

Legislative Assembly,

Tuesday, 9th December, 1930.

Clause 7—Power to realise funds and investments in Hackett bequest; Replacement of funds:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That all words of the clause after "five," line 2, be struck out, and the following inserted in lieu:—"the moneys necessary for the completion by the University of the said buildings at Crawley, known as the Hackett Buildings, and for the erection of the further building mentioned and provided for in Section 4 of this Act, the Senate is hereby authorised to sell and realise upon so much of the funds and investments now controlled by the University, and known as the Hackett Bequest, as may be necessary to raise a sum of money equal to the aggregate sums of principal and capitalised interest mentioned in Section 5, and to use such sum for the purposes aforesaid: Provided that, as and when the payments provided for in Section 6 are made by the Government to the University, the Senate shall, as soon as practicable, use and apply such payments to restore the moneys realised by such sales and realisation, and thereby make the same again subject to the present trusts applying to the Hackett Bequest."

Several members thought the clause as printed interfered with the Loan Council arrangement. That is not so, but the clause is not as clear as it might be; and the Crown Law Department suggest the amendment I am moving.

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

Preamble, Title—agreed to.

Bill reported with amendments.

House adjourned at 11.49 p.m.

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

SWEARING-IN OF MEMBER.

The member for Forrest (Miss Holman) took and subscribed the oath, and signed the roll.

QUESTION—SHEARERS' STRIKE.

Convicted Persons' Release.

Mr. ANGELO asked the Attorney General: 1, Will he tell the House the reasons that prompted the Government to liberate some twenty shearers, who had been sentenced to gaol in Carnarvon, after a few days' incarceration? 2, Is he aware that several of these persons have been before the Carnarvon Court again for misdemeanours? 3, What action do the Government intend to take in the circumstances?

The ATTORNEY GENERAL replied: 1, The imprisonment which they were undergoing was in default of payment of fines and it was therefore open to the Government to remit under Section 170 of the Justices Act, 1902-1920. The offence was that of disorderly conduct in a public place, and the circumstances very doubtfully supported such a charge. Whatever the men did was done in connection with an industrial dispute, and on the men undertaking to take no further part in the dispute they were released. 2, Have heard so. 3, No action. It is a matter for the police.

QUESTION — WYNDHAM MEAT WORKS.

Mr. H. W. MANN asked the Chief Secretary: 1, How much was spent on goods, including foodstuffs, purchased in the Eastern States for use at the Wyndham Meat Works for the seasons 1928, 1929, 1930? 2, How many employees were brought from the Eastern States to positions in the Wyndham Meat Works for the seasons 1928, 1929, 1930? 3, What were the respective positions filled by the men brought from the East during the years 1928, 1929, 1930? 4, Is it a fact that a man was brought from the Eastern States this season to fill a position as laundryman? 5, Cannot efficient workmen be obtained in this State for such positions?

The CHIEF SECRETARY replied: The particulars will be laid upon the Table of the House.

QUESTION—PRISONERS' SENTENCES REDUCTIONS.

Mr. J. M. SMITH asked the Attorney General: 1, How many requests for reduction of sentences have been received on behalf of prisoners during the current year? 2, How many have been granted? 3, Will he supply a list—using numerals instead of names—of the prisoners whose sentences were reduced in 1930, with the periods of reduction, and the reasons for such reductions?

The ATTORNEY GENERAL replied: 1, 35. 2, 7. 3, The periods of reduction were as follows: (1) 10½ months, (2) 7 months, (3) 6 months, (4) 51 days, (5) 2 months, (6) 16 days, (7) 27 days. In each case the reduction was recommended by the responsible Minister but was granted by His Excellency the Governor exercising the absolute prerogative of mercy vested in His Majesty the King. It is, therefore, not thought proper to state reasons.

BILL—SANDALWOOD ACT AMENDMENT.

Introduced by the Minister for Forests and read a first time.

BILL—SALARIES TAX.

Third Reading.

Order of the day read for the third reading of the Bill.

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

Ayes	..	..	..	..	25
Noes	..	..	..	..	19
Majority for ..					6

AYES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Corboy	Mr. Patrick
Mr. Davy	Mr. Plesse
Mr. Doney	Mr. Sampson
Mr. Ferguson	Mr. J. H. Smith
Mr. Griffiths	Mr. J. M. Smith
Mr. Keenan	Mr. Thorn
Mr. Latham	Mr. Troy
Mr. Lindsay	Mr. Wells
Mr. H. W. Mann	Mr. North
Mr. J. I. Mann	(Teller.)

NOES.

Mr. Collier	Mr. McCallum
Mr. Corboy	Mr. Millington
Mr. Coverley	Mr. Munzie
Mr. Hegney	Mr. Panton
Miss Holman	Mr. Troy
Mr. Johnson	Mr. Walker
Mr. Kenneally	Mr. Wansbrough
Mr. Lamond	Mr. Willcock
Mr. Lutey	Mr. Wilson
Mr. Marshall	(Teller.)

Question thus passed.

Bill read a third time and transmitted to the Council.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

THE PREMIER (Hon. Sir James Mitchell—Northam) [4.49] in moving the second reading said: This is a short Bill designed to meet the present severe fall in land values that has taken place in the last few months owing to the depression. The object is to enable the Commissioner to make assessments for the present year on present values, instead of on the values of the last few years. Under the Act the Commissioner is authorised to make assessments at any time, and they remain in force for five years, but it seems to me that as there has been such a fall in values something ought to be done to relieve the situation. In the circumstances I do not think we are entitled to collect taxation on the values that prevailed a year ago. Agricultural land is practically unsaleable at

the moment and in many instances values have declined to at least half of what was once paid for properties. If this Bill be passed, it will enable the Commissioner to make a percentage reduction on the valuations as fixed for taxation last year. It is impossible, of course, to make individual valuations quickly enough to be of service, but this measure will enable the Commissioner to make a percentage reduction. I hope the House will agree to the proposal. The Bill also provides that the values shall be fixed from year to year. When we return to normal times we shall be able to arrange for the values to be fixed for a number of years. At present that ought not to be done, but when values do go up, we want to be able to increase them. I hope that the depression will not long continue. It is the deflation of land values that is the cause of many of our troubles. Under the Bill the Commissioner will collect taxation on something like the value of the land as at the 30th June last. The Bill is easily understood; it provides power for the Commissioner to make the valuation for this year, and that will continue as the assessment year by year while the depression lasts.

