farmers would prove disastrous, I felt it incumbent to point out the special urgency of dealing with cases as they require to be dealt with.

Mr. SPEAKER: Does the hon. member intend, at the conclusion of his remarks, to suggest amendments to the Bill?

Mr. PIESSE: I am suggesting that the Bill does not go far enough, and that the Government should have brought in additional amendments to give greater protec-

tion. I do not desire to infringe the rules of the House or inflict upon members facts of which they are already aware, but I felt it my duty to stress this point, that the present Act is only a temporary expedient and does not afford the protection that is due to the farmers and that is necessary in the present stringent conditions. I have a copy of a measure that was recently passed in South Australia. It is an Act to make provision for financing farmers for the season 1931-1932 so that they may be able to carry on the industry. That is what I desire for this State. I hope the Government will not be satisfied with the Bill now before us, and will not delude themselves into the belief that it will cover all the difficulties at present confronting our farmers as well as those likely to arise next year.

Mr. Griffiths: I do not think they have any such thought in their minds.

Mr. PIESSE: The measure in South Australia is the result of years of experience. Special provision has been made for the protection of drought-stricken farmers who have suffered in that way for six or seven consecutive years. Although this Act was assented to only on the 2nd April the authorities have been able to bring something like 3,600 farmers within its scope. I hope the results of the inquiry by a Royal Commission will be to give sufficient data and sufficiently reliable information to enable the Government to bring down legislation next session to meet the circumstances of those distressed farmers who, I am afraid, will require help next year. I have much pleasure in supporting the second reading of the Bill, and hope that it will be the means of keeping a number of our farmers upon their holdings.

MR. J. I. MANN (Beverley) [5.17]: I am glad the Government have brought down this Bill, for it is essential that the Act should be amended. There was a good deal of criticism on the part of both farmers and creditors when the Act was first introduced. I agree with the member for Koolanong (Mr. Piesse) that possibly fresh legislation will be required to prevent farmers in dire distress from leaving their holdings. There are considerably more than a thousand farmers who are merely financially embarrassed; I venture to say that 75 per cent. of them are in a hopeless position. Even with this year's crop the majority would naturally

get further into debt. The Act has certainly been effective in bringing many debtors and creditors together. There is no doubt it had a salutary effect upon some creditors. Out of the 300 odd farmers who have sought protection under the Act, at least 250 of them would certainly have gone to the wall but for that protection. I hope the Minister will look into the question of giving protection to those who have purchased their farms during recent years, and are now unable to pay the balance due upon them. These people are being forced off their holdings. I know of one man who purchased a property for £6,000 and paid off £2,500, but because he could not meet his commitments the mortgagee can force him off his property.

Mr. Griffiths: I know of a harsher case than that.

Mr. J. I. MANN: It is very hard for a man who has put a great deal of money into his property and finds, through no fault of his own, that he is unable to complete the payments, and is in danger of losing his all. The Government will certainly have to consider bringing down a moratorium for farmers. If they did that the situation would be considerably eased. No doubt the inquiries by the Royal Commission into the state of the finances of our farmers will lead to some means being found to carry them on.

**MR. DONEY** (Williams-Narrogin) [5.21]: I am a willing supporter of the Bill but hope to see it amended in one or two directions. I have been through it with three organisations in the city that are directly concerned in the agricultural industry, and they are very satisfied with it, subject to the amendments. I am glad the Minister has brought it down. I suppose it is inevitable when an Act such as the Farmers' Debts Adjustment Act is put into operation some discrepancy will be disclosed. It, therefore, becomes necessary to bring the matter before the Legislature for review. No one will dispute the fact that the parent Act has been of real practical service to the industry. It has led to something like 200,000 acres of land being cropped which, but for the operations of the board, would not have been seeded. The director can certainly be proud of this feat, particularly

when we remember the predictions of opponents of the Act that its operations would result in hopeless muddle for the industry. I have always believed that the more the Act was assailed in the country for propaganda purposes, the more it would be availed of and the more useful it would be in its general application. I am glad for the sake of the industry that these dismal predictions of the critics have been confounded. The Act has been a very useful piece of legislation, quite apart from the practical help it has been to 300 or 400 farmers who have been brought under it. It has assisted to clear the atmosphere and to bring about a more friendly give-and-take understanding between the farmer and his creditors. Each side has been led to a more tolerant conception of the views of the other, and whether it has been the storekeeper, the merchant or the manufacturer, he has been the more ready to work with the farmer. The Act has also contributed largely towards the smooth working of the superphosphate difficulty. I should like to pay a tribute to the Agricultural Bank for the manner in which this matter has been controlled. During April it was amazing to note the highly expeditious way in which the bank and its officials controlled this difficult matter. Orders were coming in by hundreds every day. One might come in to-day, and within 24 hours it would be passed on to the works and the super. sent out without delay. It has been customary for people to sneer at the alleged lackadaisical manner in which Government departments transact their business. On the other hand quite a number of city business people have openly expressed their admiration for the manner in which the bank has handled the superphosphate supply. I know that of the several score of applications for superphosphate that have come before me, in only two instances have the Government declined assistance, and they were on proper ground when they did so. More has been done by the present Government in this matter than by any other Government in Australia. Those who grumble should remember that what time our machinery was well oiled and working smoothly, the other States were drawing up their plans for relief. The Bill is necessary, and I hope it will have a quick passage through both Houses.

**MR. BROWN** (Pingelly) [5.25]: I support the Bill. It will certainly improve the Act and make it more satisfactory to all concerned. I was not altogether in favour of this legislation when it was first brought down, and was of opinion that a man would be very foolish if he sought protection under it. Since then I believe it has done a tremendous lot of good. But for the Act probably 300 farmers odd would have left their farms. With new legislation anomalies are bound to occur. The experiment was a necessary one. If any difficulties have cropped up, they can now be rectified. I do not want to be pessimistic in my utterances, but I must remark that the farmer who is in financial difficulties and has been unable to pay his creditors must remember that there is a day of reckoning to come. Most of the farmers who have been helped under this Act have been Agricultural Bank clients. Those who came under the Associated Banks or had been assisted by private money-lenders were in a different position. Both the Government and private institutions, however, have realised to the full the position the country is in. I am pleased to say that except in special cases the private institutions have done all they can to keep men on the land. It would never do to allow our agriculturists to leave their homes. We are a primary producing country. If we allow our farms to go back to Nature the State will suffer severely. There is no doubt after next harvest we shall again have to review the provisions of this Act. Something will have to be done, possibly in the way of a moratorium; and perhaps even greater consideration will have to be extended to the farmers than is being given them to-day. Prospects are not too bright. The present price of wool is hardly payable, and the future is not encouraging as regards the price of wheat. We do not know what kind of season there will be. The unfortunates who went under the Act were right up against things and unable to meet their commitments. Had it not been for the Act, they would not be on their holdings to-day. This amending Bill does not go as far as the South Australian Act, and in New South Wales a moratorium has been declared so that the farmers may be kept on their land. Whether a moratorium is necessary here, remains to be seen. Desperate cases require desperate remedies. However, a silver lining seems to be forming on the clouds. This

amending Bill will make the Act more workable, and give greater satisfaction to those under the legislation in question. In my electorate there are many new settlers, and also settlers who have been on the land for 80 years: that is to say, some properties are now being farmed by the grandsons of the original selectors. Even among such well-established properties there are some that are in difficulties. If I were to state the reasons why farmers generally are in difficulties, you, Mr. Speaker, would rule me out of order.

Hon. W. D. Johnson: Why?

Mr. Withers: The farmers are being exploited.

Mr. BROWN: I would not altogether say "exploited." When a man wishes to borrow on the security of his farm, a valuation is obtained, and he is not lent up to 100 per cent. of the valuation. Not even the Agricultural Bank would advance to that extent. However, farmers have been carrying on under great difficulties and at considerable distances from the railway. In the circumstances it has been impossible to make farming pay at present prices. There are some people who say the farmers have been extravagant. In many cases, however, that is not so. If some hon. members had made the trip I recently made through the eastern portion of my electorate, they would hold a different view.

Mr. SPEAKER: If the hon. member were speaking on the principal Act, he would be quite in order: but this is an amending Bill, and the principles with which the hon. member has been dealing are not involved in the measure before the House. I do not like to intervene, but the hon. member must keep to the Bill before the Chair.

Mr. BROWN: Very well, Mr. Speaker. Still, one feels worked up when one considers the condition to which one knows the farmer is reduced. Opponents of the original Act must realise that the amendments proposed in this Bill will render the Act more workable. I was indeed pleased to hear the Leader of the Opposition say that the Act has done a vast deal of good. At the time of its introduction some of us did not believe in all its provisions; but business people, the creditors, men who are in difficulties themselves, now realise that good has resulted. If we can remedy the defects and anomalies which have been disclosed in the principal Act, it will be an ex-

cellent thing. I do not think any member will object to the amendments proposed. I have to revoke my forecasts that the Act would be unworkable and would prove unsatisfactory to the farmers. The amendments in the Bill will be the means of giving greater security to the man under the Act and also to the Government, the various creditors, and others interested. I have much pleasure in supporting the Bill.

**MR. GRIFFITHS** (Avon) [5.37]: This amending Bill, as has been stated by two or three speakers, has been framed with the idea of rendering easier the work of those who are handling the affairs of farmers, and of enabling the farmers to carry on. Whilst approving of the amendments proposed, I wish to suggest to the Minister that in replying he should take note of what is being done by a certain class of land vendor, who is not playing the game. In many instances the vendor is probably acting as the law permits him to act. Whilst in normal times a vendor may be in order in pushing his rights to the legal limit, it has been brought under my notice that in my own electorate there have been some glaring instances. The Bill contains amendments which may have a bearing on this phase of the situation. From the Merredin and District Agricultural Society I have received the following resolution:—

That a letter be written to Mr. Griffiths bringing details of these cases under his notice, and asking him to secure legislation for the protection of farmers who are about to be removed from their properties by the unpaid vendors, where big financial loss to the purchaser would result, the idea being that the unpaid vendor would subrogate the purchaser for any real loss incurred.

An accompanying letter from the society points out that in one instance the vendor has held the land for 20 years, and that under his management it never returned anything like the crops obtained by the purchaser, who has been on it since 1927. The purchaser has been getting 20 bushels to the acre, and that had never been done previously. Since 1927 the purchaser has paid £2,000 annually off the purchase price and by way of interest. Last season he was unable to continue the annual payment of £2,000. A valuation of the property shows an increase of £2,000, so that actually the purchaser has paid off £6,000 and improved the property to the extent of £2,000 on the

1927 valuation. This year, owing to low prices, he cannot come up to the mark with the £2,000; and so he is told to get out. I considered this instance so grave that I wrote a letter to the Premier, sending a copy of it to each member of the Cabinet. The purchaser, after spending £8,000, is to walk out without a bean to his name. We have read of similar cases along the Midland railway, particularly that of a young man who somewhat foolishly rushed in. I wish to see some security of tenure given to farmers who, having done a fair thing, should not be turned out neck and crop. An amendment which appears towards the end of the Bill may have some bearing on that aspect. Otherwise I suggest to the Minister the enactment here of Section 14 of the New South Wales Act, No. 48 of 1930, providing a moratorium to prevent such cases of hardship. Towards the end of the Bill I see a provision for wheat liens. A farmer to the north-east of Merredin writes to me as follows:—

Some time ago the Westralian Farmers issued a writ against me for the recovery of £175, overpaid on wheat stored with them last season. I immediately got in touch with Perth, and they were instrumental in getting the writ withdrawn on the condition that I acknowledged the liability, which I did. Since then I have again been approached and threatened with the procedure of the summons unless I sign an order on all wheat merchants authorising them to pay to the Westralian Farmers the sum of £55 out of next harvest proceeds. I am quite prepared to do this, but it simply means that I shall be breaking a solemn promise given to my several creditors. This promise was to the effect that I would give no voluntary lien over my crops to any individual creditor, and the Shell Oil Company have already warned me regarding the summons in question. If the Westralian Farmers insist on this order being signed, they will precipitate a crisis, which I have been striving hard to avoid. I feel sure that provided I am allowed to do so on my own initiative, I shall eventually be able to pay twenty shillings in the pound, if the creditors agree to a distribution of the crop proceeds on a pro rata basis. Out of a total liability of £3,800, of which £500 only is unsecured creditors, the Westralian Farmers are the only ones who have issued a writ against me. I have signed the order required by them, knowing full well that it practically means my death warrant as a farmer, and have enclosed it herewith. Will you please interview them on my behalf and put the position plainly before them, when I feel sure that they will be only too willing to rely upon my integrity to pay up when the moneys are available.



