

**Legislative Council,***Wednesday, 24th June, 1931.*

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

**QUESTION—AGRICULTURAL BANK.***Following Assistance.*

Hon. C. H. WITTENOOM asked the Minister for Country Water Supplies: 1, Is the Agricultural Bank giving following assistance in any portion of the State, either by monetary loan or help in the way of horse feed or sustenance? 2, If so, where and to what extent in each case?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, Yes. 2, In area east of the rabbit-proof fence, known as No. 2 Zone, 5s. per acre for first ploughing only.

**QUESTION—WORKERS' COMPENSATION.***State Insurance Office.*

Hon. E. H. HARRIS asked the Minister for Country Water Supplies: 1, What profit, if any, has been made to date by the State Insurance Office under (a) Third Schedule workers' compensation insurance premiums; (b) other premiums? 2, What is the amount of the reserve fund? 3, Has any of the reserve fund been set aside to meet outstanding liabilities for (a) current premiums; (b) those who are being compensated under the Third Schedule of the Workers' Compensation Act?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, The surpluses of income over outgoings, as at 30th April, 1931, were as follows: (a) £126,933; (b) General accidents, £13,556; Govern-

mental, £46,958. 2, The sums referred to in (1) have been transferred to reserve. 3, (a) Yes; (b) Yes.

**LEAVE OF ABSENCE.**

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

**ASSENT TO BILLS.**

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

- 1, Collie Recreation and Park Lands.
- 2, Special Lease (Esperance Pine Plantation) Act Amendment.
- 3, Traffic Act Amendment (No. 2).

**MOTION—BUDGET ECONOMIES.**

HON. SIR EDWARD WITTENOOM (North) [4.36]: 1 move—

That in the opinion of this House steps should be taken to suggest to the Treasurer economies that may be made to assist in balancing the Budget for 1931-32.

My object is tabling the motion is to try to assist the Treasurer in the uncongenial task before him of framing his Budget so that his expenditure will not exceed his income. The task is most distasteful and unpleasant for him, inasmuch as it means making reductions in already depleted incomes and adding to taxation, that is, if the object of the Premiers' plan is to be attained. The suggestions I am about to make are certainly drastic, and I submit them with great reluctance, as I feel sure they will meet with opposition. That, however, will, I fear, be the fate of any suggestions of economy, as is witnessed by the strong opposition offered to the Premiers' plan by the Labour Party. Many present expenditures are desirable, and some are necessary, but, if there is no money to meet them, they must be discontinued. Among the economies I suggest is the suspension of secondary education expenditure, which means the upkeep of five high schools including the Modern School, and the discontinuance of payment for post-primary "tops," thus confining education to elemen-

tary pupils up to the age of 14. I think we have the finest elementary schools in the world, and that the education they impart is quite as good as was obtainable at any high school when I was a young man. I suggest the retention of elementary schools for black-block teaching, technical schools and provision for the training of necessary teachers, as well as the schools of agriculture. According to the figures supplied by the Minister, the saving on high schools would be £37,204 and on post-primary "tops" £37,907, a total of £75,111. Since I asked the questions eliciting that information, I have received a very courteous letter from the Minister for Education. I had intended writing him to ascertain whether interest was charged on buildings. However, he has written as follows:—

I have learned since, in reply to your question in the House, you were informed that the total cost of secondary education (including post-primary education) was £75,111, that this figure only includes the total cost of salaries and incidentals.

There is no interest for buildings.

In addition, scholarships and allowances to pupils, which form part of the State's expenditure on secondary education at the schools mentioned in answer to your question, amounted in 1929-30 to £12,636. This sum should certainly have been included, and I am therefore writing to you personally to advise you of the omission. At the same time I would direct your attention to the fact that the figures given to you, as amended by this letter, do not include any moneys spent either at Narrogin or Muresk in schools of agriculture, or at Perth, Fremantle, Boulder, or Midland Junction in technical schools.

My reason for making this suggestion is that there are five excellent denominational high schools where boys may receive education to fit them for the professions or anything higher at a cost of 15s. a week. Therefore I do not consider that in the present time of financial stress the State should provide free high school training.

Hon. G. Fraser: Does that 15s. include all extras and incidentals?

Hon. Sir EDWARD WITTENOOM: It is rather more than the cost, which is £35 a year, though I noticed in the Press recently that the figure was quoted at £26 or £27 a year.

Hon. G. Fraser: I think you will find it is much higher.