Mr. Willcock: What is the period under the Federal Act?

The PREMIER: Three years.

Mr. Willcock: Then taxpayers will be paying on different values to the State and Federal Governments.

The PREMIER: Even so we shall be doing the right thing. The Federal land tax applies only to properties exceeding £5,000 in value.

Mr. Willcock: It applies to many city properties.

The PREMIER: We have power to deal with only our own taxation. I hope the Federal Government will make provision for a reduction of their land values where the values have been fixed for a number of years. The State Act does not provide that the whole of the valuations shall continue for a fixed period of five years: they run for five years from the date when each is made. If land was valued in 1927, the valuation would stand till 1932, and if other land was valued in 1928 the valuation would stand till 1933. That was never intended when the measure was drafted, and the provision will have to be amended when we again stipulate valuations to stand for

a number of years. However, this proposal is easily understood; it merely provides for a reduction of valuations. I move—

That the Bill be now read a second time.

HON. P. COLLIER (Boulder) [4.54]: The Bill in all the circumstances appears to be very necessary. It is manifestly unfair that land owners should have to pay tax on valuations made some few years ago when the values rose so very high. We know that values have fallen tremendously in some parts of the State, and to a considerable extent all over the State. Therefore it is not right to call upon people to pay taxation on values that have disappeared during the last six or 12 months. It is only equitable to give the Commissioner power to reduce valuations without going to the expense of having a revaluation made by any set of officers. At the same time, when values begin to ascend, this measure will empower the Commissioner to follow up the valuations year by year. That is a departure from the principle that has prevailed for some years past. The State valuations have been spread over a period of five years as against three years under the Commonwealth Act. When values begin to ascend once more, if this provision remains on the statute-book, the Commissioner will be in a position to increase the valuations year by year.

The Premier: That is so.

Hon. P. COLLIER: When that time arrives—I do not think it will be for some time yet—it will be for the House to consider whether the annual valuation is a fair thing, or whether valuations should be spread over a period, whatever the number of years might be. I have no objection to offer to the Bill. It will afford only a measure of justice to those people who are called upon to pay land tax this year.

MR. PIESSE (Katanning) [4.57]: The Government should be commended for introducing this Bill at the present unfortunate period in the history of the State, when our land values have depreciated so much. I am not sure whether the Premier made it clear that the Bill provides for the revaluations to take place at the same time as the Federal revaluations are made. I understand that the Federal Act provides for a period of three years, and considerable inconvenience and unnecessary expense have

been incurred by the Taxation Department working on two different periods. It is most necessary that the periods should coincide; otherwise there must be serious anomalies in the valuations.

The Premier: This Bill gives the Commissioner power to adjust the annual valuation.

Mr. PIESSE: Yes, and from time to time to make valuations of land, but it does not provide that those valuations shall coincide with the Federal valuations. The same officers perform the work for both Governments, and yet different periods are adopted. Of course I realise that we cannot control the actions of the Federal authorities.

MR. GRIFFITHS (Avon) [4.59]: I support the Bill. Right through the country districts the desire has been expressed that relief of this kind should be afforded, and the time is opportune to give it. The Government should be commended for having introduced the Bill.

MR. KENNEALLY (East Perth) [5.0]: Although some measure such as this may be necessary, I would point to the attitude of the Government when it comes to a question of the workers of the country compared with the interests of land holders. The Government seem to be well occupied lately, in fact that has been the case ever since they took over the Treasury bench, in introducing legislation that will take money from the workers, and now they propose to give some of that money to the land holders. The Government complain about the financial position all the while, but evidently they have enough money to give some of it to land holders, both large and small. In order to get that money, and be able to give it to those landowners, they have taken the necessary precaution to see that sufficient is taken out of the pockets of the workers. Amongst the measures for which the Government have been responsible, this might stand out as a good one were it not for their past conduct in robbing other people of money due to them. Having taken the opportunity to deplete the pay of the workers of the country, the Government do not deserve the support of the House that might be given over this Bill in other circumstances. I am not too sure that there is the money in the Treasury to warrant the Government in refusing to take the full taxation

from land holders, when they deem it necessary to take additional money from people in other walks of life. Not only have the Government made provision by which they have enabled the employers hurriedly to get to the court and take more money out of the pockets of the people, but we have just been associated with a division on the Salaries Tax Bill, which is also taking money out of the pockets of those who are in work. We are told that the plight of the country is such that we cannot afford to pay the salaries we have contracted to pay. Even though our plight is so bad, the Government bring down a Bill to say that although they have been getting a certain amount of taxation from people in St. George's-terrace, from farmers, or from large or small land holders, now that they have secured some extra money from the workers they are in a position to treat these land holders more liberally than would otherwise be the case. The trend of the legislation introduced by the Government shows more and more every day that they are there to take money out of the pockets of one section of the people wherever possible and put it into the pockets of another section.

HON. W. D. JOHNSON (Guildford-Midland) [5.3]: There is nothing more popular than a measure that will give relief from taxation. My experience tells me to be very careful when dealing with popular Bills. An unpopular measure usually leaks out before it has come along with the result that the general public have an opportunity to express their opinion. When a popular Bill comes down then is the time for Parliament to be most careful to see the effect it will have upon the general finances of the country. I do not know whether the Treasurer has gone carefully into the question to see what this will mean. I do not think anyone can calculate the amount of revenue that will be lost. It is beyond my capacity in so short a time to understand the Bill. I cannot see how the Commissioner of Taxation will arrive at his valuation. We are giving him very great powers. He may take one view of the country and another of the town. The view he takes may be in total conflict with the views of members and may be opposed to the best interests of the State. Whilst I have every regard for public servants, and not the least amongst them for Mr. Black, I do not think

it is altogether right we should give to one man the enormous powers proposed in the Bill. He is to be the revaluer. He will decide the relative values between town and country. We must study measures of this kind to arrive at an estimate of what they mean. I do not know whether any agreement has been arrived at to expedite the Bill. I have no desire to obstruct it, but I suggest it should not be put through until we get an opportunity to understand it. We should know whether it is possible to put in some direction to the Commissioner, so that he may, in carrying out his work, reflect the opinion of Parliament in regard to the general depreciation of values in town and country. I should like to see the Committee stage postponed so that we may have an opportunity to arrive at an understanding of what the Bill means to the finances of the State.