Hon. W. D. Johnson: The American oil company have got to get their money, but your own organisation, the co-operative company, must not. You ought to be ashamed of yourself.

Mr. GRIFFITHS: I am not ashamed of sticking up for the man.

Hon. W. D. Johnson: Get the whole truth, not half the truth.

Mr. GRIFFITHS: I have read the letter.

Hon. W. D. Johnson: You know it is only half the truth.

Mr. GRIFFITHS: Then the hon. member can disprove it.

Hon. W. D. Johnson: Why should I disprove it?

Hon. P. Collier: Disprove the half that is true.

Mr. GRIFFITHS: There is just this good feature about the present position, that serious as things have been, it has taught the city people to realise that they are dependent on the primary producers of the State. Would to God the cities of Melbourne and Sydney could be brought to look upon the primary producing industries of their respective States as Perth looks upon our primary producing industries to-day! I am convinced that this legislation is only stop-gap legislation, calculated to carry us over the present period. I have urged the appointment of a Royal Commission to go into every phase of the agricultural industry, and such a Commission will begin its investigations very shortly. Unless something drastic is done to bring about the reduction of production costs, then wheat growing in this State is doomed because it cannot be carried on under existing conditions on a profitable basis. Whilst the present Government have been given credit for having done more than any other Government in Australia in the way of relieving the position of farmers, we must not forget that it is merely temporary legislation that is enabling us to carry on for a period. A gentleman who recently passed away and with whom I was frequently in touch pointed out to me that there were three classes of farmers. There was the farmer who was heavily involved, and there was the farmer who was financial. Incidentally there are very few of these farmers who have been able to get through and meet their obligations. Then there was the farmer who had no chance at all of making a profit for himself. The Royal Commission that is about

to sit should give particular attention to those engaged in farming whose future is in doubt. I repeat that unless something very drastic is done, wheat farming is doomed.

Mr. SPEAKER: The hon. member is wandering somewhat by discussing matters that are outside the scope of the Bill.

Mr. GRIFFITHS: My remarks are intended to assist in some way those who are engaged in the industry, and if I may be permitted, I will repeat that those who are on the land at the present time cannot possibly carry on under existing conditions, and I trust that the Royal Commission will put this aspect in the very front of their investigations.

Hon. W. D. Johnson: This is all very good for "Hansard."

Mr. GRIFFITHS: I do not appreciate that remark from the hon. member. I can tell him that when I do speak I do not waste the time of the House as he did last session.

Mr. SPEAKER: The hon. member must confine his remarks to the subject matter before the House.

Mr. GRIFFITHS: I am fighting for men who are helping to keep the State going and if they are allowed to go out, it will mean that all of us will go out with them. I should like to say a few words about country storekeepers. I have been through my electorate recently, and I have come into contact with this section of the community who complain that they are always the last to be considered where payments are concerned. I should like to see something done to protect the storekeepers so that they may be enabled to get something like a fair deal which has been denied them to date. I should like the Minister to consider the question of security of tenure, and to see whether something cannot be done with regard to those people who are pushing farmers off their blocks simply because they cannot fulfil their immediate obligations. The times are abnormal and we should be prepared to do that which might be considered to be in keeping with the times, and in that way assist those who are on the land in the difficulties in which they find themselves. There is another phase I would like to touch upon. One of the amendments provides that the director shall have power to expend the sum of £30, but from what I can gather regarding the men who come along for sustenance, many of them are very keen to carry out

their obligations. One of them said to me the other day that he had no wish to give up his block and come to Perth because the outlook there was hopeless, and therefore it was better for him to remain where he was. That man appeared before the director and he was asked how he could carry on and what sustenance he required. He said that he was anxious to do the best he could and that he could carry through on £100. Personally, I fail to see that a man can go very far on such a sum, because he has to provide food and clothing as well as medical necessities. We can rest assured that those people outback—and there are many of them in my electorate—are living under what might be said to be extraordinary conditions. Even though £100 or £120 be granted occasionally, it is comparatively very small for a man who is at a place such as Moorine Rock, where he has a wife and perhaps ten children to maintain. How they all manage to exist I cannot understand. I sincerely hope that something will be done to improve the position of those people. They are not asking for charity; they have been reduced to their present state through no fault of their own, even though there has been a lot of talk about extravagance on the part of farmers during the past few years. Many of the men who have been engaged in farming for some time past have not by any manner of means been extravagant. In many cases we find that they have been most thrifty, and have endeavoured to carry on without appealing to anyone. Now they see nothing but ruin staring them in the face. I have nothing more to say except to hope that the Minister will consider the various aspects of the position to which I have referred, even to the extent of declaring some form of moratorium so that those whose cases are really genuine may be protected. I do not ask that anything be done to assist those who are not doing a fair thing by the State, but where we find good and sterling workers like the one who put £8,000 into his property, we cannot go wrong by helping them to the fullest extent.

**MR. SAMPSON** (Swan) [5.55]: I shall give my support to the amendments before the House and I would like to say that it is a matter of general regret that at so early a stage in the history of the agricultural lives of many of our people, this great financial trouble should have come upon Aus-

tralia. The difficulty is greater in the cases of those farmers who have not had the opportunity to become established. That, too, has made the problems that have to be faced by the Government more difficult to handle. If the State from the standpoint of settlement were older, the Agricultural Bank would be better able to give the necessary assistance to those who are operating throughout the wheat belt. The proposed amendments are undoubtedly necessary in the interests of the farmers. There have been complaints and there will continue to be complaints, that what has been done has not been done quickly enough. At the same time, remembering the difficult financial position, I can pay a tribute to the Government for having made some progress. The Ministry, particularly the Minister for Lands and the Minister for Agriculture, have had to handle unusual problems. I realise that the Agricultural Bank is outside the control of Ministers and that it is unable to finance the problems because of the difficulty in procuring money. It is of the first importance that the Agricultural Bank should not be shackled; it is likewise of the first importance that all the money possible should be provided for those who are on the land and who require it. Unless that is done, the future of the State will be imperilled, and a setback to wheat production at the present stage would have a permanently bad effect. As proof of the difficulties which our wheat producers are facing—

**MR. SPEAKER**: I am afraid the hon. member has not a full grasp of the proposals contained in the Bill because he is wandering outside its four corners. If the hon. member will look at the amendments, he will find that they have nothing to do with the matter he is discussing.

**Hon. P. Collier**: And this is not an amendment of the Agricultural Bank Act.

**MR. SAMPSON**: The Agricultural Bank is so closely associated with the amendments before the House that I thought I was justified in alluding to it. I was about to observe, to show the justification for the amendments, that the hard times through which our producers are passing have compelled them to apply for fertiliser, and approximately 34,000 tons have been sent to them. It is much to be regretted that when a number of the applications were submitted to the bank, they had to be refused. Even so, from that standpoint, the bank is worthy

of commendation. I take it such requests had to be dealt with on their merits, and as some of the requests obviously were made by those who, in no conceivable circumstances, were likely to be successful, the bank had an equally obvious duty to carry out in refusing such applications. The bank has done everything possible to relieve the situation and to render farmers the measure of help considered necessary. Unfortunately it is impossible to do all that is desired or is justified. The Act, which the Bill seeks to amend, has resulted in much good being done, and that is admitted not only in Parliament but outside wherever men who know anything about wheat production and agriculture generally discuss its provisions. It is acknowledged that the work of the Government in this direction has been useful and in the best interests of those concerned. One of the most important amendments in the Bill relates to the protection to be accorded settlers. They are to have protection subject to the resolution of their creditors, such resolution, which will be binding, to be determined by considerations of value and number, as set out in the clause. A serious phase that has often been referred to in this House arises from the actions of settlers who, when in difficulties, have given wheat orders to creditors without due consideration or, perhaps, because of persuasive arguments by creditors concerned. Some farmers have given wheat orders in such numbers that when the time arrived for the distribution of the crop, it was found that the whole position had become clouded, and the finances of the farmers were in a most confused condition. The Bill seeks to amend that and aims at cleaning up the position with regard to wheat orders given, in some instances, without full justification. At times, pressing creditors have been able by third degree methods to impose their personality upon struggling settlers to such an extent that payments in the form of wheat orders have been made. Gratitude will be felt because of the action of the Government in seeking to remedy that position. The granting of some wheat orders had the effect of securing preferential treatment. The fact that some farmers have been induced to give wheat orders in circumstances that did not justify it, warrants the inclusion of the clause I refer to. In many instances, unregistered liens have been given, and sub-

sequently they have been registered. Action has been taken that was utterly wrong, unfair to the farmer and unfair to the State. The Government realise the position and in the Bill seek to accord the farmers the necessary protection. I have referred at some length to the difficulty that has arisen through the giving of wheat orders. There are some members in this Chamber who could quote instances and tell interesting stories of what they have heard from their constituents. Those stories would show that although the wheat orders have been given with the best of intentions, the acceptance of them by creditors has been at times most iniquitous. Possibly some merchants may have been in difficulties, but good arguments would be required to justify the acceptance of certain wheat orders in the circumstances in which they were given. Some of the stories country members could tell would not be creditable to those who accepted those orders. Undoubtedly they have been secured from farmers at times as the result of threats. If there is anything calculated to encourage precipitate action, it is the voicing of a threat. The Bill will make that sort of thing impossible. One can realise that the country-side has been littered with wheat orders when actually there was not sufficient wheat available to redeem them.

The Minister for Agriculture: The farmers thought they were more valuable when they gave them.

Mr. SAMPSON: When they gave them, the farmers were optimistic, and they hoped that their crops, instead of averaging 12 bushels, would return them 18 or 19 bushels. They gave the wheat orders in good faith, but subsequently, for one reason or another, they found themselves in difficulties.

The Minister for Agriculture: The price of wheat fell.

Mr. SAMPSON: Yes, the fall in the price of wheat throughout the world resulted in the position becoming worse, and added to the difficulties of the Government. In the face of such circumstances, the people look to the Government for help. That is one of the peculiarities more manifest in Western Australia than elsewhere.

Mr. SPEAKER: Oh, Mr. Sampson, I am afraid this is too much! You are not

speaking within the four corners of the Bill at all.

Mr. SAMPSON: I hope this trouble will be cleared up as the result of the Bill. When the clause I have particularly referred to is agreed to, it will be competent for wheat orders wrongly given to be set aside. When there is a division of assets, it should be on an equitable basis and consideration should be given to the claims of every creditor.

Mr. Marshall: What about the debtor?