Hon. Sir EDWARD WITTENOOM: We also have a free University. Therefore there

should be no hardship attached to suspending our high schools in the present financial difficulties and making a great saving. Bursaries and scholarships should enable clever boys to get all the education they need. My second suggestion is that no further payments be made to a free University. This institution is highly endowed and should not require money from the taxpayers. The arrangement made by the Collier Government last year for the payment to the University of a large special sum was a huge mistake. The Government grant to the University, provided on the Estimates last year, was £31,000. It will be seen that by this saving, together with the saving on secondary education, economies exceeding £100,000 a year could be made, a very useful sum to assist the despairing farmers and the people who are unemployed. The Premier of this State is supposed to be making great cuts in expenditure, but what did he do the other day? When interviewed about the future of the £31,000 grant to the University, he agreed to make it, less a reduction of 20 per cent., and this to a free University that will not charge its own pupils one penny. The Premier intends to give £24,000 to the University while we have many starving farmers and no end to the number of people out of work. If the University authorities are short of money, they should take steps to charge fees. The only difficulty I foresee is that when the first grant was made to the University, the Legislative Assembly, very foolishly I think, said that if any grant were made, it should be a free University. I am informed that hardly any other University is free; practically all of them charge fees. I do not know why we, at this difficult period, should endeavour to maintain a free University.

Hon. C. B. Williams: The idea was that the poorer people of the community could get a University education. If fees were charged, they would be denied it.

Hon. Sir EDWARD WITTENOOM: At our elementary schools any child can get quite as good an education as either the hon. member or I received, and what we got was sufficient to place us in the position we occupy to-day. The third suggestion is to entirely abolish the Arbitration Court and all awards, leaving employer and worker to make their own terms. I can see three hon. members on the other side of the Chamber are going to say, "Unscrupulous em-

players would get at the workers." As long as there are unions—I am a believer in unions, though not in political unions—no unscrupulous employer will get the benefit of the workers as long as their interests are looked after by the capable men at the head of the unions. Had the existing system been abolished hundreds of unemployed would be in situations to-day. The awards of the Arbitration Court are of such a nature that employers cannot pay them, and the worker, however willing, is prevented from accepting less.

Hon. G. Fraser: He is only getting half wages in most industries now.

Hon. Sir EDWARD WITTENOOM: The abolition of the Arbitration Court would represent a substantial saving of £8,000 a year. So far as I can see, the only business the Arbitration Court has at present is to make awards that no one can observe.

Hon. E. H. Harris: The court makes those awards in conformity with the Arbitration Act.

Hon. Sir EDWARD WITTENOOM: Then let us alter the Act. We find our Arbitration Court awarding a basic wage 12s. higher than those obtaining in other States. How on earth can we be expected to compete with other States under such conditions? We should lose nothing by doing away with the Arbitration Court, leaving all the workers to be handled by the astute and able men who are secretaries and presidents of their unions. I will go a little further now: every person entitled to vote should be compelled by law to vote, and should pay 10s. up to £100 of taxable income, and thereafter according to scale. Thousands in this country pay no income tax at present. In fact, I believe only 14,000 out of our population of 420,000 pay any at all. Everyone should contribute according to his means, and the only exemptions should be municipal rates, life assurance premiums up to £50, and an allowance in respect of children under 16 years of age, this allowance to be cut down from £62 to £40. Under the exemptions which exist, a married man with three children pays no income tax on £400 a year, owing to the existing exemption of £200 for a married man. Is that sort of thing to go on now? Men who do not pay even 10s. or £1 for the right to vote can put into Parliament a representative who will put on us a tax of which they themselves do not pay 6d. Is that fair? It is generally considered that

the man who has a vote should bear a little taxation. In this country thousands of people have a vote for representation but are subject to no taxation. I will go a little further still. No person in receipt of public charity should be permitted to vote, except soldiers who left the State and have returned from the war. Those votes are often used to obtain larger charities. I do not like to say all that I know, but every candidate for Parliament should thank me for drawing attention to this matter. I know of a case in which one candidate was put up against another because he promised to try to get 3s. or 4s. per week more by way of charitable allowance. Again, I consider that we should reduce the cost of "Hansard." If the suggestion of some members, that the number of politicians be reduced, is carried out, that will certainly make a difference; but a better plan would be to limit members to, say, 15 minutes' speaking, while allowing Ministers all the time they want. I see that in another place speeches two or three hours in length have been delivered. I cannot say anything like that about our House. Then again, those splendidly bound volumes issued at the end of each session might be dispensed with, a few copies being kept at Parliament House for reference. An hon. member behind me is about the only member who now reads the bound volumes. He takes them home and goes through them all. Evidently he likes clever reading. The Railway Department requires a thorough overhaul. This should be done by a Royal Commission consisting of business men. It is difficult to see how the railway system can be made to pay, especially as the carrying of the metropolitan population is almost entirely lost to it through taxi cabs and charabancs, and as quantities of goods are carried all over the State by motor lorries. Overtime in the Railway Department should be strongly discouraged. Another point is that the office of Agent General is no longer a necessity. There is little purchasing and no emigration. It would make a good economy if the office of the Agent-General were located in Australia House, with a staff under the secretary to the Agent-General. In 1901, when Western Australia had gone into Federation and a High Commissioner had been appointed, I finished up being Agent-General, and I wrote to Sir John Forrest that there was no longer any necessity for an Agent-General. I said, "You

have a High Commissioner in a fine building, and in that building there should be a set of offices for each State. Who does the work of an Agent-General as a rule? The secretary to the Agent-General. The secretary is the man. If you put an experienced secretary there, you will not want any Agent-General at all." Suppose there is an order for 200 railway carriages or 3,000 tons of rails. Who will know where to go and buy those things? The secretary. An Agent-General is not wanted at all. He merely attends teas and dinners, which certainly are very enjoyable.