MR. BROWN (Pingelly) [5.6]: I am pleased the Government have brought down this Bill. The unimproved value of land is altogether different to-day from what it was a few years ago. The productive capacity of many of our farms has decreased, and the actual value of production from the land is not nearly what it was some time ago. Whoever put the valuations on the land for the Government put altogether too high a price on the unimproved value of that which was situated near a railway. I know that the unimproved value of a good deal of land is well above what it would be possible to get for it on a sale. Under the Bill I take it the Commissioner of Taxation can review values when it is proved that the productive powers of the land are not as great as they were a few years ago. That is a step in the right direction. The Leader of the Opposition once said that the unimproved value of a good deal of our land in the York district was £5 or £6 an acre. It is well below that. It would not be possible to get that price for any land in the State.

Hon. W. D. Johnson: You could at the time he said it.

Hon. P. Collier: At present land is not saleable at all, I understand.

Mr. BROWN: I remember valuing some land for rating purposes for a road board and putting a value of 6s. or 7s. an acre upon it, whereas the Government placed a value of 22s. 6d. upon it.

Hon. P. Collier: Of course you were letting them down lightly.

Mr. BROWN: Not at all. Because the land adjoined a railway and was not far from the township, that high unimproved value was placed upon it.

Hon. P. Collier: But you are representing the district.

Mr. BROWN: It is impossible for any man to get that much per acre, unimproved, on the market. With wheat and wool and stock at their present low prices, no land holder could make a living on such high taxation. Something must be done quickly to keep people on the land. This measure will do something towards that end. If in the course of time values improve, the position can be altered so that the taxation may advance again. I have no doubt the Bill will be very acceptable to landowners in the farming districts.

Hon. W. D. Johnson: What about the city?

Mr. BROWN: Values in the city must decrease with the reductions in value in the agricultural areas. It would be impossible to-day to get the values for city land that were put upon them some 12 months ago. I am glad the Opposition realise this is a reasonable measure. No doubt, too, the experience of the Leader of the Opposition as a farmer leads him to a greater appreciation of the difficulties settlers are called upon to encounter.

Hon. P. Collier: I did a great deal for them before you ever saw the inside of this House.

Mr. BROWN: No doubt. The impression of a good many members opposite has been that our unimproved land values were too low. In actual fact they have been altogether too high. In many cases if the properties were put on the market at the unimproved values put upon them by the Government, it would be impossible to sell them.

MR. J. H. SMITH (Nelson) [5.12]: I support the Bill. Some time ago I asked a question in regard to Section 37 of the Act. One question was as to its legality. I pointed out that the 5-year period should be wiped out. With the repeal of that section the Commissioner can exercise his own discretion. Things are different from what they were a few years ago when the valuation were made. Wheat was then 5s. a bushel

and wool was worth 2s. a lb. I compliment the Government on being wise enough to bring down this measure.

MR. McCALLUM (South Fremantle) [5.13]: It would be outrageous if the tax were levied this year on the values that were put on in some of the districts for last year. They are exorbitant as compared with present values. It is impossible to get a bid for most farming propositions. I want to compare the attitude of the Government in this regard with their attitude when it affects another section of the people who rely upon wages for their living. The history of things indicates that whilst land values for taxation purposes lagged away behind and never kept pace with real values, wages were never up to what it really cost the workers to live. Now that land values have fallen the Government, in their first year, rush in to give relief to the owners of it. I am not complaining about the Bill but I do complain about the inconsistency of the attitude of the Government. When the Premier was in office before, year in and year out we were knocking at the door asking for relief for the wage earners at a time when the cost of living was soaring, so that they might be able to keep pace with the increase in the cost of living; but our appeals fell on deaf ears and no action was taken. The moment he is in power again and the cost of living shows a decline, he rushes in with a Bill to allow quarterly adjustments of the basic wage. But he does not adopt any such attitude relatively to landowners. To them he gives immediate relief. But while land values were soaring, taxation did not keep pace with rises.

Mr. J. H. Smith: The man on the land has no income.

Mr. McCALLUM: We know that the great bulk of the farmers will have no income this year. However, they will pay no income tax for this year. I take exception to the singling out of one section of the community for privileges and another section for penalisation. The Government show no broad-minded impartiality. The wage earners are not given any opportunity to make up for lost time. The Bill shows class bias on the part of the Government. That bias is reflected in this legislation as compared with another measure. To maintain existing valuations would, I admit, be most inequitable. I do not know whether

city values have fallen equally with country values; but to give one official the right to decide as to both classes of land is to confer upon him enormous power. Has the revaluation of all the lands of the State been completed?

The Premier: No.

Mr. McCALLUM: I understood that on a considerable portion of the lands reports have not yet been received by the Commissioner of Taxation. I repeat, the Bill gives great power to one official. However, on the whole the measure is equitable and does the right thing. I rose merely to point out the difference between the Government's attitude towards this section of the community and their attitude to the wage earners.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Repeal of Section 37 and insertion of new section:

Hon. W. D. JOHNSON: While under Section 34 the Commissioner of Taxation has power to assess the values of land and for that purpose obtains information from local governing authorities and other sources, that system has been departed from to the extent of arriving at uniform valuations by agreement between the Federal and State Governments. Therefore the Commissioner is not now au fait with valuations. To-day, if he reviews a valuation, he will not review a valuation arrived at by his own methods and through his own investigations.

The Premier: Yes, he will.

Hon. W. D. JOHNSON: It will be the review of a valuation made by special officers. I understood it was the idea that the State should be permitted to adopt the valuations. The present valuations were made at the peak of the soaring period, whereas now we are back with a thud. I agree with what the Deputy Leader of the Opposition has said on land values to-day as compared with values when the existing valuations were made. But what is the Commissioner going to do? He could to-day review those valuations.

The Premier: He is Commissioner for both the Federal Government and the State Government.

Hon. W. D. JOHNSON: Has Mr. Black done the actual detailed valuations?

The Premier: Of course he has not. No one man could.

Hon. W. D. JOHNSON: In the making of valuations various officers have been employed under the Commissioner's direction. Is Mr. Black au fait with the methods adopted by the valuers in the various parts of the State, and will he be able to pick those up, comparing existing values with the then declared values and taking into consideration the changed conditions in particular areas?

The Premier: Of course.