Mr. SAMPSON: It is recognised that the farmer, who has to fight against manifold problems, has claims as well that must not be lost sight of.

Mr. Marshall: He gets nothing out of it.

Mr. SAMPSON: The Bill represents an acknowledgment of the farmers' difficulties and needs. That is what prompted the Government to introduce the Bill. Ministers, I am sure, realise that we must at all costs keep farmers on the land.

Mr. SPEAKER: Order! This is a very good second reading speech on the principal Act. I again ask the hon. member to confine himself strictly to the amendments contained in the Bill.

Mr. SAMPSON: I have dealt particularly with the clause relating to wheat orders because it seems to me to be one that is justifiable from every standpoint. Every credit is due to the Government, of which I have the honour to be a supporter.

Hon. W. D. Johnson: Is that an honour?

Mr. SAMPSON: Undoubtedly.

Mr. Marshall: You say it with your tongue in your cheek.

Mr. SAMPSON: I am quite sincere.

Mr. SPEAKER: Order! The hon. member will address the Chair!

Mr. SAMPSON: While I have pointed out that credit is due to the Government, I must pay a tribute, too, to the Associated Banks and at least some of the merchants.

Mr. Marshall: What!

Mr. Wansbrough: That spoils the speech!

Mr. SAMPSON: The banks and the merchants have done a lot to assist the position.

Mr. Marshall: Land and Homes, Ltd., have nothing on them!

Mr. SAMPSON: Before tea I made brief reference to the work of the Associated Banks and of the merchants in connection with the sustenance being given to the farmers. I do not think it out of place to acknowledge the value of that work. It has proved advantageous, and the facts show that the Associated Banks have provided far more funds in this State than have been deposited with them. But there is another aspect of the Bill which has not been referred to this evening, namely, the early criticism that was levelled at the efforts made, and the prognostication of the futility which was expected to mark the operations of this measure. Already time has shown that the measure has been to the advantage, not only of the wheatgrowers, but of every individual in the State. I warmly commend the Bill, and hope it will be approved. I was very much impressed with the clarity of the Minister's exposition of the clauses of the Bill. The putting forward of the matter in such clear language was helpful to those who, like me, have not had very much experience of wheatgrowing.

MR. CORBOY (Yilgarn-Coolgardie) [7.35]: The Bill is purely a machinery measure to remedy defects that have been discovered in the parent Act during the short period over which it has been operating. Those defects the Government are now endeavouring to remove. I have but little to say on that aspect, except to assure the Government that they shall have my hearty co-operation in any effort for the smooth running of the machinery designed to assist the farmers through the present troublous times. There are in the Bill one or two clauses the objects of which I do not quite understand. I really do not know what is in the Minister's mind when he puts forward proposed new Section 13B. Proposed new Section 13A, I take it, covers wheat orders, etc., as was desired by the select committee which sat on the parent Bill. But then proposed new Section 13B takes away what is granted in proposed new Section 13A. Maybe the Minister has a reason for that. The only reason I can see is that the Minister proposes to give certain assistance to the farmers, and desires to have the power contained in proposed new Section 13B so that he may cover himself in any assistance the Government may give in the way of sustenance and so on. I should like briefly to refer to the operations of the department constituted under

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

the original Act and to the way the Act has operated. First of all the director, Mr. White, and his staff are to be congratulated on the success they have achieved, especially when one remembers that they have no powers of compulsion, that this is purely a goodwill measure, that all the director can do is to secure the goodwill of the creditors for the debtor and get them to agree to carry him on under a mutually satisfactory arrangement. In view of that, a great deal more success has been achieved under the Act than was expected either by the framers of the measure or by members of the House. This is especially satisfactory when we remember that the maximum of staff the director has had, including himself, totals only 10 persons. I think they have achieved a great deal of good.

Mr. Piesse: Not forgetting the co-operation of the creditors.

Mr. CORBOY: Of course. As I say, it is a goodwill Act. I understand from the Minister's speech that over three-quarters of a million acres of land have been kept under cultivation this year as a result of the activities of the director and his staff. This year we shall have under crop 180,000 acres as the result of the staff's efforts. If we assume that this year's acreage will yield, say, four bags or 12 bushels to the acre, we can see that we shall have  $2\frac{1}{4}$  million bushels of wheat grown as the result of the activities of this staff of 10 persons. That is a very great achievement, and is a vast improvement on the days when we maintained in St. George's-terrace an army of so-called trustees levying exorbitant fees on the farmers for conducting their affairs, the days when those so-called trustees were drawing fat dividends and calling themselves chartered accountants.

The Minister for Agriculture: While trying to manage farms.

Mr. CORBOY: That is so. In my view the present scheme has vast advantages over the old system of trustees operating under the Federal Bankruptcy Act, from the point of view not only of the debtor himself but also of his creditors. First of all by reason of the fact that the staff has been kept to a minimum, the scheme is essentially a cheap one, which should appeal to the creditors. Another thing, that should appeal to the debtor, is that it does not involve any act of bankruptcy; he is not a bankrupt in any sense of the word when under this scheme.

Thirdly, a most important point because of the sad experience that some of my electors have had when operating under trustees, is that the director has permitted the farmer to remain his own master and carry out his own operations. That was never permitted by the old so-called trustees. They sent bits of boys, 17 and 18 years of age, into my electorate to tell farmers of life-long experience how to conduct their operations. I myself have witnessed the sad spectacle of those kids sent to my electorate driving girls about in motor cars and charging up the mileage to the debtor farmer. Such a man, only five miles out of Southern Cross, in one year was charged £48 for mileage by a lad under 21 years of age for his visits to the farm. Actually that lad visited the farmer only twice in the 12 months. The total legitimate mileage for the two trips would have been less than 20 miles, notwithstanding which the farmer was charged £48. The explanation was, of course, that the lad was filling in his time running flappers around the district in his motor car, and charging up the mileage to the farmer. There is, I understand from the Minister's speech, another very important point in favour of the scheme, imperfect as it may be to-day. That is that £80,000 has been retained for the benefit and use of the farmers during this current year, £80,000 that, under the Federal Bankruptcy Act, if administered by trustees, would have been distributed to the creditors. That amount has been retained for the benefit of the farmers, to enable them to carry on for another 12 months. When one remembers that 400 or fewer farmers are operating under the Act, it represents a considerable sum of money. It goes to show that, with proper control, there is a possibility of getting credit and accommodation that would not be available if we allowed the farmers to come under the Bankruptcy Act. I suggest that the Act and this Bill do not go far enough. They provide a mere palliative, a mere hand-to-mouth arrangement. It provides for this harvest and, if that is not sufficient, we shall see what can be done next year. So, from harvest to harvest, we shall have this palliative measure, and the farmers themselves will have no idea how they will stand in three years' time. I appeal to the Government to endeavour to devise some more permanent means of assisting the industry. I hope the Royal Commission will be able to

suggest a scheme that will give the settler security of tenure for a period worth while, say five years, assure him of sustenance for himself and wife and family over that period, and also assure him of the supplies necessary to carry on his cropping operations. That is what is needed. A hand-to-mouth arrangement from year to year will get us nowhere. The condition of the industry warrants efforts being made to place it on a definite basis for, say, five years. Possibly it is within the bounds of reason to hope that the Government and merchants will co-operate in endeavouring to place the farming community on some definite basis for the next five years. It should be possible for the Government to say, "We are in a position to undertake that the farmer and his family will be fed and clothed for five years. Will you, as merchants, ensure that during the five-year period he shall not go short of necessary supplies to carry on his operations?"

Mr. SPEAKER: That would have to be done under a separate measure. The hon. member cannot discuss it under this Bill.

Mr. CORBOY: I am sorry if I have transgressed, but I am endeavouring to show that this Bill does not go far enough. I appeal to the Government to do all that lies in their power to create a definite feeling of security amongst the farming community for the next five years at least, so that they can face with some confidence the period that lies immediately ahead. The present position is that a man does not know whether to remain on his block or not. He can see nothing but darkness ahead. The Government should give a lead to the farming community, and give them some assurance of security, so that the men can go on working for five years, knowing they have some definite object in view. I urge the Government to do something in that direction. Unless something of the kind is done, the Government will be faced with the alternative of reintroducing legislation on the lines of the Industries Assistance Act. There is no reason why the merchants should not co-operate in a five-year plan such as I have indicated. During the very worst times we have experienced, from 1914 onwards, the merchants were on a good wicket, although the farmer had a very bad time. Under the Industries Assistance Board the cash distribution by the Government alone

between 1914 and 1922 totalled no less than £13,500,000, which was paid to the merchant for supplies.

Mr. SPEAKER: The hon. member is getting outside the four corners of the Bill.

Mr. CORBOY: It is difficult to confine oneself to a purely machinery Bill. If we are simply to discuss the clauses of the Bill, we might as well not speak on the second reading.

Mr. SPEAKER: The hon. member knows the Standing Orders.

Mr. CORBOY: I appreciate that point, but one might as well allow the Bill to go into Committee and discuss it clause by clause there. In view of the position of the industry, we should ventilate the aspects that appeal to us so that the Government may have the benefit of our thoughts. We are not sent here to act as blind voters for or against the Government. Surely our electors are entitled to expect us to assist the Government in any way possible in the present time of difficulty! I am merely trying to be helpful. In conclusion, I hope the Government will be able to devise a definite plan, not simply for the harvest next February, but for the four following Februarys, so that the farmers will know where they stand, and will have some incentive to continue their work.

**THE MINISTER FOR LANDS** (Hon. C. G. Latham—York—in reply) [7.51]: I thank members for the way in which they have received the Bill. While there is not much in the Bill itself to discuss, I admit that the contingencies cover a very wide range, extending even to many people outside those engaged in farming activities. It would be difficult to undertake a comprehensive measure such as has been passed in South Australia. The Act there covers a much wider field, inasmuch as it finances the farmers. When moving the second reading of the Bill, I pointed out that the difficulty of financing in the early stages necessitated our efforts to assist the farmer being confined to narrow limits. I am glad that members appreciate what the Government have done towards helping the farmers. I am pleased that our efforts were made very much earlier than those in South Australia, where the Act was passed only on the 2nd of last month. The Royal Commission appointed by the Government will provide opportunity for those who desire to give evi-

dence showing how it is possible to assist the industry. We desire to obtain the best scheme possible to provide permanent relief. This legislation is merely of a temporary character.

Hon. P. Collier: It is very modified relief, and necessarily so.

The MINISTER FOR LANDS: Yes, but we are hoping that the deliberations of the Commission will enable us to place the farming community on a much better footing than they occupy to-day. Reference has been made to a moratorium. This Bill makes no provision for a moratorium, except that a stay order permits of a stay of any action against the farmer during the period he is under the Act. I do not think members would desire a general moratorium in this State because of the ill-effect it would produce. If the Government had plenty of money, or could borrow money, it would not be so bad, but while we are depending upon outside financial help, to declare a moratorium would only increase our difficulties. I am hopeful that we shall be able to get through our difficulties without the aid of a moratorium. Consideration is being given to legislation that might help to relieve purchasers of land such as country members on the cross-benches have mentioned. The legislation will need to be carefully drawn, but I am pleased to say that so far a very decent feeling has been exhibited between vendors and purchasers of agricultural land. Still, there are some cases of hardship, and legislation may be necessary to prevent vendors, who are really unscrupulous, from taking back farms on which substantial deposits have been paid.

Hon. P. Collier: Sticking, of course, to the letter of the contract.

The MINISTER FOR LANDS: They are doing what they are entitled to do.