Hon. G. Fraser: You are speaking from experience?

Hon. Sir EDWARD WITTENOOM: Yes. I got £1,500 a year while I was Agent-General, and it cost me £13,000 for three years. That was my cheap experience. I say nothing about reductions in the Public Service. That subject has been dealt with by other members, and I understand that reductions have been made. Nor shall I say anything about reduction of members in the two Houses, and of their remuneration. A subject I do wish to speak about, however, is the promise of the present Government to dispose of the State trading concerns on coming into office. Up to the present not only have they failed to dispose of a single State trading concern, but they have brought in a Bill which proposes to establish an absolute State monopoly. Recently the Acting Premier was asked what he was going to do to get rid of those concerns. He replied, "I will not sell them until I can sell them at a good price." His reason, of course, was that he would not sell because the Labour Party would turn around and say, "You took the present opportunity to sell at a low price in order to reflect upon us through that low price." I understand that the concerns are losing many thousands of pounds annually. When I was in business, if I had a farm or a station on which I was losing a couple of thousand a year, and knew I could not get the capital back, I would give the place away. One is making money when one is saving money. We shall never get big prices for the State trading concerns. I believe the only one of them paying is the State Sawmills.

Hon. E. H. Harris: Not the State hotels?

Hon. Sir EDWARD WITTENOOM: I am not sure. All these State trading concerns are up against private enterprise.

Hon. G. Fraser: In what way?

Hon. Sir EDWARD WITTENOOM: I am going to tell the hon. member. I had to thank my friend, Mr. Miles, for moving for a Royal Commission in connection with the Griffin coal mine at Collie. He was able to bring out into the open that some Government—I do not know which—had advanced over £20,000 for a railway to the Griffin mine, which was to be operated in competition with the Amalgamated Collieries. I know something about the Amalgamated Collieries, because in 1896 I turned the first sod of coal at Collie. Several companies were formed, and none of them paid. Then the late Hon. R. J. Lynn, who was a member of this Chamber for some time, took the matter in hand and formed those companies into Amalgamated Collieries, with the result that they all paid pretty well instead of losing. What did the Government do? Went and gave something like £20,000 to another company to come up against Amalgamated Collieries, a private enterprise. And it had taken £120,000 to put Amalgamated Collieries in form. That was an extraordinary thing to do. I will give another instance. I do not know which Government was concerned in this. In 1901 I was managing director here for a timber company established by the firm of C. and E. Millar. At that time there were seven or eight other companies, none of them paying. The firm of Millars, with two enterprising men in England, the Temperleys, took the matter in hand and formed a company comprising seven or eight of the companies that were not paying. For a long time the new company paid very well. But what happened? I am a director of the company in question, and after we had established business places all over the world—in South America, North America, England, Germany and elsewhere—the Government stepped in and opposed us through the State Sawmills. As if that were not enough they despatched one of their cleverest men, Mr. McCallum, to London to establish agencies in order to enter into competition with us. Is that the way to encourage people to embark upon private enterprises?

Hon. G. W. Miles: We should abolish all the trading concerns at once.

Hon. Sir EDWARD WITTENOOM: While I have advocated various reductions, there are two classes of people I should be pleased to see exempted from any such

move. In the first place, the men who went to the war and returned, wounded or otherwise, should suffer no reduction in their pensions. The other people I refer to are the police. Not one penny should be taken off their wages for the simple reason that the members of the police force often have unpleasant duties to carry out. They are entrusted with the duty of carrying out the laws passed by Parliament, and are never asked to do anything illegal. We have only to consider what has been happening in Sydney and elsewhere to know what unpleasant tasks the police have to perform from time to time. They are a fine body of men and we should encourage them in every way possible. They do their work well and I do not think anyone could take exception to the police being exempted. I have suggested drastic measures. Why have I done so? We have now had two Premiers who have shown themselves unable to conduct the financial affairs of the State so as to limit expenditure to revenue. Last year Mr. Collier budgeted for a deficit of under £100,000, instead of which his deficit was over £500,000. Sir James Mitchell budgeted for a small surplus, and, as at the 1st June, we found a deficit of over £1,500,000. No business or corporation could be maintained along those lines. I know it will be said in explanation of the deficit that there are the exchange difficulties and the task of feeding the unemployed. Those phases do not represent everything, and there is a lot more to be said in explanation of the position. I admit that unemployment represents the most difficult problem of all. So far as I can see, with the introduction of labour-saving machinery in practically every country, there are sufficient workers to cope with the manufacturing requirements of the world without taking into consideration those who are unemployed at present. That is the unfortunate part of it. I fail to see any remedy for the problem. Our present position has been caused by three circumstances. First of all, the Arbitration Court has granted awards on the basis of what men should receive instead of what the employers could pay, and have prevented the workers from accepting rates less than those prescribed in the awards. Secondly, the leaders of the trade unions have opposed any reduction in wages and have therefore limited the opportunities for employment. Thirdly, we have the decrease in the prices of wheat

and wool, together with the general depression. The remedy Sir James Mitchell has in mind seems to be to borrow further money with which to engage the unemployed on reproductive work. Even if it were possible to secure the money, which is doubtful, I am at a loss to know what reproductive work could be undertaken at this stage.