Hon. W. D. JOHNSON: Should not there be some direction as to that point? The land in the South-West has not depreciated of recent years. If anything, there has been some appreciation. It would be a sad thing for Western Australia if there was not some result from the enormous expenditure on group settlements. Again, there is the extended planting of pasture. The value of South-Western land should be equal to what it has ever been. On the other hand, in the wheat belt the position is totally different. Will Mr. Black analyse the figures by which city valuations are arrived at, and wheat belt valuations, and valuations in other parts of the State outside the dairying districts? Will he take into consideration the actual position so as to do a measure of relative justice and grant proper relief in proportion to the needs of the districts where land has either appreciated or depreciated? Can the Commissioner do justice under a small Bill like this?

The PREMIER: All the data on which valuations were made are available to the Commissioner of Taxation. The officers who made the valuations are still available to him. No one has so good an opportunity as the Commissioner of deciding what is a fair valuation now. I am pretty certain he can do the job better than anyone else can do it. If he has not the necessary information, no one has it. The hon. member is perfectly right in saying that in many cases the valuation does not represent the true value. Wheat and sheep lands have suffered horribly. I have introduced the Bill in the hope that justice may be done to all landowners.

Mr. SAMPSON: The clause is certainly desirable in view of the altered position as to land values. On the 11th November I asked whether in view of the slump in land values it was proposed to amend the valuations, and the reply I received was that the Commissioner of Taxation could not alter the departmental values, which had been fixed for a quinquennial period. I am sorry there is not time to permit of an amendment to provide for reconsideration of lands which have been subdivided for sale in small blocks. In the Gosnells Road Board district many years ago an area of land was cut up, and is shown on the road board records as a number of small blocks, though it is used as an orchard. In spite of that fact, merely because of odd sales in the neighbourhood, the area is assessed far in excess of the real value. The Taxation Department have increased the valuation from £217 to £390, merely because of the land being in small blocks. The present owner, a woman, was not responsible for the subdivision. The subdivisional plan had been approved by the local authority long before she became possessed of the property. To fix values on odd sales is entirely wrong. Nor is this confined to rural land. In the city, values have been increased far beyond their intrinsic worth, merely because of odd sales. I am pleased the Government have brought down the clause.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment, and the report adopted.

Standing Orders Suspension.

On motion by the Premier, so much of the Standing Orders suspended as necessary to permit of the Bill passing its remaining stage at this sitting.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—HOSPITAL FUND.

Council's amendments.

Message received from the Council notifying that it had agreed to the Bill, subject to a schedule of amendments.

BILLS (3)—RETURNED.

- 1, Hospital Fund (Contributions).
- 2, Totalisator Duty Act Amendment.
- 3, Entertainments Tax Assessment Act Amendment.

Without amendment.

BILL—FARMERS' DEBTS ADJUSTMENT.*Message.*

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

As to Committee stage—amendment three months.

The ATTORNEY GENERAL: I move—

That Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the Bill.

Hon. W. D. JOHNSON: Under Standing Order No. 273 I move an amendment—

That all words after "that" be struck out with a view to inserting "this House will on this day three months resolve itself into Committee on the Bill."

I do not desire to obstruct, but I feel we are going to give a lot of time to dealing with a Bill that has come from a select committee and is not going to be of any value to anybody to whom it applies. When first the Bill was introduced I said it was too late to be of any great assistance to the agricultural industry. But I did think that as the result of the select committee's work the Bill would be reviewed, to the end that it would be made more comprehensive than it is. If the Bill had been introduced early in the session we could have said it was going to serve some useful purpose, for then it would have been in operation in time for this year's harvesting arrangements. Since then, however, farmers have had to appeal to their creditors to provide harvesting requirements. So, while Parliament has been delaying, further obligations have been entered into between the farmer and his creditors. And now we are asked to pass a measure to cover a period when farmers were negotiating with their creditors over the supplying of special harvesting necessities. I do not know the figures, but I should imagine that since the time when first this

Bill was mooted considerable credit has been given by various firms to help the farmers through the harvest. And now under the Bill that credit will not be covered and not be met on the terms understood when those credits were given. I appeal to members not to go any further with the Bill. I am convinced the Bill is of no value and that if in due course it reaches another place, its full weaknesses will there be so apparent that we in this Chamber shall have wasted our time. Therefore, without any desire to obstruct, I feel that the straightforward course is to appeal to members not to let a Bill of no value go into Committee and there try to put it right; which is not possible. The main weakness of the Bill is—

Mr. SPEAKER: I cannot allow the hon. member to discuss the merits of a Bill the second reading of which has already been passed.

Hon. W. D. JOHNSON: But this Bill is not the Bill that passed the second reading. How are we to discuss this Bill? We cannot in Committee have a general discussion of the principles of the Bill.

Mr. SPEAKER: I have ruled that at this stage there can be no discussion of the Bill, which has already passed the second reading. I will accept the amendment, but there can be no discussion on the merits of the Bill at this stage.

Hon. W. D. JOHNSON: If under the Standing Orders I am permitted to move this amendment, surely the discussion of the amendment is not limited. If so, how can I justify the amendment?

Mr. SPEAKER: The hon. member may move to disagree with my ruling, but I cannot allow any discussion on the merits of the Bill.

Hon. T. WALKER: To which Bill are you referring, Sir, the Bill that passed the second reading, or the Bill amended by the select committee? We have never passed the second reading of the Bill now before us.

Mr. SPEAKER: This Bill was originally introduced by the Attorney General and referred to a select committee. The select committee reported, and the report was made an order of the day for the next sitting of the House. The next step was to go into Committee to consider the Bill as amended by the select committee. The member for Kanowna con-

tends that we are not now discussing the Bill that was originally brought in, but that we are discussing what might be said to be a new Bill, in that the amendments of the select committee have been embodied in the Bill as it was originally brought down. There can be no general discussion at this stage on the merits or demerits of the Bill.

Hon. T. WALKER: I am unaware that we have ever discussed or considered at any previous stage the details of the report of the select committee which has constructed a new Bill. We have not discussed it, and we have not adopted it. It is true we have agreed to adopt the report of the select committee, but that report creates a new Bill, that has never had its first, second or any other reading or consideration. Only now are we asked to give it consideration, and that may be a point to be considered, which makes it justifiable to argue that the Bill should go into Committee on this day three months. We have not endorsed any detail or any principle; we have simply authorised the Bill to be prepared, which is only like granting leave to introduce it. The Bill is now introduced practically for the first time, and we are asked to go into Committee on it.

The ATTORNEY GENERAL: With all due deference to the opinion of our ex-Speaker, it seems to me that this cannot be regarded as a new Bill. The original Bill passed its second reading and was referred to a select committee. The select committee recommended that certain amendments be made.