Mr. Corboy: Legally entitled to do.

The MINISTER FOR LANDS: Yes; but in these times it is unfair that a person who is master of the situation should seek to crush another less fortunate than himself. I do not desire that this session should continue longer than is necessary, because the House will be called together again very soon.

Hon. P. Collier: Why cannot we go right on?

The MINISTER FOR LANDS: There may be some usefulness in that.

Mr. Corboy: It would save a squabble about afternoon tea at the opening.

The MINISTER FOR LANDS: Afternoon tea was not provided last year. Reference has been made to wheat orders. In the past the farmer, presumably to relieve his feelings, gave everyone a wheat order who asked for it. That made the position difficult.

Hon. P. Collier: To relieve his pocket.

The MINISTER FOR LANDS: It did not relieve his pocket altogether.

Mr. Corboy: Some shocking injustices were done under the system of wheat orders.

The MINISTER FOR LANDS: When wheat orders were given in excess of the amount available for distribution, members can imagine the pandemonium that occurred.

Mr. Corboy: Especially when the genuine creditor did not have one.

The MINISTER FOR LANDS: The Bill will overcome that difficulty. Some financial assistance will also be rendered to country storekeepers, as this legislation will enable cash to be found for the immediate requirements of the farmer, pending arrangements being made with his creditors. Previously, the storekeeper had to give additional credit. We are attempting to give some help in that direction.

Mr. Corboy: Are you doing anything to provide sustenance for a farmer during the period of the stay order?

The MINISTER FOR LANDS: Yes, that is why the £30 is provided. It will enable him to attend a meeting of his creditors and provide for his expenses when a stay order is issued. I thank members for their kindly references to the director and those associated with him. His has not been an easy task, and I am glad to know that the good feeling that has existed between creditors and between creditors and farmers has resulted from the work of those officers. It is pleasing to know that others, apart from myself, appreciate the good work.

Question put and passed.

Bill read a second time.

## PRIVILEGE—"DAILY NEWS."

*Land and Homes, Ltd., Advertisement.*

MR. WELLS (Canning) [7.59]: On a question of privilege, I ask leave to read several statements appearing in the issue

of the "Daily News" of the 28th inst., after which I shall move the following motion:—

That the printer, E. Selby Walker, and the publisher, G. L. Burgoyne, of the "Daily News," are guilty of contempt.

Hon. P. Collier: And shall be executed forthwith.

Mr. WELLS: I shall not read the long preamble, but I wish to quote one or two paragraphs which, I consider, reflect on this House and some members of it. The first paragraph is as follows:—

One of the most prominent members of this deputation was Mrs. Farr, whose case came on at the court yesterday, and as a result of which Land and Homes won, although Mrs. Farr had three witnesses against the sales manager alone. This gives the lie to Wells and Kenneally that we send out three salesmen with every client.

The next paragraph reads—

He is being sued by us in the Supreme Court, and it was his story that Mr. Wells spoke of when complaining about Hurlingham. Mr. Wells told the Speaker that to the best of his knowledge he was not referring to cases before the court. We doubt this statement very much.

Another statement is—

Mr. Corboy's statement that the State had lost revenue is false. The court yesterday upheld our solicitor's contention that the documents in question did not require the additional stamp duty as suggested by the stamp assessor, and the Government has not lost any revenue whatsoever. The question of additional stamp duty being payable in respect of contracts on which a guarantee was endorsed was raised for the first time in Mrs. Farr's case, which was commenced in the Local Court on Tuesday and finished yesterday. Mr. Corboy's statement was made after the court had decided that no additional duty was payable, so that if he was not aware of the judgment, then he was commenting on matters sub judice, as his statement proved.

The extracts I have read from the advertisement are sufficient to convince me and I hope the House, that they constitute a reflection, not only upon this Chamber, but upon hon. members, who consider they are within their rights in endeavouring to protect the people against dishonest practices. I will not debate the matter at any length, but content myself with moving the motion.

MR. CORBOY (Yilgarn - Coolgardie) [8.3]: Last evening I spoke only for about 30 seconds on this matter, but I have got

about two columns in the "Daily News" to-day.

Mr. Marshall: You do not get that much space every day.

Mr. CORBOY: And the hon. member can speak a great deal longer and get a great deal less in space. I wish to comment upon the remark in the advertisement concerning my statement being false that the State had lost revenue. The stamp assessor swore in the court that the documents were insufficiently stamped and that he, as stamp assessor, would not have passed them. He swore that. I merely said that in view of this statement an inquiry was warranted. Apparently on the sworn statement of the officer in question the State has been losing money. I do not know whether the magistrate in question can be classed with the bungling bumbles an ex-member of this Chamber used to speak about, but it seems to me that the statement of some magistrate that in his opinion the documents carry sufficient stamp duty is immaterial. The State Stamp Assessor swore they were insufficiently stamped, and I think we should inquire into this loss of revenue.

Mr. H. W. Mann: The plaintiff said he had lodged scores of them.

Mr. CORBOY: The solicitor for the plaintiff handed in a sheaf of such documents. My statement was not false. It merely referred to the fact that the State Stamp Assessor had sworn that these documents were insufficiently stamped. That is quite true. For these people to publish the statement that I have falsely represented the position, when all I said was what I have just indicated does amount to contempt of this House. Parliament should protect its members against accusations of this sort.

**THE CHIEF SECRETARY** (Hon. N. Keenan—Nedlands) [8.6]: It is for this House to decide whether or not the matter which has been published in the "Daily News" constitutes a breach of privilege. The House will have before it the particular publication concerned. After this has been declared a breach of privilege I understand the practice is that the Leader of the House submits a motion as to whether or not the parties concerned shall be called to the bar of the House, or that he takes some other course that he thinks best to meet the situation. It will remain for the Leader of the House to consider the position and submit what he believes to be the proper and ap-



propriate motion to the House, after he has dealt with the matter in all its aspects. I would point out meanwhile, that it is for the House, after members have read the publication, to determine that it is a breach of privilege. I wish to offer no opinion myself, for I have not yet had time to read the advertisement. My attention has, however, been drawn by the member for Yilgarn-Coolgardie (Mr. Corboy) to a statement which reflects upon him.

Mr. Corboy: It says definitely that my statement is false.

The CHIEF SECRETARY: The hon. member is under a misapprehension, although that does not constitute an excuse for what appears in the paper. The point in the court had reference to certain handwriting which it was alleged by the defence must have been added to the documents after they were stamped, because the stamping officer did not notice the handwriting upon them when affixing the stamps. It was good evidence indicating that the documents had been tampered with. When the stamp officer was called as a witness he said in the first instance that that particular handwriting was not on the documents when he put on the stamps, or he would have put on stamps of a higher value. If the handwriting had been there, the documents would have required other stamps. That was the whole matter. It was not a question of insufficient stamping. It is a good objection to urge against the admission in evidence of any document that it is insufficiently stamped. The point was whether the handwriting which appeared on the document had been put there after it had been stamped, or, as alleged by Land and Homes, put there beforehand. That was the issue before the court. The matter before us now is that of the House determining whether this statement constitutes a breach of privilege. I do not propose to advise the House because I have not had sufficient time in which to read the matter. Certainly it refers to the statement of the member for Yilgarn-Coolgardie as false, and that is a reflection upon the hon. member in the discharge of his duties as a member. That is a matter which the House can well determine.

HON P. COLLIER (Boulder) [8.9]: I rather regret that this matter has been sprung upon the House. After the second reading of the Bill we have just dealt with was carried, the Deputy Premier leant across

the Chamber and asked me if I would consent to postponing the consideration of the Bill in Committee, on the ground that there was an important matter requiring discussion. I venture to say that the majority of members have not read the article in question. I certainly have not done so. I do not always spend my dinner hour reading the "Daily News." The House is not yet in a position to say, as members have not read the article, whether the printer and publisher are really guilty of contempt. We should lay ourselves open to a serious charge of having come to a hasty and ill-considered judgment if we now carried a motion of this kind, on the mere reading of what I understand is a very small portion of the printed matter complained of. It is a great pity we did not go on with the Committee stage of the Bill I referred to.

The Minister for Lands: We can adjourn this matter.

HON. P. COLLIER: It is entirely in the hands of the Leader of the House to take such action as he chooses. Had I known the nature of the business that was coming on, I would never have consented to the postponement of the Committee stage of the other Bill in order to consider this motion. Members ought to have been advised that it was intended to bring this question forward, and they could then have taken the opportunity to peruse the article and form their judgment upon it thereafter. We should get ourselves nowhere now by dealing with this motion and then adjourning it. The whole thing could well have been left until next week. It would be an improper thing, and the House would be ill advised, to carry the motion at the present juncture. Moreover, it does not carry us very far. Whatever penalty may be decided upon, the motion indicates that it will be imposed upon the printer and publisher of the "Daily News," the persons actually responsible for publishing the matter. The persons who ought to be punished, if this House decided that punishment should be meted out, are those who were responsible for writing the advertisement. I have no hesitation in saying that to describe the statement of the member for Yilgarn-Coolgardie as untrue, in the bald fashion set out in the advertisement, is highly reprehensible, and there ought to be some means by which the persons concerned could be brought to account. The advertisement is in keeping with many others which have

appeared in the newspapers from this company during the last few weeks. As indicated last night by the member for East Perth (Mr. Kenneally), there are advertisements dealing with a couple of cases which were obviously a deliberate attempt to mislead the people who would read them. Apparently this is another attempt to follow along the same lines. For the moment, however, I do not think we should pursue the matter any further.

**THE MINISTER FOR LANDS** (Hon. C. G. Latham—York) [8.12]: Unfortunately I was called away during the tea adjournment and did not return to the House until about ten minutes after it had met. The member for Canning then informed me that he intended to call the attention of the House to an advertisement appearing in this afternoon's "Daily News." I was not aware of its contents, but I thought an arrangement had been made with you, Sir, for the hon. member to take this course. I did not know what the procedure was, whether the matter had to be dealt with at once, or whether it could be allowed to remain in abeyance for a time. I am still a little doubtful about the procedure. I have not had the opportunity to read the advertisement in question, but from what I learn of it, it seems to amount to contempt of this House. Whether or not we can pursue the matter any further I do not know. I have looked up the Standing Orders on the question and I find that any member complaining to the House that a statement in a newspaper is a breach of privilege, he shall produce a copy of the paper containing the statement in question, and be prepared to give the name of the printer or publisher, and also submit a substantive motion declaring the printer or publisher in question to be guilty of contempt. To my mind there is no doubt that this does come within the interpretation of the word "contempt," and that this has been done intentionally to reflect on members of the Chamber. Such being the case, I do not think we can pass the matter over lightly.

Hon. P. Collier: I do not say we can. But neither should we deal with it hastily.

The MINISTER FOR LANDS: I quite agree. I have not yet had an opportunity to read the advertisement.

Hon. P. Collier: Neither have I.

The MINISTER FOR LANDS: I shall raise no objection to the adjournment of the discussion until Tuesday, when hon. members will have had an opportunity of studying for themselves the nature of the advertisement. In the Premier's absence I regard it as my duty to preserve the rights and privileges of hon. members. I am prepared to accept from any member a motion for the adjournment of the debate.

Hon. A. McCALLUM: I move—

That the debate be adjourned.

Mr. SPEAKER: Before putting the motion for the adjournment of the debate, I wish to mention that the member for Canning (Mr. Wells) desires to submit to hon. members an alteration to his motion. The hon. member desires to delete the name of G. L. Burgoyne, publisher of the "Daily News," from the motion. He desires to restrict the motion to the printer, E. Selby Walker.