Hon. G. W. Miles: Hear, hear!

Hon. Sir EDWARD WITTENOOM: If work of that nature could not be found, it would simply mean that any money borrowed would be added to our present total indebtedness of £71,000,000, together with the necessary interest charges. The only step that suggests itself to my mind is the abolition of all industrial awards, leaving every man to make his own terms with his employer and to advise his union secretary of the arrangements made.

Hon. C. B. Williams: We will abolish interest, too.

Hon. E. Rose: And abolish all labour unions.

Hon. G. Fraser: What a happy time it would be then!

Hon. Sir EDWARD WITTENOOM: Had that course been pursued a year or more ago, many of those now unemployed would be in positions to-day. However, it seems rather late for that step to be taken now.

Hon. C. B. Williams: Hear, hear!

Hon. Sir EDWARD WITTENOOM: Very few employers are able to engage men and even if they were in such a position, the wages they could afford to pay would be little better than the dole. When I was in England just about this time last year, the wages offered were about 3s. a week better than the dole, so nearly every worker went on the dole. I do not know that we have reached that stage here. I have pleasure in submitting my motion to the House.

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

#### BILL—STATE MANUFACTURES DESCRIPTION.

Received from the Assembly and read a first time.

**BILL—FIREARMS AND GUNS.***Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [5.8] in moving the second reading said: The Bill supplies a necessity which has been felt for many years. In this State the legislation dealing with firearms is not abreast of the times and, generally speaking, our law is very antiquated. The old Act of 1895 was amended in certain minor particulars in 1926, which were then urgently necessary but the alterations were of no assistance in restraining freedom in the use of firearms. Briefly, the present Act provides that every person having a gun within the boundaries of any municipality or within five miles of such boundaries, elsewhere than in a dwelling house or the immediate vicinity thereof, without a license, is guilty of an offence, and there are certain exceptions in the Act in favour of the naval and military forces, the police, volunteer corps, etc. In 1923 an amending Firearms Bill was introduced in another place, but as it was considered that it would act harshly in certain parts of the State, it was withdrawn. That objection has been overcome in the present Bill by providing that the Governor in Council may proclaim certain specified portions of the State to be exempt from the provisions of the Act.

The provisions of the Bill have been modelled largely on the lines of existing legislation in England and in New South Wales. The object of the measure is to provide for the safety generally of the public, and it has no revenue producing features, except that small fees will be charged in connection with the granting of a license. As the law stands at present, there is nothing to prevent undesirable, drunken, or weak-minded persons from acquiring a firearm, and the weakness of the present law has given rise to many crimes and offences against the person. Those crimes, it is confidently believed, would not have taken place had the legislation been more up-to-date. That legislation is required to meet the existing condition of affairs is further apparent from the number of cases that have come before the Supreme Court, and the comments made by the judiciary and juries, and by magistrates and coroners, whose every-day work brings them into contact with persons who commit offences

against the law by reason of their being able to obtain the possession of firearms too easily.

An extraordinary example of an easily acquired firearm was the sale by a second-hand dealer of a revolver to a man visibly affected by alcoholic liquor, and who had been refused further liquor on account of his condition. The result of that unfortunate sale was that the man attempted to shoot a barman, and when a police sergeant intervened, the man shot and killed him. Restrictive legislation is just as necessary in connection with firearms as it is for the control of the sale of poisons; in fact, possibly more so, because considerably more deliberation is needed in offences with poisons than is often occasioned in the use of firearms. Furthermore the indiscriminate use of firearms is more likely to cause injury to others irrespective of whether that injury is intended or not. During the past 10 years there have been no less than 94 lives lost in this small community through the use of firearms, and in that period there are 68 recorded instances of persons being injured through the careless use of firearms. The practice of criminals carrying loaded firearms at night has become more common and there has also grown up a certain lawless element who openly advocate the use of arms in the overthrow of constitutional government.

In the drafting of a Bill such as this, it is necessary to provide: Firstly, for the restriction of the possession of firearms to persons who are authorised by law, by virtue of a license or by virtue of some special exemption, to have possession. Secondly, for the police having power to carry out and administer the Act. Thirdly, for an adequate definition of offences in connection with the possession and use of firearms, in order to prevent unauthorised persons from having possession of firearms. Fourthly, for the necessary formal machinery for carrying out certain objects of the Act, in the form of regulations.