Hon. T. Walker: The select committee made a new Bill of it.

The ATTORNEY GENERAL: I submit the select committee did not. The title of the Bill stands as it was, and there is much in the Bill that was there originally. The original idea of the Bill is the same, but the machinery has certainly been substantially altered. We have had the select committee's report and we have adopted it, and ordered it to be printed. Then we ordered that the Bill, as amended by the select committee, be reprinted, and that the reprinted Bill be considered by the Committee of the House as a whole. It is the practice that has been followed on numerous occasions.

Hon. P. Collier: Yes, it is the practice that has always been followed. The ques-

tion is whether the hon. member is in order in discussing the Bill generally at this stage.

The ATTORNEY GENERAL: That is so, as if we were still at the second reading stage. I submit that Mr. Speaker's ruling is correct.

Hon. W. D. JOHNSON: Without taking up further time I merely wish to say that I took this course because I thought it was the only means by which I could advance my reasons for contending that the Bill as amended by the select committee was still a useless measure from the State point of view. However, I do not desire to pursue the subject any further, and by leave of the House will withdraw my amendment.

Amendment, by leave, withdrawn.

Question put and passed.

In Committee.

Mr. Richardson in the Chair; the Attorney General in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Mr. DONEY: There is an amendment on the Notice Paper standing in my name to insert the words "or grazier" after "farmer."

The Attorney General: They are already in.

Mr. DONEY: Yes, I merely rose to express my appreciation of what had been done.

Clause put and passed.

Clause 3—Construction of Act:

Mr. GRIFFITHS: Is the Bill likely in any way to conflict with the Federal Bankruptcy Act?

The ATTORNEY GENERAL: As I stated in introducing the Bill it may conflict but the clause has been inserted with a view to saving the rest of the Bill if it should conflict. It is a kind of an apology.

Hon. W. D. JOHNSON: The Federal Bankruptcy laws apply definitely to the circumstances as we find them in the State today with regard to farmers and creditors. In this State we have gone along wrong lines. If we had availed ourselves of Part 12 of the Bankruptcy Act, we would have been in a totally different position. Under Part 11 a farmer assigns his estate and loses all interest in it. The trustee comes in and takes control. He directs operations and

decides whether they shall cease or be continued. Under Part 12 it would be possible for the creditors to arrive at some understanding with the debtor on the lines suggested in the Bill. Unfortunately, in the Bill we are now considering, we are compelling a section of creditors to test the validity of the measure. We divide the creditors, and we are really inviting one section or the other to scrap the Bill. We say that the secured creditors shall have the full right to exercise these powers, and the farmer is denied the protection of the Bill, the secured creditor being able to come in and exercise the right to put the farmer through the Bankruptcy Court. Then again the unsecured creditors may object to the distribution. They may feel they are not being properly safeguarded, and they cannot take action under the Bankruptcy Act to protect their interests. I would draw attention specially to country storekeepers. They are the people for whom I have a soft spot. They are the creditors who should receive first consideration. They do not receive that under the Bill; they are a secondary consideration only. The secured creditor can exercise the powers that are covered by his security, whereas the unsecured creditor can participate only in what remains.

The CHAIRMAN: Order! The hon. member is entering upon a discussion of the general principles of the Bill.

Hon. W. D. JOHNSON: I am explaining the weakness of the measure, and the reason why the clause under discussion was included in the Bill. It is included for the purpose of making it clear that the Bill is in conflict with the Federal bankruptcy law.

The Attorney General: No.

Hon. W. D. JOHNSON: I am not talking for the sake of talking, and I am perfectly in order! This is an important matter. Under the South Australian Act, there is no division of the two classes of creditors.

The Attorney General: This clause is in the South Australian Act word for word.

Hon. W. D. JOHNSON: I admit that. Any creditor may take advantage of the provisions of the Federal Bankruptcy Act provided he adopts the proper procedure. Under the South Australian Act, all securities are included and all creditors are dealt with alike; in the Bill before us only the secured creditors can derive any protection under a stay order.

The Attorney General: That is dealt with in Clause 7.

Hon. W. D. JOHNSON: I can deal with the matter on this clause as well. What I want is a Bill on the lines of the South Australian Act. If we had that before us, I would not adopt my present attitude. The Bill in its present form is useless and is of no value to the farmers at all. It will set up irritation, divide sections of the farmers and avoid the possibility of unanimity.

The CHAIRMAN: Order! I must ask the hon. member not to deal with matters relating to clauses to be dealt with later on.

Mr. GRIFFITHS: If the South Australian Act provides that stay orders shall—

The CHAIRMAN: Order! The hon. member can deal with stay orders under Clause 7.

Mr. GRIFFITHS: I merely wish to deal with the point mentioned by the member for Guildford-Midland. If what he suggested could be accomplished along the lines of the South Australian Act, the position would be all right. In view of an expression of opinion by the Crown Solicitor regarding the application of the measure and the effect of the Federal bankruptcy law, I am afraid the Attorney General will not be able to protect the farmers in the direction he desires.

Hon. T. WALKER: I support the contentions of other hon. members regarding the Bill because I am afraid it merely duplicates the remedy already provided in the Federal Bankruptcy Act. It serves to provide a similar remedy, but in other ways. The difficulty that will arise will be that the farmer debtor will never be sure as to how he will be able to proceed, or what will happen to him in the event of a meeting of his creditors being held. He will have no guarantee of protection. He will not have any guarantee that a selfish creditor will not appeal to the Federal bankruptcy laws and put him out of reach of any stay order or claims of the other creditors. I admit that the inclusion of the clause amounts to an explanation, but it is also a warning, indicating clearly the hope of the Government that the rest of the Bill may be effective. The Bill will not carry immunity from the application of the Federal bankruptcy law, or from the avarice, malice or greed of any creditor. It will not give the slightest protection to the farmer, and, therefore, while

the clause may be necessary to put people on their guard, it goes no further than that. It means that the Bill can confer no real beneficial effect or provide any guarantee to the farmer. The clause should be rejected as useless; it is a mere pretence at helping the man on the land.

The ATTORNEY GENERAL: The member for Kanowna says that the clause in the Bill is useless, and the member for Guildford-Midland expresses a somewhat similar opinion, but goes further by saying that he would have been quite pleased with a measure like the South Australian Act.