Leave given, the motion amended accordingly.

Motion (adjournment) put and passed.

## **BILL—HIRE-PURCHASE AGREEMENTS.**

### *Second Reading.*

Debate resumed from the 19th May.

HON. P. COLLIER (Boulder) [8.20]: It will be agreed that a Bill of this kind is long overdue in Western Australia. The measure may not go quite as far as many hon. members would desire; nevertheless it will render a considerable measure of justice in a direction where it is badly needed. Perhaps it is not advisable to go too far in such legislation at this stage. Although undoubtedly the persons who have been vendors of machinery and chattels under hire-purchase agreements have had all the advantages on their side in the past, still, if we were to attempt to make conditions too stringent, it might operate against that section of the community who by force of circumstances are compelled to make purchases under such agreements. Therefore I consider that if we are able to get the Bill on the statute-book somewhat in its present form, possibly with amendments in Committee, we shall have done a great deal to

render a measure of justice to a large number of our people who purchase goods and chattels on time payment, justice which they have not been able to obtain in the past. We know the nature of these agreements. Though called hire-purchase agreements, they are really agreements to purchase on time payment; but until the final payment has been made, the article is on hire only; and if the purchaser should fail even in the final payment, the vendor can step in and re-possess the machine or article without the purchaser retaining any equity whatever in it. That is a most inequitable state of affairs, and no doubt during the present year it would operate greatly to the detriment of the farming community in particular, and also of other citizens who have had recourse to hire-purchase agreements. Because of the position in the farming community to-day, large numbers of machines will be re-possessed by the vendors, while in many instances only a final payment remains to be made; and the purchaser who has paid up right to the last instalment has no equity whatever in the machine when it goes back to the vendor. The Bill is a reasonable attempt to prevent that injustice. I am a little concerned as to the interpretation of the word "chattel." It will be seen that the word applies only to those chattels or machines or goods which are mentioned in Clause 2. The range of the Bill will be restricted entirely to the items mentioned in that clause. They do not cover the whole field of hire-purchase agreements. Most of us will be able to call to mind numerous articles or chattels purchased by agreement that are not mentioned in the interpretation of "chattels." In dealing with a Bill of this kind, I think we should make it apply to all articles or chattels purchased under the hire-purchase system. I know that the measure covers the major number, but there are others which do not fall within the definition given. Some of us will be able to call to mind that we have purchased on the time payment system articles not listed in Clause 2 of the Bill. That is a matter which can be dealt with in Committee. The method provided for ensuring that the purchaser secures an equity in the article seems fairly reasonable. It is that the vendor, upon re-possessing the machine, shall debit against the purchaser the instalment that is overdue and 90 per cent. of future instalments. He is to be entitled to charge 10 per cent. interest, a rate which may be considered rather

high, especially as there is a wide-spread movement in Australia for reduction of interest rates. It must be borne in mind, however, that a rate of 10 per cent. on machinery or furniture or other goods which depreciate somewhat rapidly, would not be in the same category as a rate of interest where depreciation does not take place, or where even appreciation may occur.

Mr. Kenneally: At any rate, it should be "not exceeding."

Hon. P. COLLIER: I do not think that would make much difference, because if the Bill provided up to 10 per cent., it is almost certain that the vendor would charge the maximum allowed. Under the Bill as it stands, he may not charge more than 10 per cent.

The Minister for Lands: The courts could review the rate of interest.

Hon. P. COLLIER: But they could not reduce it below 10 per cent. The courts can only intervene when the interest exceeds 10 per cent. The Bill permits the full charge of 10 per cent. It will be for the House to decide in Committee whether that rate might not reasonably be reduced. Certainly in most of these cases the interest payments will not be large in amount, although the rate is high. The rate can only be charged on overdue instalments, and will not run very long in most cases. It might run for a year or longer in the case of a farmer; but so far as I am aware, most of the people who sell on time payment or under hire-purchase agreements do not allow the instalments to remain long overdue unless there is a reasonable prospect of ultimate payment. I do not think any reasonable objection can be taken to the purchaser's being debited with any damage that has taken place in the goods or chattels during the time they have been in his possession, because, as the Minister in introducing the Bill remarked, some people are apt to neglect goods or chattels that they have acquired on hire purchase, and in many cases the depreciation caused by neglect is rapid, much more so than where the purchaser takes care of the article. The arrangement proposed by the Bill is fairly satisfactory. It will permit of a hire-purchase transaction being treated as a sale on credit instead of, as at present, a mere hiring. The clause which provides for the debits that the vendor may make against the purchaser, also provides that those debits shall be open

to review by a local court. That is essential, as otherwise there would be no protection whatever for the farmer or other purchaser. So we may assume that on the question of what may fairly be debited against the purchaser, or against the vendor, on whichever side the balance may be, the scales will be fairly held on an appeal to the local court, which is open to either side at any time. I regret that we are unable to apply the provisions of the Bill to land purchases on time payment, having regard to the discussion which took place here yesterday. People buy land or homes on what is known as time payment. They pay for many years, and perhaps when the purchase price has been nearly met, they find themselves in difficulties and unable to continue the payments; and thereupon the vendor resumes possession of the land or home, as the case may be, and has not only all that has been paid in instalments, but becomes the possessor of the property as well.

Mr. Patrick: There is not much equity in some of those properties.

Hon. P. COLLIER: There is not any in some instances, more especially as many of the suburban blocks have been sold at about three times their value. A person who may have paid three-fourths of the purchase money will have, in reality, paid more than double the actual value of the land, but nevertheless he loses all because of his failure to make the final payments.

Mr. Parker: And then he gets sued for the balance.

Hon. P. COLLIER: Yes; he may not even escape from the final payment. Although, Mr. Speaker, this has nothing to do with the Bill, I think it would be well if attention were given to that phase.

The Minister for Lands: We may deal with that in a day or two.

Hon. P. COLLIER: It might be well for the Government to introduce legislation of that description. If that were done, we would not then have to move motions of censure on newspaper publishers because of actions taken by some of these so-called "go-getters" among the land agents. It is to be regretted that it will not be reasonably possible to apply this legislation to existing hire-purchase agreements. Undoubtedly there will be hundreds, and probably thousands, of such agreements in existence this year in respect of which the purchasers will not be able to meet their obligations. That

will apply mostly in the farming areas because of the low prices ruling for our produce to-day. The Bill will bring no relief to those who have current agreements; it will deal only with future business.

Member: Make it retrospective.

Hon. P. COLLIER: I would like to do that, but I am afraid we cannot. It would be a question of Parliament stepping in and breaking contracts. We would not be justified however strong a case might be, in legislating to break contracts already entered into. That would destroy confidence in Parliament, and would affect all future contracts. People would not know whether a contract made would be of any value. There would be no security, and no assurance that such contracts would be binding, for fear Parliament might step in and pass legislation repudiating them. Under such conditions, contracts would be worthless.

Hon. W. D. Johnson: Then promissory notes are no longer of value—retrospective action can be taken regarding them.

Hon. P. COLLIER: Perhaps so.

Mr. Patrick: In the Eastern States there have been discussions regarding the breaking of contracts.

Hon. P. COLLIER: Perhaps there have been. I presume the hon. member refers to the discussion on the reduction of interest charges.

Mr. Patrick: I do not know what was referred to.

Hon. P. COLLIER: That is what the Premiers are discussing in Melbourne now—converting Government securities bearing  $5\frac{1}{2}$  to 6 per cent. interest into securities carrying 4 per cent. interest. When considering that phase, however, it has to be remembered that 4 per cent. interest to-day is equivalent to 6 per cent., when the money was borrowed. Actually what is suggested is no reduction whatever, because of the fall in prices and the increased purchasing power of money. Because of those factors, 4 per cent. to-day is equal to 6 per cent. a few years ago. I know there will be a strong desire, because of stress of circumstances in the farming districts, for the Bill to be applied to existing contracts. For my part I would not support a proposition of that description. I do not think we should strive to cover contracts in that wholesale fashion—not until we are quite sure that we have a

precedent set us by the Premiers' Conference in Melbourne! When they have come to a final decision there, they may say, "The circumstances of Australia are such that we have got to break all existing contracts in order to reduce expenditure." When that stage is reached, we could consider whether we would not be justified in including under the provisions of the Bill the much smaller phase of the problem under discussion.

Mr. Panton: Are you not dealing with the wrong item in the Orders of the Day?

Hon. P. COLLIER: I do not think so; I think I am dealing with the right subject. It is apropos of the Bill, because it proposes to deal with hire-purchase agreements, and I am discussing the advisability of applying such a provision to existing contracts. I gather there is a section of the House—I would not mind joining that section, if it could be done equitably—that desires the Bill to apply to existing contracts.

Hon. A. McCallum: In an earlier part of the session, the Government legislated to break existing contracts. They had no compunction about passing the Arbitration Act Amendment Bill.

Hon. P. COLLIER: And I am opposing the suggested breaking of existing contracts, just as I opposed that. I am consistent. I opposed the Bill to amend the Arbitration Act because it proposed to break contracts. If it should be suggested that the Bill be applied to existing contracts, the Government would not be able to oppose it—consistently.

The Minister for Lands: We might manage it.

Hon. P. COLLIER: I will oppose it, as I did the proposal to break other contracts.

Mr. Doney: You would not make it a hard and fast rule that no contract should be broken?

Hon. P. COLLIER: Parliament is supreme, and can pass any legislation it pleases. Circumstances could possibly arise that would justify Parliament in breaking a contract, but that is not under discussion.

Mr. Doney: Do you not think that instances relating to the hire-purchase of machinery would justify such a course?

Hon. P. COLLIER: When we are dealing with the Bill in Committee, I shall be prepared to listen to any such instances the

hon. member may quote to us. I shall keep an open mind, having regard to consistency. If the hon. member can make out a good case, the Committee will give it full consideration. Until very substantial reasons are advanced in favour of such a course, I can only say that I shall not be prepared to support such a move. I support the Bill, and hope it will become law. It is long overdue. It will at least afford those who participate in hire-purchase agreements in the future some measure of safety and protection that those in the past have not enjoyed.