Therefore, the Bill provides in Clause 5 that no person shall possess or deal in firearms unless that person has a license. In Clauses 6 and 7, it will be seen that licenses must be renewed annually and that they are not transferrable, for reasons that are obvious. With regard to a license to possess a firearm, attention is drawn to the provision in paragraph (3a) of Clause 5 that the license must be for a specific weapon or

weapons, and that any number of weapons may be included in the same license, provided that each is specified in the license. There is one very important distinction laid down in the Bill in Clause 4. Under that clause the Governor has power to exempt certain portions of the State from the restrictions of the Act relating to licenses, but that authority applies only to those firearms which do not come within the category of a pistol or an air gun. That is to say, there is no restriction on the man in the country, who lives in an exempted area, from possessing a rifle or a shotgun, but he is not allowed, unless he has a license, to possess a revolver or any lethal weapon of such a type that it can be readily concealed about the clothing.

It is quite obvious that the latter class of weapon is more sinister than the former, and being the class generally used by criminals and undesirables, it is necessary for the protection of the public that legislation in that regard should be uniform throughout the State. Certain exemptions are specified in Clause 9 in respect to members of naval and military forces, the police force, rifle clubs, common carriers and warehousemen, and proprietors of shooting galleries.

The Commissioner of Police is to be the licensing authority under the Act, and in Clause 10 it is provided that where the Commissioner refuses to grant any person a license that person may appeal to a police or resident magistrate against such refusal. The offences under the proposed Act are set out in Clause 12, and in that regard the method of drafting the table has been adopted from the Electoral Act. In framing the various offences the object has been to cover every class of offence in relation to firearms which in common practice it has been found necessary to guard against. It will be noticed that the illegal possession of a firearm at night may be visited with a more severe penalty than the illegal possession of a firearm in the daytime. That provision is aimed at criminals and others who carry firearms on their persons at night-time as an aid to the commission of crime. In Clause 13 it is provided that the police cannot enter private property unless empowered by a search warrant to do so. Clause 14 may require a little explanation. It provides, *inter alia*, that all dealers, manufacturers and repairers of firearms within the State shall, in certain circumstances,

render them innocuous. The explanation is that the time may come when the Government will have to proclaim this provision. It will then be necessary for dealers, manufacturers and repairers to render all firearms in their possession innocuous by the removal of a small portion of the mechanism. Then that portion can either be locked up on the premises or deposited with the police.

Hon. J. Nicholson: Take the case of a man who smashes a shop window and steals a weapon.

The MINISTER FOR COUNTRY WATER SUPPLIES: That is a case in point. If the weapons were rendered innocuous, they would be useless to the thief. The purpose of the clause is to guard against anything of that sort.

Hon. J. Nicholson: Is there in the Bill anything to prohibit a seller of firearms from displaying in his window more than one or two of each class of firearm?

The DEPUTY PRESIDENT: Order! The Bill has been distributed, so members can see for themselves what it contains.

The MINISTER FOR COUNTRY WATER SUPPLIES: The remaining clauses are clear and need no explanation. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

*In Committee.*

Bill passed through Committee without debate, and reported without amendment.

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

*Second Reading.*

Debate resumed from the previous day.

HON E. H. H. HALL (Central) [5.24]: When the parent Act was before the House, every member who spoke to it did so with considerable doubt as to what the effect of the measure would be. However, in this instance we have a full vindication of the old saw, "Never prophesy until you know." That the Act has been administered with greater success than was ever expected by members, old or new, is now generally admitted. Those who have spoken on the Bill

before us have rightly credited a full amount of praise to the Director whom the Government placed in charge of the Act. Whilst I wish to add to that chorus, I want to mention that the deputy director, Mr. Brownlie, is entitled to his meed of praise for the very tactful and sympathetic manner in which he dealt with the number of cases that came under his care in the Victoria district. One thing which seems to have escaped the notice of members at the time was the appointment of deputy directors. For some weeks many producers in the Central Province were forced, at quite unnecessary expense which they could ill-afford, to come all the way to Perth to attend the meetings. However, the Government, recognising that the one object of the Act was to keep down the cost of proceedings, acceded to a request for the appointment of an assistant director. I think Mr. Brownlie, the deputy who was sent to Geraldton, while he was termed a travelling deputy, was actually the only deputy appointed. People from other districts still have to come to Perth. If it is a hardship for those people to come to Perth, it is up to their representatives in this Chamber to make representations similar to those that emanated from Geraldton. Again, the Government saw fit to send Mr. White, the Director, to Geraldton, where at the council chambers he addressed a representative gathering of the mercantile community and others, and gave a very lucid explanation of the Act. He pointed out the wide difference between the Farmers' Debts Adjustment Act and the Bankruptcy Act, showing that whilst the Bankruptcy Act made no provision for the carrying on of the debtor's affairs, but provided rather for winding them up, the sole aim and object of the Farmers' Debts Adjustment Act was to carry on the affairs of the debtor. He appealed to those present to approach the Act and the position with kindly consideration for the farmer, in whose interests the Act had been passed. He went on to say it was very necessary for the State that farmers should continue to grow wheat, irrespective of the price it might bring. That raises the question, who is going to grow wheat irrespective of the price? The farmer will not be able to continue to grow it irrespective of the price, and the country storekeeper, that man that has enabled quite a lot of land to be brought into use, can-