Hon. W. D. Johnson: I said I would have been satisfied with that.

Hon. T. Walker: I do not know that I would have been.

The ATTORNEY GENERAL: The South Australian Act contains this very clause. Before any attempt was made to prepare the Bill, the South Australian Premier was communicated with and was asked to tell us how the Act had worked in his State. He told us it had operated well. The defects that the member for Kanowna has emphasised regarding the Bill are just as extant in the South Australian measure.

Hon. W. D. Johnson: No.

The ATTORNEY GENERAL: If the Bill infringes the Federal Bankruptcy Act, so does the South Australian Act, to the same degree.

Hon. W. D. Johnson: Under this Bill you divide the creditors; the South Australian Act does not do that.

The ATTORNEY GENERAL: That is entirely a matter of opinion. If that is the hon. member's objection to the Bill, he can overcome it by a simple amendment to Clause 7. I understand that an amendment has been framed and will be moved when we deal with that clause. While, personally, I am not prepared to accept it, the Committee will be able to determine the matter. As to whether the Bill does infringe the Federal bankruptcy law, there is much to be said on both sides. Before anyone can be brought under the Federal bankruptcy law against his will, he must commit an act of bankruptcy. All such acts are clearly defined in the Federal measure. The Bill has been framed—whether correctly or not remains to be seen; I do not know that it ever will be seen—to avoid any act of bankruptcy being involved on the part of farmers who will

come within the scope of the Bill. I do not say that we have achieved that; if I were sure on the point, the clause under discussion would not be necessary. It will be observed that the farmer himself does not call the meeting of creditors; it is done for him. Once a stay order has been issued, no one can get a judgment against the farmer, and before a bankruptcy notice can be served on the debtor, judgment against him must have been obtained. Therefore it seems quite possible that a debtor farmer may come under the Bill without clashing with the Federal Bankruptcy Act.

Hon. P. Collier: Even if the Bill does clash with the Federal Act, we have no means of overcoming that difficulty, and we could not do anything to prevent it.

The ATTORNEY GENERAL: No. We have made the attempt; if we fail, it cannot be helped. The merit I claim for the Bill as it stands—the member for Guildford-Midland must join me in this respect, because he approves of the South Australian Act—is that in the first place it will provide a definite breathing space for the farmer debtor. What the debtor has to do is to apply to a person we call the director and automatically the director must issue a stay order that prevents the farmer from being harassed, and also a receiving order, which will prevent the farmer from dissipating his assets, thus protecting the interests of his creditors. Surely there is some merit in that phase. Then there is the expeditious method provided for calling meetings of creditors and the protection of a receiver who must attend such meetings with a view to arranging amicable settlements.

Sitting suspended from 6.15 to 7.30 p.m.

Clause put and passed.

Clause 4—Board of management:

Mr. DONEY: I move an amendment—

That the following words be added to Sub-clause 2:—"but it shall be incumbent on the director to utilise as far as practicable the services of the officers of the Agricultural Bank."

It may be in the mind of the Minister to utilise those officers, but it may not be in the mind of the director. I wish to make it mandatory on the director. We have the machinery in the Agricultural Bank, and it would be sheer stupidity to discard it.

The ATTORNEY GENERAL: When the hon. member placed his amendment on the Notice Paper, the whole of the work was to have been done by the board. That work would have necessitated local inspecting officers and all such persons. As the Bill has been amended by the select committee, the director will be merely a person to whom the original application is made for a stay order, and who will exercise a certain amount of inspection and control over the receiver, not over the farmer. If he has a typist and one clerk that is all he will need. His salary and the salaries of his staff have to be paid out of Consolidated Revenue, and members can rest assured that if there is a person in the civil service who can do the work, the director will be required to employ him. Consequently there is no point now in inserting the amendment.

Mr. ANGELO: I object to the amendment on slightly different grounds. I do not wish to see the Agricultural Bank mentioned in the Bill at all. The evidence given to the select committee showed that out of 10,000 farmers, 8,000 are debtors to the Agricultural Bank, and if we bring the Agricultural Bank into the measure, it may create the feeling that one of the creditors is being given a certain amount of preference over other creditors. At the same time, I quite believe that in cases the services of an inspector of the Agricultural Bank might be utilised, without its being mentioned in the Bill.

Hon. P. Collier: Of course they will be.

Mr. ANGELO: We want to keep the name of every creditor out of the measure, and give the farmer the feeling that, when he goes to the director, he will get good advice and be shown how to put his affairs into the hands of the creditors in a proper way to get relief if he deserves it.

Mr. DONEY: I appreciate the Attorney General's point, but I still think there is a mass of highly essential data at the command of the Agricultural Bank that should be utilised. However, I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clause 5—Application to board to call meeting of farmer's creditors:

The ATTORNEY GENERAL: I move an amendment—

That after "farmer," in line 1 of Subclause 1, the words "or the creditor of any farmer" be inserted.

Those words appeared in the original measure. I do not think the select committee decided to delete them, but they have been dropped.

Amendment put and passed.

Mr. DONEY: I should like more specific information about Subclause 2. The receiver is to be a fit and proper person. I think he will need to be an extremely fit and proper person, as he is to be the receiver of the rents, profits and produce of the farm, and generally is to handle the business and the commercial side of the farmer's activities. Therefore he should be a person possessed of farming knowledge. Does the Minister intend to allow the Managing Trustee of the Agricultural Bank or any other first mortgagee to be appointed a receiver? That would make the Bill more workable. The Managing Trustee could delegate his authority to any member of his staff, just as any other receiver could. The work would then be in the hands of a person who understood the business.

The ATTORNEY GENERAL: The scheme in the minds of the select committee was that we should have decentralisation, and the receiver should, as far as possible, be in the area where the farmer lived. It was pointed out that under the existing law, when a farmer called a meeting of his creditors and came under Part XI or XII of the Act, the trustee as a rule was a person living in Perth. That trustee might have 20 to 50 estates distributed over the State from Esperance to Northampton. The idea was that the director would divide the State into districts, and in each district would select a fit and proper person who would be the receiver for all properties in that district. We have in mind that the fit and proper person would be a district Agricultural Bank inspector, though of course another fit and proper person might be a local practising accountant. The receiver will not run the farm. He will merely receive the proceeds, distribute them, and carry out inspectorial duties. Wherever possible we shall utilise the services of the district inspectors of the Agricultural Bank.