MR. GRIFFITHS (Avon) [8.40]: I listened with a great deal of interest to the Leader of the Opposition, particularly with reference to what he had to say regarding retrospective legislation. He informed the member for Williams-Narrogin (Mr. Doney) that he would listen to him—and I presume to anyone else—when he cited instances regarding hire purchase experiences. While I welcome the introduction of the Bill, I am particularly disappointed that it appears almost impossible to secure provisions that will enable us to deal with certain firms, that have not been acting in a spirit of fair play. Members of the Country Party have no wish to secure legislation that will be unfair. We want merchants, importers and others to secure a fair deal regarding the repossession of machines. The main point we want to have dealt with is the retention to the purchaser of his equity in property repossessed. A man may have paid £200 or £300 on the purchase price of some machinery and in the event of the plant being repossessed, he should receive some credit for what he has paid off. I first dealt with this matter in Parliament in 1919. On that occasion, I told members of the repossession of a harvester. A man had paid £91 off the price of the machinery but it was seized when £20 only was owing on it. Owing to unfavourable seasonal conditions, the farmer had had little use of the machine so that it was in good order and condition. That was all the man had for the expenditure of his money, but the firm had the harvester and £91 as well. That was bad enough, but I have been given particulars regarding an even worse instance. It relates to a tractor, the cash price of which was £420 or £464 on terms. The tractor did not prove efficient and from

time to time work had to be done upon it. The farmer has paid over £500 off the machine and yet he still owes a balance of £250, making £750 in all on a machine, the price of which, on terms, was £464. In order to have repair work and alterations carried out, the farmer had to secure accommodation, for which he had to pay not 10 per cent. but 14 per cent. When I noted the clause in the Bill relating to interest, I felt that the provision for 10 per cent. interest was too high, although it represents a step in the right direction. In the tractor case I have mentioned, the unfortunate effect of the repossession of the machine has been to deprive the man of his livelihood. In this instance the firm will have between £600 and £700 in cash, and the tractor in addition; on the other hand, the farmer has been ruined. It is such instances that prompt the feeling that we should have retrospective legislation to deal with hire-purchase agreements. I know it is following Parliamentary procedure not to legislate retrospectively. There are in the city firms that have done the right and proper thing by their clients, although legally they need not have done so. On the other hand, there are one or two firms that have done the most iniquitous things and inflicted the greatest hardships on their clients. Then there is the matter of spare parts. I have had brought under my notice instances that are worthy of the attention of members. A carburettor needle which, a year ago cost 2s., costs to-day no less than 9s. Of course it is said to be owing to the increased duty on those articles. Again, a tractor bolt was recently mailed to a settler at Westonia at the invoice price of 7s. 1d. Dissatisfied, that settler came to Perth, where he found he could get the same bolts made for 7d. each in small quantities, or 4d. each for larger quantities. I have on the Notice Paper an amendment touching this question of spare parts. I hope we shall have introduced into the Bill some general form of agreement for general use. I am glad to note a provision that commercial principals are to be held responsible for statements made by their agents. I think also that firms ought to be compelled to attach a price list to their spare parts, as is done in Canada. That might have a deterring effect on those who are charging so much for spare parts.

Mr. SPEAKER: Is there anything in the Bill about spare parts?

Mr. GRIFFITHS: It is one of my pet themes, and the Minister has said he would introduce some provisions on the lines I have suggested. Other members can give instances of what has taken place in their own electorates. I can assure the House that most unfair practices have been resorted to by the vendors of agricultural machines. Let me repeat that the Country Party are not asking for anything unfair. We want only to stop those who are unjustly treating their clients. I wish to see some equity established, so that if a man has paid, say, £200 for a machine costing £300, he shall be given some credit for it.

Question put and passed.

Bill read a second time.

*In Committee.*

Mr. Panton in the Chair; the Minister for Lands in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Hon. P. COLLIER: I should like to know from the Minister how far it is intended this clause shall apply. Is it intended that it shall apply, as regards the first four items, only to farmers and pastoralists? In my view it should have a widespread application. Many articles are bought under hire purchase agreements which are not included in the interpretation of the word "chattel." I see no reason why a person purchasing something outside the items mentioned here should not be equally entitled to the relief proposed for those purchasing the items enumerated. If it is fair that the people mentioned in this clause should have an equity in the stated commodities, why should not everybody who is purchasing under a hire purchase agreement enjoy the same privilege?

The Minister for Lands: These are some necessary articles that farmers may have to buy.

Hon. P. COLLIER: The vendor has no more right to full equity in articles not mentioned here than he has to full equity in articles included in the clause. How many farmers require cash registers, or typewriters? More likely are some of them to require typists. I could name many articles

more essential than some of those enumerated here. I should like to make the clause all-embracing. I propose to move an amendment, striking out the clause and inserting the words "chattel" includes any personal property capable of complete transfer by delivery."

The Minister for Lands: Will that cover the land, too?

Hon. P. COLLIER: No, for you cannot transfer land by personal delivery.

Mr. Corboy: Why not strike out the clause altogether, and take the legal interpretation of "chattel?"

Hon. P. COLLIER: That is what I think of doing.

The CHAIRMAN: The hon. member cannot move to strike out the whole of the clause. Perhaps it would suit his purpose if he moved to strike out all the words after "means" in line 2.

Hon. P. COLLIER: Very well. I move an amendment—

That all words after "means" in line 2 be struck out, and the following inserted in lieu:—"and includes any personal property capable of complete transfer by delivery."

The MINISTER FOR LANDS: I cannot agree to have the clause made as wide as the hon. member desires. If he wishes to limit the Act to the farming community alone, I am prepared to do that. It would be preferable to the amendment.

Hon. P. Collier: It should go further than including only the farmers.

The MINISTER FOR LANDS: I am prepared to strike out Items 1, 3, 4 and 6, and make "chattel" cover the rest. I am not prepared to accept the amendment; for to do so would be looking for trouble. It would not be acceptable to anybody.

Mr. Kenneally: Do you want to keep it for the farmers alone?

The MINISTER FOR LANDS: I would rather keep it for the farmers than have it cover a lot of the stupid things that some people will buy on time payment.

Mr. Corboy: If you wanted it for the farmers alone, why have you included some of the items enumerated here? You include billiard tables for farmers. That would not be a stupid purchase, would it?

Mr. Wansbrough: Does the farmer want a billiard table?

The MINISTER FOR LANDS: Of course he does.

Mr. Wansbrough: No wonder he is broke.

Hon. P. Collier: Does he buy it with Agricultural Bank money?

The MINISTER FOR LANDS: Well, soldier settlers were advanced money for furniture. I hope the amendment will not be pressed.

Mr. KENNEALLY: I shall support the amendment and, if it is carried, I shall vote against the clause as amended. There is no need to define "chattel" which has a legal definition implying personal property of any kind.

The Minister for Lands: You would kill it if you did that.

Mr. KENNEALLY: The Minister would kill it by reconstructing the definition. People other than farmers are affected by hire-purchase agreements. The Bill proposes to secure to a purchaser on time payment the equity in the article for which he has been paying. Why legislate for some people to receive the equity and not for others? The definition would protect furniture, but not furnishings or clothing.

The Minister for Lands: Would there be any equity in clothing?

Mr. KENNEALLY: Yes, but there would be little equity in the clothing of the unemployed, who have worn it out waiting for the work promised by the Premier.

The CHAIRMAN: Order. The hon. member must discuss the question before the Chair.

Mr. SLEEMAN: I support the amendment. It would be advisable to include household furniture and sewing machines. I cannot understand why the Minister wishes to strike out those items. Many women buy sewing machines on time payment and their equity should be protected.

The CHIEF SECRETARY: There appears to be some confusion about hire purchase and time payment. They have no relation. The member for East Perth seemed to think that chattels obtained on the time-payment system could be re-possessed by the vendor if some of the payments were not met. That is not so. If an article is sold on time payment, it is a contract of sale, and if the purchaser does not pay, all the vendor can do is to sue for the unpaid balance. If he obtains judgment—

Mr. Kenneally: He can seize.

The CHIEF SECRETARY: Not particularly the article which is the subject of the contract, but generally the property of the judgment debtor.

Mr. Kenneally: Including that article.

The CHIEF SECRETARY: The object of a hire-purchase agreement was to prevent some other creditor from getting a lien on the article previous to its being paid for.

The CHAIRMAN: I am sorry to interrupt the Minister, but he is a long way from the question before the Chair.

The CHIEF SECRETARY: I was endeavouring to make it clear that there is a big distinction between hire-purchase and time-payment. As you indicate I may not proceed, I shall leave that question. The Bill deals only with hire-purchase. If we carry the definition too far, we shall kill the system altogether, and it is a useful system. No one with an article to hire out would adopt the hire-purchase agreement because there would be no difficulty in avoiding it. He would agree to lease or rent something, and would provide that if the lessee or tenant paid a certain number of terms, he would be entitled to buy it for a nominal sum. That would be an option of purchase and the tenant would enjoy possession of it during the option of purchase. Thus, the lessor would be able to avoid the hire-purchase system. But we should be destroying a form of contract that is useful to the mercantile community and to people who want to obtain goods. The desire of members opposite is that the Bill should apply generally. Much may be said in favour of that view, but I understood that the Bill was intended to meet a special emergency. I understood that the people affected by the special emergency were the only parties intended to be benefited.

Hon. M. F. Troy: What special emergency?

The CHIEF SECRETARY: In respect to the farming community.

Hon. M. F. Troy: Are not other people affected similarly?

The CHIEF SECRETARY: I suppose they are, but undoubtedly the farming community are affected.

The CHAIRMAN: The member for Mt. Magnet had better occupy his own seat if he intends to interject.

Hon. P. Collier: Or not interject at all.

The CHAIRMAN: Interjecting is disorderly, and much more so when an hon. member is out of his own seat.

The CHIEF SECRETARY: If the view is taken that the measure should apply generally, the words in paragraph 5 "in connec-

tion with the business of a farmer, pastoralist or grazier," are not appropriate. The Minister is entitled to ask for limited protection. The suggestion to strike out the whole definition of " chattel " is wrong. Clause 5 of the Bill is the only operating provision and that refers to chattel, and therefore " chattel " must be defined. If the definition in the Bill is not the proper one, then that suggested by the Leader of the Opposition should be adopted.

Mr. J. H. SMITH: I support the amendment. The definition in the Bill represents class legislation in that it applies only to farmers. Other primary industries are just as seriously affected. The timber industry has received a severe setback. Many timber men have purchased motor trucks and other vehicles under hire-purchase agreements, and they should be protected. If the amendment is carried it will cover all industries but will not define any particular person. If it is not carried, I propose to move an amendment to include the words " or any other person. "

Hon. M. F. TROY: I support the amendment. There is no reason why this legislation should be confined to any particular section of the community to the exclusion of other sections. I admit that emergency legislation is required for the wheat farmers, but it is not required for dairy farmers, orchardists, and the like. The wheatgrowing industry is in a distressed condition today but I would point out there are people engaged in it who themselves are not in a bad way.

The Minister for Lands: This does not give them any relief, only the equity that remains in the machinery.

Hon. M. F. TROY: The man who buys machinery on time payment knows what he is doing, and that if the payments are not met, he will lose the machine. Fully 90 per cent. of these contracts have been made by people who understood what they were doing. Let all parties receive the same consideration. Whenever a crisis occurs, Governments rush to help certain sections, but in doing so, extend that help to persons who are no longer entitled to it, and thus are able to pass from crisis to crisis whereas they should in fact be weeded out of the industry the subject of the assistance. As well as helping those who ought to be helped, we are carrying on people who should not be carried on.



The MINISTER FOR LANDS: I hope the amendment will not be carried. The clause is wide enough to cover most cases. If the amendment is defeated I propose to strike out the words "intended to be used in connection with the business of a farmer, pastoralist or grazier." There is no question of giving relief. The Bill only says that when repossession takes place, any equity that remains in the machine shall revert to the man who has made the payments.

Mr. Griffiths: I suggest that if Sub-clause 5 were widened in its application, it would meet the case.

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

Ayes	..	..	..	17
Noes	..	..	..	21

Majority against .. 4

#### AYES.

Mr. Corboy	Mr. Munsie
Mr. Cunningham	Mr. Raphael
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Wansbrough
Mr. Lamond	Mr. Wilcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	

(Teller.)

#### NOES.

Mr. Angelo	Mr. Parker
Mr. Barnard	Mr. Patrick
Mr. Brown	Mr. Plesse
Mr. Doney	Mr. Richardson
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Latham	Mr. J. H. Smith
Mr. Lindsay	Mr. Thorn
Mr. H. W. Mano	Mr. Wells
Mr. J. I. Mann	Mr. North
Mr. McLarty	

(Teller.)

#### PAIRS.

AYES.	NOES.
Mr. Walker	Mr. Keenan
Mr. Coverley	Mr. J. M. Smith
Mr. Collier	Sir James Mitchell
Mr. Lutey	Mr. Davy
Miss Holman	Mr. Teesdale

Amendment thus negatived.