not continue to help in the growing of wheat irrespective of the price, while the whole sale merchant certainly will not do so. So we are faced with the question, who is going to shoulder the burden of continuing this essential industry? The amending Bill has been introduced as a result of the experience gained by the Director in the administration of the Act. I have no fault to find with any of the proposed amendments save one and that is rather serious. In Committee I hope the House will rectify what has been passed in another place. There is a unanimity of opinion regarding the absolute necessity for reducing production costs. That being so, I cannot understand why the remuneration to receivers should be fixed at ten guineas and three per cent. I have nothing to say against any of the persons who are acting as receivers. Those I know are carrying out their duties well, but I have attended a number of meetings and I know that men are attending to these matters without requiring any additional staff. Bearing in mind the need for reducing production costs, I want to know why provision has been made for ten guineas and three per cent. In Committee I shall move that that fee be reduced by one-half, and by so doing, I shall endeavour to give effect to the generally accepted opinion that a reduction of producing costs is essential.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East—in reply) [5.32]: Whilst I agree with Mr. Seddon that firmness must be shown in dealing with the inefficient farmer, I would point out to him that the Farmers' Debts Adjustment Act is fulfilling a useful function in that direction. That claim is amply supported by the fact that 94 farmers have been refused the refuge of the Act, and the earnest efforts of 370 other farmers have merited the considerate attention of creditors. Those figures convincingly prove that the Act is doing a splendid service in weeding out the inefficient farmer, and members who feel that something further along those lines is still needed can well support the additional powers sought in the Bill for that reason alone.

The hon. member emphasised the necessity for the effective control of farmers who find themselves in difficulties and no member will venture to disagree with him. Undoubtedly creditors should have the right to exercise control in the restora-



tion of the affairs of farmers who are unable to meet their obligations, and I believe that we shall recognise the sympathetic attitude of the creditors if we tighten up the Act as suggested in the Bill. As stated by the hon. member, the position of the storekeeper-creditor is most difficult, but he must remember that it is not possible to arrange payment of past unsecured debts, while secured creditors remain unpaid. In that respect, when settlers are carried on under the Act, sustenance is made a first consideration, and storekeeper-creditors get the benefit as far as possible of cash trading for the current season. The immediate position is being coped with in that way, and the more general question of farmers' disabilities or debts will be reported on by the Royal Commission who are now inquiring into the references made to them.

Respecting Mr. Seddon's query of the word "writing" in Clause 13A (b) of the Bill, it is necessary to make it clear that the word "writing" does not include any mortgage or registered bill of sale over crops. The clause deals with orders on proceeds of crops, that is, money due to the debtor from the sale of his produce, and it will prevent the holder of such an order from obtaining the amount of the order after the issue of the stay order. It also ensures that the crop proceeds shall be held by the receiver until the creditors' meetings decides the course to be followed. To give an example: a settler dropping 400 acres gives a bill of sale over the crop to secure supplies of superphosphate and cornsacks and cover insurance. His usual average being 15 bushels, he assumes that he will have 2,000 bags for sale at, say, 2s., a total of £600. If super, sacks and insurance amount to £140, the settler assumes he will have £460 with which to pay other costs and debts. Then important creditors may, before the crop result can be estimated, threaten action, and the settler begins to give orders on estimated proceeds to the amount shown, leaving nothing for contingencies, carrying on, or other creditors who have not threatened him. Thus he is in difficulties all round, especially if the average yield is less than usual, as he can then make no proposal for next season's operations and the attitude of the overlooked creditors becomes unfavourable. The clause does not interfere with fully registered securities over crops but it stipulates that after satisfaction of such

securities, the proceeds are to be brought to account at the meeting of creditors.

Regarding the hon. member's third point about appeal by a farmer, he appears not to have noticed that Clause 9 (2) of the Bill gives such right of appeal if a resolution is deemed to be unjust. That power is proposed to meet just the point of view stressed by the hon. member; and by it the rights of the individual will be conserved.

The suggestion that the Bill should be referred to a select committee is quite unacceptable. Proposals of that description are now endemic in this Chamber. Practically every Bill or motion before the House must, in the opinion of some members, be referred to a select committee or Royal Commission. If members persist in that procedure, then very soon the Chamber will simply receive a Bill and pass it to a select committee as a matter of course. In my opinion that method of attending to our duties will clearly indicate to the electors that the existence of this House is of no great moment to deliberate on proposed legislation. Much good accrues from debates on the floor of this Chamber, and I think we shall be unmindful of the protection of the Council in the passage of legislation if we are ever ready to relegate our duties to small committees for consideration behind closed doors.

For weeks past the Royal Commission on the Agricultural Industry have been inquiring into farmers' debts and disabilities. The Commission have taken voluminous evidence on matters such as appear in this Bill. Members can obtain particulars or any required information from the proceedings of the Commission and so obviate the request for a select committee which, if appointed, would re-inquire into aspects already investigated by the Commission.