Mr. GRIFFITHS: The constant complaint in the country is that trustees in the city are handling too many estates at once. I know of one or two who are handling up to 150. As a consequence of this, it is felt that the estate cannot receive proper attention.

Hon. W. D. JOHNSON: I agree with the desire of the Attorney General, but I want to know why the words "rents, profits" are included. Why should not the subclause be restricted only to produce, chattels, effects, etc.?

The ATTORNEY GENERAL: This does not mean rent paid by a tenant to a landlord. The expression is a technical one, meaning that which comes from a particular property. The words were inserted by the Parliamentary Draftsman, and I do not think they have any cunning meaning. It would be dangerous to cut them out.

Mr. DONEY: Just as much care is required in the appointment of receivers as in the appointment of a director. These people should have some practical knowledge of farming, for they must concern themselves with the commercial side of a farmer's activities. If the managing trustee of the Agricultural Bank or any of his subordinates were detailed to do the work, the cost would be very small. I take it the Attorney General would not exclude them. He might also allow certain farmers with the necessary experience to act as receivers.

The Attorney General: Certainly.

Mr. BROWN: I have grave doubts about this subclause. It is possible a receiver will not have the necessary qualifications. Is he not supposed to inspect the property? Must someone else furnish him with a report? Do I understand that the only duty of the receiver is to receive moneys from the farm? Is there to be no inspection? The men appointed must be qualified, and the only ones really qualified are Agricultural Bank inspectors. The position would be a good one for any man to get hold of, especially if the receiver is to get four per cent. out of the money he handles.

Mr. DONEY: The provision for the appointment of receivers greatly improves the position compared with the Bill as first printed. Normally a farmer should know more about that business than a receiver who may have had no farming experience.

Mr. GRIFFITHS: I think it is essential that the receivers appointed should be Agricultural Bank inspectors. These officers have a practical knowledge of the work and are able to assist and advise the farmers.

Hon. W. D. JOHNSON: Subclause 3 says that no person shall be appointed a receiver until he has satisfied the director by the production of certain guarantees that he is entitled to hold the position. We should give the director some indication that other qualifications are required. I move an amendment—

That in Subclause 3, after the word "director," the words "that he possesses the required qualifications and" be inserted.

The ATTORNEY GENERAL: I have no objection to the amendment, but would point out that we have already said the director shall by order in writing appoint some fit and proper person to be a receiver. It would be rather unnecessarily lengthening the subclause if the words proposed to be added were inserted. We should not treat the director as quite an idiot. If his judgment is bad, it will not be improved by our telling him twice what to do.

Mr. Griffiths: How will the appointments be determined?

The ATTORNEY GENERAL: I do not know.

Mr. Brown: A practical farmer will be required to do the work.

The ATTORNEY GENERAL: The receivers we are speaking of will not direct farmers as to farming operations.

Mr. Corboy: The select committee deliberately cut out such direction.

The ATTORNEY GENERAL: On the evidence presented to us, we thought that the less the farmer was interfered with, the better.

Mr. J. H. SMITH: I see no need for the amendment. The director may, if he thinks fit, appoint an officer of the Agricultural Bank as receiver. The bank having 80 per cent. of the farmers on their books, probably the director will appoint officers of the bank as receivers.

Amendment put and negatived.

Mr. ANGELO: Will an officer of the Agricultural Bank, if appointed as receiver, have to furnish a guarantee of £500?

The ATTORNEY GENERAL: I think so. The receiver will handle cash, in some

cases a great deal of cash. The mere fact of a man's being a civil servant is not sufficient.

Mr. CORBOY: If an officer of the Agricultural Bank is appointed receiver, the guarantee should stand; but instead of either the bank or the officer being compelled to pay a premium for a guarantee policy, the bank should be authorised to guarantee the officer, should in fact be authorised to act as an insurance company.

The Attorney General: I agree. Instead of making it a guarantee policy, we could make it a bond and two sureties.

Mr. CORBOY: I leave it to the Attorney General to have the necessary amendment made at the most suitable time.

Clause put and passed.

Clause 6—Meetings of creditors, how called:

The ATTORNEY GENERAL: I move an amendment—

That in Subclause 1, line 1, the word "may" be struck out, and "shall" inserted in lieu.

The effect of the amendment is that a meeting of creditors shall, not may, be called.

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in Subclause 1, line 2, after the word "called" there be inserted "forthwith."

The subclause will then provide that a meeting of creditors shall be called forthwith by the receiver.

Amendment put and passed.

Mr. PIESSE: I move an amendment—

That the following be added to Subclause 1:—"such meeting to be held in the farmer's market town."

The Bill is for the purpose of assisting agriculturists, and therefore the meeting should be called in the farmer's market town. Most of his creditors would be in the neighbourhood. The carrying of the amendment would obviate inconvenience and loss of time.

The ATTORNEY GENERAL: I am sorry I cannot accept the amendment, although its motive is sensible. In the first place, I do not know what "market town" means in Western Australia.

Mr. Corboy: And who is going to say which is the nearest market town?

The ATTORNEY GENERAL: If "market town" is where the farmer markets his produce, it might be Perth.

Hon. W. D. Johnson: "Market town" is well defined.

The ATTORNEY GENERAL: The select committee aimed at decentralisation. I do not wish to bind the receiver to call a meeting of creditors in any particular place. From the aspect of convenience, it might be the wrong place. The receiver, if left to himself, will call the meeting in the most convenient place. We should not tie the arrangement down with too much machinery. Let these people work out their own destiny in the best way they can.

Mr. ANGELO: In numerous cases that have come under my notice, the farmer in difficulties has not had a single creditor in the nearest market town. All the creditors have been in Perth. The farmer gives the director a rough idea of his position, and the director then decides who is the best man to be receiver—a man living close to where the farmer is operating, or a man in Perth. He sends the farmer to the receiver, and the farmer and the receiver may then decide together which is the most convenient place. The carrying of the amendment might defeat one of the objects of the Bill.

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

Clause 7—Stay of proceedings:

Mr. PIESSE: I move an amendment—

That in Subclause 1, line 2, after the word "rent" there be inserted "proceedings on default or breach of covenant under any mortgage or other security for money."