Mr. KENNEALLY: I move an amendment—

That in paragraph (1) after the word "furniture" the words "or furnishings" be inserted.

The CHAIRMAN: Hon. members have already decided that all the words after "means" down to "typewriter" shall stand, and there can be no alteration of those words unless the Bill be recommitted.

The MINISTER FOR LANDS: I want to move to strike out the words "intended to be used in connection with the business of a farmer, pastoralist or grazier."

The CHAIRMAN: I have already ruled that it has been decided by the Committee that all the words after "means" down to "typewriter" must stand.

Mr. KENNEALLY: I move an amendment—

That the following be inserted, to stand as paragraph (7):—"Clothing and furnishing."

Many things have been left out of this clause. I, therefore, want to see that as wide a scope as possible is covered. Was the member for Nelson sincere in the statement he made about the clause applying only to one industry?

Mr. J. H. Smith: I presume the Minister will recommit the Bill.

Mr. KENNEALLY: There is no indication of that. For fear I am too late, I move this amendment now.

Mr. SLEEMAN: I support the amendment. There seems to be a desire on the other side to make the Bill one for the benefit of farmers only. I hope the member for Nelson will support the amendment, thus showing his sincerity.

The MINISTER FOR LANDS: "Furniture" includes "furnishings," and "furnishings" includes carpets and linoleums. Clothing is sold on time payment, not under hire-purchase agreements.

Mr. SLEEMAN: The Chief Secretary seems to suggest that no matter what provisions may be inserted in this Bill, vendors on time payment or under hire-purchase will get over the law. The measure should include all articles sold by way of hire-purchase. Let the whole community have the benefit of the measure.

Mr. KENNEALLY: Accepting the Minister's statements as sincere, I consider that he should agree to the amendment. Does the definition include tablecloths?

The Minister for Lands: No.

Mr. KENNEALLY: Valuable tablecloths are often sold under hire-purchase agreements. The Minister shakes his head, but that is a fact.

The Minister for Railways: Tablecloths are included in household furniture, and as such are sold under hire-purchase agreement.

Mr. KENNEALLY: I am not prepared to take risks as to clothing and furnishings,

and therefore trust that the words will be inserted.

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

Ayes	..	..	..	17
Noes	..	..	..	21

Majority against .. 4

## AYES.

Mr. Corboy	Mr. Munslie
Mr. Cunningham	Mr. Raphael
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Wansbrough
Mr. Lamond	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	

(Teller.)

## NOES.

Mr. Angelo	Mr. Parker
Mr. Barnard	Mr. Patrick
Mr. Brown	Mr. Piesse
Mr. Doney	Mr. Richardson
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Latham	Mr. J. H. Smith
Mr. Lindsay	Mr. Thorn
Mr. H. W. Mann	Mr. Wells
Mr. J. I. Mann	Mr. North
Mr. McLarty	

(Teller.)

## PAIRS.

AYES.	NOES.
Mr. Walker	Mr. Keenan
Mr. Coverley	Mr. J. M. Smith
Mr. Collier	Sir James Mitchell
Mr. Lutey	Mr. Davy
Miss Holman	Mr. Teesdale

Amendment thus negatived.

Hon. M. F. TROY: I move an amendment—

That the following be inserted, to stand as paragraph (7):—"or implement, machine, engine, vehicle, apparatus, or appliance intended to be used in connection with the business of a miner, mine-owner, prospector, timber worker, carrier, or sandalwood puller."

These are classes not included in the scope of the measure, but classes which enter upon hire-purchase agreements.

The MINISTER FOR LANDS: Like the hon. member, I desire to give the clause as wide a meaning as possible; and later, as I have already promised the member for Nelson, I shall move to have the reference to farmer, pastoralist, or grazier struck out.

Hon. M. F. TROY: In consideration of the Minister's undertaking I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. SLEEMAN: I move an amendment—

That the following be inserted, to stand as paragraph (7):—"or any personal property."

When members on this side endeavour to apply the Bill for the benefit of the whole community, members opposite giggle.

Mr. KENNEALLY: I hope the amendment will be carried. Then the definition of "chattel" will be as wide as it should be. Instead of restricting the application of the Bill to the specified items, we should give it an open application.

Mr. J. H. SMITH: I do not see why the Minister should object to the amendment. This will include, for instance, the purchase of a watch and chain. I support the amendment.

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

Ayes	..	..	..	18
Noes	..	..	..	19

Majority against .. 1

## AYES.

Mr. Corboy	Mr. Munslie
Mr. Cunningham	Mr. Raphael
Mr. Griffiths	Mr. Sleeman
Mr. Hegney	Mr. J. H. Smith
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Wansbrough
Mr. Marshall	Mr. Willcock
Mr. McCallum	Mr. Withers
Mr. Millington	Mr. Wilson

(Teller.)

## NOES.

Mr. Angelo	Mr. Parker
Mr. Barnard	Mr. Patrick
Mr. Brown	Mr. Piesse
Mr. Doney	Mr. Richardson
Mr. Ferguson	Mr. Sampson
Mr. Latham	Mr. Scaddan
Mr. Lindsay	Mr. Thorn
Mr. H. W. Mann	Mr. Wells
Mr. J. I. Mann	Mr. North
Mr. McLarty	

(Teller.)

## PAIRS.

AYES.	NOES.
Mr. Walker	Mr. Keenan
Mr. Coverley	Mr. J. M. Smith
Mr. Collier	Sir James Mitchell
Mr. Lutey	Mr. Davy
Miss Holman	Mr. Teesdale

Amendment thus negatived.

Clause put and passed.

Clauses 3, 4—agreed to.

[Mr. Angelo took the Chair.]

Clause 5—Proceedings on vendor repossession chattel:

The MINISTER FOR LANDS: I move an amendment—

That in line 4 of Subclause (1), after "days," the words "after receipt of such demand" be inserted.

Amendment put and passed.

Mr. DONEY: I move an amendment—

That in line 5 of Subclause (2), after "of," the words "not exceeding" be inserted.

As the clause reads it will be incumbent upon the vendor to charge 10 per cent.

Hon. P. Collier: It does not demand that course.

Mr. DONEY: The subclause sets out that the vendor shall debit the purchaser with any instalments of rent overdue and unpaid together with interest thereon at the rate of 10 per cent. per annum. That makes it incumbent upon the vendor to charge' that high rate. There might be a number of reasons making it necessary to change the rate.

The MINISTER FOR LANDS: At first I thought the amendment a good one, but on further scrutiny I find it will throw the responsibility upon the purchaser to approach the court to fix the rate of interest. As the Leader of the Opposition pointed out earlier, plant may be sold that can easily depreciate in value. As to the question of interest, should the current rate fall, it will be quite simple for Parliament to pass a small Bill to reduce the rate. That is certainly better than necessitating an approach to the court to fix the charge.

Amendment put and negatived.

Mr. KENNEALLY: I move an amendment—

That in line 5 the word "ten" be struck out, and "eight" inserted in lieu.

The question of depreciation does not enter into this matter, because the subclause refers to unpaid accounts. If there is any legitimate reason why we should provide for interest at the rate of 10 per cent., it should apply to transactions of this description. At the same time, I do not see why we should be asked to make provision for 10 per cent. interest when the cry is going up throughout the Commonwealth to-day for a reduction in interest rates. If this subclause referred to ordinary transactions, the interest should be considerably below 8 per cent.

The MINISTER FOR LANDS: I would be very pleased indeed to accept the amendment, but I have to remember that it is not the intention of the Bill to deprive people of the opportunity to buy their requirements under the hire purchase system. If we limit the rate of interest to 8 per cent., I am afraid we will restrict appreciably the

use of that system. It has been suggested that the life of the machine does not affect the interest rate, but it certainly does have that effect. If an account is overdue, the depreciation of the machinery may be very rapid and may involve considerable loss. I am assured that 10 per cent. is much less than is charged in many instances to-day.

Hon. M. F. Troy: Do you think that accounts will be overdue, when we pass this legislation? Do you think there will be more care under this legislation?

The MINISTER FOR LANDS: I do. I do not think this provision will apply to anyone so much as to the farmer.

Mr. Kenneally: It will apply to the sewing machine purchased by a housewife.

The MINISTER FOR LANDS: It will not. I suggest to the member for East Perth that he find out how sewing machines are sold.

Hon. A. McCallum: What about the unemployed with their furniture? That is being dumped out on the street daily.

The MINISTER FOR LANDS: That may be so. I presume the member for South Fremantle knows the law in relation to furniture and landlords. I shall not discuss it at the moment. I would be glad to accept the amendment, but I want people to have an opportunity to purchase their machinery under the hire purchase system, if they so desire.

Hon. W. D. Johnson: But the subclause does not deal with that; it deals with repossessed machines.

The MINISTER FOR LANDS: But if we legislate in a hard and fast fashion, firms may not continue to sell under hire purchase agreements, but may adopt some other form of protection for themselves. Therefore they will evade this law. I hope the hon. member will take that view of it.

Hon. W. D. JOHNSON: If we allow ten per cent. to remain in the clause, we shall be increasing the rate of interest actually charged to-day in many cases. I am prepared to admit we have no control whatever over the rate of interest charged when the machine is purchased. The provision we are considering deals with overdue accounts for a machine that has been purchased and subsequently re-possessed. Generally speaking, unpaid accounts to-day carry an interest rate of eight per cent. Why, then, should we provide that that rate be increased to ten per cent.? If we do that, it will have the

effect of raising interest on all unpaid accounts to ten per cent. My experience is that when we do not pay our accounts on due dates, interest at eight per cent. is added.

The Minister for Lands: Not on this sort of account.

Hon. W. D. JOHNSON: On overdue accounts for superphosphates the interest is generally eight per cent. It would be wrong for us to provide ten per cent. in the Bill, especially in view of the general demand for lower interest rates.

Mr. PARKER: If we reduce the rate of interest from ten per cent. to eight per cent., it will work against our object. For this reason: if it is only eight per cent., the merchant will be inclined to re-possess at the first opportunity in order to avoid depreciation of the machine in the meantime, whereas, if the interest is to be 10 per cent. he will be less inclined to re-possess. Again, it would add to the original cost of the machine, because generally speaking the merchant would raise his price in view of the lower interest to be charged on overdue accounts. The great majority of merchants, when they deliver an article on hire purchase, get bills and discount them at 12½ per cent. So, again they are likely to increase their original prices if they are only to have eight per cent. on overdue accounts. The member for Guildford-Midland said that only eight per cent. was charged on ordinary accounts overdue. But we know that, generally speaking, the courts will not allow interest to be charged on overdue accounts.

Hon. A. McCallum: But you get it on your account.

Mr. PARKER: Still it need not be paid. In the Bill it is provided that 10 per cent. shall be charged on overdue accounts when the article has been re-possessed. At present some firms are charging 12½ per cent., and I feel sure that if we make it eight per cent. the hirer in the long run will suffer.

Mr. KENNEALLY: The Minister said I ought to know that sewing machines are bought, not under the hire-purchase agreements, but under other conditions. Why, then, has the Minister inserted sewing machines in the definition of "chattel" in his own Bill? Surely we require no further answer than that to the Minister's contention that they are not sold under hire-purchase agreement. As to the point raised by the member for North-East Fremantle, we are dealing with overdue accounts on re-possessed

articles. If we were dealing with ordinary accounts, would we think of letting the creditor charge 10 per cent. interest? The clause later on meets the difficulty mentioned by the member for North-East Fremantle because it provides that any damage done to the machine meanwhile shall be taken into consideration.