Mr. Yelland's efforts and inquiries on the Act and the Bill are appreciated. Throughout he has shown a very commendable desire to do everything possible for the better working of the Act. The Director does not agree with him that the excision from Subsection (1) of Section 5 of the words "or the creditor of any farmer" would be advisable, but is of opinion that such an amendment would create discontent amongst the great body of creditors, and thereby increase the difficulty of directing meetings in favour of worthy debtors. The pernicious system of "orders on proceeds" has grown to such an extent that creditors who have

little means of exerting pressure are left quite out of consideration, and they may wish for the right to ask for a meeting of creditors, not necessarily to embarrass the farmer, but to ensure as far as possible an equitable distribution of proceeds. Again, a creditor might be aware of an unregistered lien in favour of another creditor and might realise that the exercise of the lien would endanger the possibility of the settler's carrying on. In that event, the issue of a stay order would be for the benefit of all concerned pending an examination of the position.

All members are aware that some farmers are very slipshod in their method of handling accounts, and do some ill-advised things. In effect, many should be under control at harvest time to ensure that the proceeds are disposed of to the best advantage—principally to ensure funds, if at all possible, for next season's operations. Therefore it is advisable that creditors should have the right to apply control. If the proviso in Clause 4 is agreed to, the Director will have the right to demand fees on creditors' applications and it is reasonable to suppose that they will exercise discretion in applications costing £8 18s. 6d. each. In addition and as pointed out by Sir Charles Nathan, the second proviso to Clause 4 will enable the Director to reject a creditor's application. In the sensible administration of the Act the applications of small creditors or any application of a frivolous or hostile nature would not be accepted. Moreover, it should be kept in mind that if the Farmers' Debts Adjustment Act is used, there is less danger of bankruptcy proceedings. Further, it does not come well from a secured creditor to object to other creditors having the right to apply for a stay order, especially when the secured creditor has in the past favoured applications by some of his own clients.

Creditors, in applying for stay orders, are not necessarily antagonistic to the farmers concerned. Sometimes they may be able to step in more quickly than an isolated debtor to prevent actions under judgments or writs, etc., and so obtain protection for the debtor, pending a meeting; also unsecured creditors may prefer to have a farmer carried on when a secured creditor, especially one under agreement of sale, may have other views. There is no need to provide for protection from the actions of the Director. That officer works only in the

interest of continued production and to maintain the position as firmly as possible through these difficult times, if holdings and debtors warrant it. If a debtor or creditor is in need of protection against an unjust resolution of creditors, that contingency is provided for in Clause 9. Mr. Yelland quoted correspondence which stated that certain debtors had been "pinched" between contending creditors, namely, a bank and another creditor. It is to protect the debtor against delay in his operations and other inconveniences in such cases, that Clause 13 has been inserted. Under it bills of sale would be allowed to secure only new money advances for cropping purposes, and every reasonable objection by the caveating party would be taken into consideration before the powers were exercised. The hon. member's proposed proviso would hamstring the administration and possibly cause delay at critical periods of farming operations. He must not forget that a debtor is not kept under the Act except on the debtor's own proposal and by a resolution of creditors accepting that proposal, which includes a schedule basis for carrying on operations. A meeting of creditors is necessary before the conditions of the Bill can be applied in any case. Lacking an opening on another measure to reply to the criticism concerning the appointment of select committees, Sir Charles Nathan seized the opportunity to express his devotion to that mode of doing business, and instanced with glowing pleasure the success of this particular Act. I would remind the hon. member that the splendid results of the administration have been possible largely because of a looseness in drafting, which permitted the adjournment of meetings and enabled the farmer to be carried on. If, as intended by the select committee, the operations of the Act had been limited to the first meeting of creditors, it is apparent that the wonderful results which have been achieved would not have been possible.

Hon. J. Nicholson: Like the silver cord that binds the Empire.

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes. The hon. member must not forget also that even now another place firmly believes that its measure would have been more suitable than the one enacted.

Question put and passed.

Bill read a second time.

*In Committee.*

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

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 4:

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

That in paragraph (b) the word "ten" be struck out and "five" inserted in lieu.

As I indicated in my second reading speech, I think the remuneration granted to receivers in this case is too high.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I cannot accept the amendment. The position is very different to-day from what it was when the Act was first passed. These receivers have had a great deal of work to do, and it would be quite wrong, in my opinion, to cut the fees down by half. It is questionable whether receivers would be prepared to do the work at half the present rates. We must pay a reasonable remuneration to men who are doing their work so well. If the reduction is made we shall lose a lot of those officers who have already given such good service.

Hon. E. H. H. HALL: Provision is made for the remuneration to receivers being paid into Consolidated Revenue in cases where they are inspectors of the Agricultural Bank. If we are genuine in our desire to reduce costs for the farmers we must seize every opportunity to cut down expenditure. It is a serious matter to pile on the costs to the farmer to the extent of £30 or £40. If outside people are not prepared to act as receivers, inspectors of the Agricultural Bank can be appointed to those positions.

Amendment put and negatived.

Clause put and passed.

Clause 4—Amendment of Section 5:

Hon. H. J. YELLAND: I move an amendment—

That in line 2 of Subclause 1 all the words after "by" to the end of the subclause, and Subclause 2, be struck out, and "the deletion of the words 'or the creditor of any farmer'" be inserted in lieu.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I can see no justifi-

cation for the amendment, and members would be well advised if they declined to accept it. The director will always have the final say and it would be much better that things should be left as they are.

Hon. Sir EDWARD WITTENOOM: Section 5 of the Act provides that one creditor may obstruct the whole of a farmer's business. It says that any creditor may make application to the director to call a meeting of the farmer's creditors. One creditor should not have that power, and any amendment that will do away with this objection will have my support.

Hon. J. T. FRANKLIN: I understand the objection to the clause is that any one creditor, large or small, can call a meeting of the creditors. That is hardly fair to the farmer, who may owe this particular creditor £30 or £40 while the other creditors are owed £1,000. There should be some protection for the farmer, either through the Director or otherwise. A majority of the creditors, and not any one of them, should call the meeting.

Hon. Sir CHARLES NATHAN: The matter has been made perfectly clear by the Minister. A reference to the Bill shows that all necessary security is provided against such a contingency as that mentioned by Mr. Franklin. A vexatious application to bring a farmer under the Act can be made by a creditor, but it is within the discretion of the Director to refuse the application. He is not going to have his office snowed up with frivolous applications. Often, however, a creditor may consider it to be in the interests of the debtor, or of the creditors as a whole, that a meeting should be called. From my viewpoint, the amendment should not be carried, because no inducement should be held out to creditors to use the Bankruptcy Act for protection which they can obtain under this legislation.

The CHAIRMAN: The subsection proposed to be amended reads—

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

The effect of Mr. Yelland's amendment is that only the farmer shall be able to make the application.

Hon. J. M. DREW: I entirely agree with Sir Charles Nathan. Undoubtedly, if a creditor applies to bring a farmer under the Act, it demonstrates that he has the farm-

er's interests at heart. There must be some good reason for the creditor's action, because by bringing the farmer under the Act the creditor deprives himself of the protection he otherwise would have. If the amendment is carried, the farmer will find his way to the Bankruptcy Court; and then he will have no opportunity of making good under the supervision of a receiver.

Hon. H. J. YELLAND: I recognise that if the amendment is carried the only course left to the creditor will be to force an issue against the debtor under the Bankruptcy Act. I mentioned last night the case of a farmer against whom a writ was issued, and who immediately took out a stay order under the Farmers' Debts Adjustment Act. To my mind the only way of dealing with the question is to introduce into the Bill the psychological factor to which I referred last night, and I regard the amendment as the best way of doing it. The general opinion among farmers is that opportunity should not be given for one creditor, who may happen to have only a slight interest in the farmer's affairs, to put him under this legislation. Secured creditors, in most cases the Agricultural Bank or the Associated Banks, and frequently the two combined, have complete control of the farmers and hold all their assets in a general way. If they are going to realise on those assets, then in the majority of cases there will not be sufficient to satisfy the unsecured creditors, who generally come in on top of the farmer and force his hand. The secured creditors are not likely to push the farmer.

Hon. G. FRASER: I cannot quite understand Mr. Yelland's attitude. He is not prepared to give a creditor the right to make application to the Director. Yet he wants the creditor to take action under the Bankruptcy Act, thus forcing the farmer into taking out a stay order. I think it would be much better to give the creditor the option of making an application to the Director rather than to the Bankruptcy Court. I hope the amendment will be defeated.

Hon. J. NICHOLSON: The Act as it stands provides that any farmer, or the creditor of any farmer, may make application to the Director to call a meeting of the creditors. That starts the ball rolling. There is no limit as regards the amount owing to the creditor who makes the application. That is the weak part of the section. Perhaps the Minister will report pro-

gress and consider the matter between now and the next sitting. We should bring this clause as nearly as possible to the position under the Bankruptcy Act itself. The Farmers' Debts Adjustment Act has tried to give the benefits of the Bankruptcy Act without actually putting the farmer into bankruptcy. The right of petitioning might be limited to a creditor having a debt of not less than £50.

Progress reported.

*House adjourned at 6.15 p.m.*

## Legislative Assembly,

*Wednesday, 21th June, 1931.*

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

### QUESTION—ROAD MAKING, IDLE PLANT.

Mr. WITHERS asked the Minister for Works: 1, Seeing that main roads already constructed in the South-West are in urgent need of maintenance, could the plant that is lying idle at East Perth be made available to local road boards so that maintenance might be carried out by such boards? 2, Will he favourably consider applications from road boards for such plant; if so, under what conditions?

The MINISTER FOR WORKS replied: 1, It is not admitted that the roads referred to are in urgent need of further maintenance than is being carried out on them by the Main Roads Department partly with its own forces and partly with the assistance of local road boards. 2, Answered by No. 1.