Mr. Parker: Ten per cent. is a reasonable consideration and an inducement to the vendor not to re-possess immediately he is entitled to do so.

Mr. KENNEALLY: The vendor is protected in every possible way, and that being so, 8 per cent. is a reasonable rate.

Hon. M. F. TROY: Complaint has been made that vendors have been in the habit of forcing machines upon the farmers. If the interest were reduced, the vendor would be more careful. He would not attempt to make sales to people whose circumstances did not justify their making a purchase. This is one of the results we are trying to achieve by the Bill. I agree with the member for East Perth that we should not encourage the charging of high rates of interest. All over Australia there is complaint about the burden of interest taking too heavy a toll of industry. Ten per cent. is a very high rate of interest.

The Minister for Lands: It is much less than is paid to-day.

Hon. P. Collier: Because the vendors have been Shylocks and have had their own way.

Hon. M. F. TROY: We should not fix a rate of interest that we know is too high. The member for North-East Fremantle knows that the Agricultural Bank charges interest on arrears.

Mr. Parker: That is by agreement.

Hon. M. F. TROY: So is this. The Agricultural Bank charges probably no more than 7 per cent.

The Minister for Lands: The Agricultural Bank does not sell machinery and it charges only the ordinary rate of 6 per cent.

Hon. M. F. TROY: The Agricultural Bank sells wheat sacks and super.

The Minister for Lands: No one would buy machinery on the time-payment or hire-purchase system if the Associated Banks would make an advance so that cash could be paid for it.

Hon. M. F. TROY: No, but the Agricultural Bank does charge interest on overdue accounts. Here is an opportunity to reduce interest rates, and we should avail ourselves of the opportunity.

Hon. P. COLLIER: I strongly support the amendment. I am surprised that the Minister does not accept it. The Premier of the State, together with the heads of other Governments, is fighting in Melbourne for a reduction of interest to 4 per cent. No doubt people will have to accept 4 per cent., because it means that or nothing. Yet the Minister here says that double the rate is not sufficient.

The Minister for Lands: I did not say that.

Hon. P. COLLIER: If I owe £60 on a machine and fail to pay it when it is due, it means I have the use of the other man's money for three months or six months, whatever the period might be, and the Minister says that if I pay him 8 per cent. for the use of his money, it is not enough.

The Minister for Lands: I did not say that. We have brought it down 2½ per cent.

Hon. P. COLLIER: That does not matter. The rate of interest in the past has nothing to do with the question. Would the Minister say that, had the rate of interest been 20 per cent., a reduction to 18 per cent. would be sufficient? The question is, what is a fair rate of interest now? Because vendors have been playing the part of Shylock and charging excessive rates of interest, should we decline to make a reasonable reduction? The curse of Australia is largely the enormous interest charge, and unless it is reduced all round, and substantially reduced, Australia will go smash in the next six months. Everywhere the rate of interest is falling. The banks are endeavouring to reduce the rate, but the vendors of machinery have been in a position to exact high rates because of the need of farmers to have machines and their inability to pay cash. Any man who gets 8 per cent. for the use of his money is mighty lucky and should be satisfied.

Mr. HEGNEY: I support the amendment. Within the past fortnight I have heard of the case of a person who had the bailiff put into his house and the furniture sold for the few pounds that were still owing on a gramophone. In another case the same thing happened with a person who owed a matter of £6 on a sewing machine. Interest is of paramount importance in these days. Usury has played a big part in bringing us to our present position. We should do all we can to bring down the rate of in-

terest. Even if it is reduced by 2 per cent. it will not prevent merchants from selling their machinery on time payment.

Mr. MILLINGTON: Rates of interest to-day go up as high as 12½ per cent. The responsibility for that rests upon the firms who charge it. If we agreed to the 10 per cent. mentioned in the clause, we should be responsible, and it would be an indication that Parliament thought it was a fair charge. I am quite prepared to risk the possibility of dislocating trade so long as we can get the rate down to 8 per cent. This is merely interest on overdue accounts. It should not go forth as the opinion of this Committee that 10 per cent. is an equitable rate to charge. Let us bring it down to 8 per cent. and give the lead to the public, who are asking us for that lead. There would be no hardship cast upon the vendor of machinery, and he in turn could not say that the purchaser was not paying a fair rate of interest.

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

Clause 6—Reopening hire-purchase agreements:

Mr. PIESSE: What is the definition of "excessive" interest in paragraph (a) of Subclause 1?

The MINISTER FOR LANDS: The court will determine from time to time what is excessive interest. Excessive interest to-day may not be excessive interest to-morrow.

Mr. PIESSE: I move an amendment—

That in line 6 of Subclause 3 the word "twelve" be struck out, and "six" inserted in lieu.

Hon. P. Collier: That amendment would be against the farmer.

Mr. PIESSE: Twelve months is considered too long a period to allow for the taking of proceedings in regard to repossession of a chattel. The chattel repossessed might have been sold again.

The MINISTER FOR LANDS: The provision is for the benefit of the purchaser. He may not have been able to take action speedily. The vendor of the chattel can resell it the day after taking repossession. The farmer would be stupid if he did not have a valuation of the machine made when it was removed from his place.

Amendment put and negatived.

Mr. GRIFFITHS: I move an amendment—

That the following be inserted, to stand as Subclause 3:—"By virtue of this section the court shall have power to review, alter and adjust any charges for repairs effected or spare parts supplied, made by the vendor against the purchaser of any machine or other chattel intended for use in connection with the business of a farmer, pastoralist, or grazier, whether the charges have been made pursuant to a provision in the hire-purchase agreement or not, and whether they have already been paid or not."

I know of a tractor at Burracoppin which, in the course of eight months' work, has required spare parts costing the large total of £138 ls. 10d. Spare parts—tractor bolts, for instance—are sometimes charged at a dozen times the original imported cost. The measure might include a model agreement as the Canadian Act does. Spare parts double the cost of tractors. This grievance is of long standing.

Mr. KENNEALLY: Is the amendment within the scope of the Bill? Do the charges in question refer to a hire-purchase agreement?

Mr. GRIFFITHS: The spare parts are to be regarded as portion of the hire-purchase chattel.

Hon. P. Collier: The same might be said of the oil.

The CHAIRMAN: I rule that the amendment of the member for Avon is not relevant.

Clause put and passed.

Clauses 7, 8—agreed to.

Clause 9—No contracting out.

Mr. HEGNEY: Already people are making efforts to avoid the provisions of the Bill. Will the words of the clause, "the provisions of this Act shall have effect notwithstanding any agreement to the contrary" cover any proposed evasion of this legislation?

The MINISTER FOR LANDS: It is proposed not to allow anyone to contract outside the provisions of the Bill. If firms substitute some other form of agreement for the hire-purchase agreements at present used, we cannot deal with that phase under the clause.

Mr. MARSHALL: Assuming there is an evasion of the provisions of the Bill by two parties, where is there provision for any

penalty for a breach of the Act? Unless provision is made to that end, then any steps taken as suggested by the member for Middle Swan will represent a breach without a penalty.

Mr. DONEY: I move an amendment—

That in lines 2 to 4 the words "but this Act shall not apply to any agreement made before the commencement of this Act" be struck out.

The effect of the amendment will be to make the measure apply retrospectively. While I approve of the Bill, its provisions are not extensive enough in their effect. Its beneficial operations will be largely for the future, and it will not affect existing troubles at all. The Bill was prompted by known existing hardships, and those hardships will be left untouched by it. None of us care for retrospective legislation, but having regard to the stressful times through which we are passing, I do not think we should adhere too rigidly to our desire to avoid retrospective action. It is merely a question of what is fair and what is unfair. If a contract is fair, it should stand; if there is anything unfair in the contract, why should we refrain from interference? I want to give a few figures to demonstrate the benefits that will accrue under the Bill compared with the present position. A machine may have been bought by a farmer for £210, £70 being paid in cash with provision for two subsequent payments of £70. We may assume that the life of the machine is seven years. The first £70 was paid, and the second instalment of a similar amount has become payable, but owing to hard times is left unpaid. Re-possession takes place. The farmer is then credited with a machine worth £180. He is then debited with £70 plus one month's interest, 12s., and 90 per cent. in respect of the second promissory note. That represents £63 or a total of £133 12s., leaving a credit to the purchaser of £46 8s. The farmer will certainly secure that equity under the provisions of the Bill, whereas under the existing Act he loses his £70 and the machine, and is further debited with £133 12s. If the transaction, as it will take place under the provisions of the Bill, is a fair one, obviously transactions under the Act, such as I have indicated, are manifestly unfair. We should regard as sacrosanct contracts fair to all parties, but not contracts that impose an

obvious hardship upon one party. In my opinion at least 90 per cent. of the transactions I have in mind are not fair and should not be regarded as safe from interference.

Mr. KENNEALLY: I hope the amendment will be agreed to. We are endeavouring to inaugurate a system determining the equity of a purchaser in a repossessed machine. That being so, why should we let the fear of breaking a contract deter us from achieving our object? I hope the amendment will be carried, for it will bring relief to many sufferers. Farmers are losing their machines daily, and workers are losing their furniture. What benefit will it be to those sufferers if we pass legislation that will not apply to existing contracts?

The MINISTER FOR LANDS: We cannot play fast and loose with this class of legislation. We ought not to pass retrospective legislation. Already there is on the statute-book an Act under which the vendor of a machine cannot repossess for 12 months. There are in this State persons who have held machines for three years without paying a penny-piece on them. If we agree to this amendment, merchants will repossess their machines forthwith. I cannot agree to the principle in the amendment, for if we accept this there will be nothing to prevent other retrospective legislation that may do a lot of harm. The Bill has been asked for year after year for the last ten years. We have it here now, and straightway we are told it should have been here three years ago.

Hon. A. McCallum: How many machines have been repossessed this year?

The MINISTER FOR LANDS: Very few. There will not be the repossession that some members fear, for no firm wants a lot of secondhand machines on its hands. We ought not to do anything that is morally wrong. Certainly it is wrong to allow people to enter into agreements and then by legislative enactment set aside those agreements. I hope the Committee will not agree to the amendment.

Mr. KENNEALLY: The Minister seems to be very much concerned about altering anything that exists. He was not much concerned about the Farmers' Debts Adjustment Bill, or about the Government bringing down legislation breaking con-

tracts by reducing the workers' wages 2s. a week when those wages had been fixed to the end of June. Already under the Landlords and Tenants Act we have to break agreements.

The Minister for Lands: No agreements were broken under those Acts.

Mr. KENNEALLY: They were. By permitting farmers to obtain stay orders, agreements could be broken. What is the difference between that and the amendment? The clause will afford no relief to people affected unless it is altered as suggested.

Mr. DONEY: There can be no hardship if existing agreements are made amenable to conditions that are to govern future agreements. Only 300 or 400 farmers are under the Farmers' Debts Adjustment Act, and they are a small proportion of the whole.

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

Title—agreed to.

Bill reported with amendments.

*House adjourned at 11.5 p.m.*

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## Legislative Council,

*Tuesday, 2nd June, 1931.*

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Bill: Traffic Act Amendment, 1R.	... 3194

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

### MOTION—PRODUCTION COSTS.

*Action to Reduce.*

Debate resumed from May 27, on the following motion by Hon. J. J. Holmes:—

That, in the opinion of this House, drastic steps should be taken to reduce the cost of primary production, affecting particularly the pastoral and wheat industries of the State, so that they may continue to exist in competition with similar industries in other parts of the world.