Subclause 1 would then read, "A stay order shall direct that no action, execution, distress for rent, proceedings on default or breach of covenant under any mortgage or other security for money, shall be commenced or proceeded with or put in force against the farmer or his estate or effects, except by the leave of a judge." Under the amendment, the debtor will be able to apply successfully for a stay order not only as regards unsecured creditors, but also as regards a mortgagee. To some extent this is a new departure in legislation here, and I realise the effect it will have. However, the amendment has been sent to me by representatives of the farmers in my electorate, and

has been approved of by business people there. It is not new to the members of the select committee, because more than one witness brought the matter under their notice.

Mr. Corboy: And even more extraordinary amendments than this one.

Mr. PIESSE: I want to emphasise the necessity for going further than merely giving relief to the farmer, for making also a stay order against the mortgagee.

Mr. Corboy: How are you going to get around the Federal Bankruptcy Act in that?

Hon. W. D. Johnson: South Australia has done it, and we can do it.

Mr. PIESSE: The South Australian legislation goes further than this amendment. Here we have an opportunity to do something for the unprotected creditor. Past legislation has always protected the mortgagee, although sometimes mortgagees have not been as humane as they might have been in the calling up of mortgages. Under the amendment, when a farmer has to call a meeting of his creditors or apply for a stay order, he will have time to get his second wind before dealing with the mortgagee. Unless the prices of wheat and wool and other of the farmer's products increase, no one can say how hopeless will be the position of the farmer. Most of the farmers who will seek to come under the Bill will be up against the mortgagees, or will have difficulty in making arrangements with mortgagees to say proceedings. Certainly whatever arrangements are made should be made with the consent of the mortgagee. The effect of the amendment will be that upon application a stay order will be made not only against unsecured creditors but also against secured creditors and mortgagees. I cannot see that the security will thus be in any way depreciated, for the life of the measure is only 12 months. We require to give the farmers full relief, not some half measure of relief. I do not wish to cast any reflection on mortgagees as a class, but certainly I have known instances of hardship inflicted by them. What is the mortgagee likely to lose by the reserving of one year's interest? All that he can suffer is the delay in the receipt of that interest; he still has his equity in the property, and the instalments coming in. A very grave responsibility rests upon this Committee in the consideration of so important a measure, and I hope members

are treating it with all the seriousness it deserves; for the farmers are up against it, and we do not know where the present position is going to end. I hope the amendment will be agreed to.

Mr. GRIFFITHS: At meeting after meeting throughout the country the great complaint against the Bill has been that one secured creditor could come in and upset the whole of the arrangement. The amendment—if we can get around the difficulties instanced by interjection—will meet the position. It is most necessary—if it is practicable.

Mr. Corboy: I agree, if it is possible.

Mr. GRIFFITHS: If it is possible in South Australia, it should be possible here.

Mr. ANGELO: I appreciate what the member for Katanning is asking, but I submit that this is the wrong place for his amendment. Clause 7 provides that a stay order shall direct, etc.; but Clause 5 provides that the farmer can go to the director, place his position before him, and obtain a stay order. Thereupon the director immediately instructs the receiver forthwith to call a meeting of the creditors. So the stay order affects the position only from the time it is granted by the director until the creditors meet together.

The Attorney General: No, I think this would be the proper place for the amendment.

Mr. ANGELO: It would depend on the creditors whether a man was allowed to continue on his farm. I would point out also the danger of interfering with the claims of the mortgagee whose mortgage was properly registered. Temporary relief might be given to the farmer, but what would it do to the farming industry as a whole? The Associated Banks have loaned Western Australia over £19,000,000, and they have only received £9,000,000 as deposits against the £19,000,000.

Mr. Griffiths: I suppose they have received interest.

Mr. ANGELO: They are hoping to get interest this year. If we deny them the right they have under their mortgage, after this trouble is over, what will be their attitude towards the State? There is no need for the amendment. We had it in evidence from representative bankers that where they were satisfied that the farmer could pull through, they were not going to press him. It would not be to their advantage to do so.

Mr. Corboy: Eighty per cent. are under a Government institution, anyway

Mr. ANGELO: I feel certain that if any attempt were made to interfere with the rights of the mortgagee without going to the creditors' meeting they might take a course of action they would not have taken if the amendment had not been put in the Bill. It would be bad policy to proceed with the amendment.

Mr. CORBOY: It was felt that all the select committee really could do that would be effective was to enable goodwill to operate during the next few months so that the industry might be carried on. I admit I felt somewhat impotent and that it was not possible to do all that the select committee would have liked to do. It was felt that in the circumstances, to do what is asked by the member for Katanning might destroy the very end we had in view. I think I can speak for other members of the select committee when I say that all were just as desirous of doing what the hon. member aims at in his amendment, but in view of the fact that we would only destroy the very object we were aiming at, we left it out. The Bill can only be effective with the goodwill of the creditor. If you cannot get that, you have not the power to compel him. In 80 per cent. of the cases the Agricultural Bank is the mortgagee and so in 80 per cent. of the cases the principal creditor is the mortgagee and that is a Government institution. Surely we can rely on that institution in those cases not to deal harshly as a mortgagee with its clients. With regard to the other 20 per cent., there is no reason to be dubious about what the mortgagees will do provided the clients are all right. If the client himself is all right and is prepared to do a fair thing by his creditors, here is the machinery to enable them to get together and carry on for the next 12 months.

Mr. Piesse interjected.

Mr. CORBOY: I would hate to hold the opinion the hon. member has. We are accustomed to regard banking institutions as leading lights in the financial world. Personally I have not a great admiration for those institutions but I do not believe that they are the straight-out thieves the hon. member would have us believe.

Mr. Piesse: No one suggested that.

Mr. CORBOY: The hon. member suggests that they are going to assist the far-

mers to put in another crop and when harvesting time comes round they will foreclose and take the lot. I call that plain thieving, but I do not for one moment believe that anyone in the community is capable of doing that unless there is a very sound reason for it.

Hon. W. D. JOHNSON: If the Bill is as has been described by the previous speaker, I would not be very much opposed to it, but it is because it does not follow the track the hon. member indicates that I am opposed to it. The hon. member claims that we shall be getting the goodwill of the creditors. We are not doing that; we are dividing the creditors. If we are to establish goodwill by excluding, then exclude the lot; if we are to get it by including, then include the lot. The Bill ought to be an all-in Bill, like the Act of South Australia, and not a Bill to divide the creditors, seeing that the secured creditors shall be allowed to continue on and that the unsecured creditors are to have what is left. In the early stages, I pointed out that in a matter of this kind we should have some knowledge of the figures with which we were dealing. The select committee did not find out what amount of money was involved, what assistance the farmer had from secured creditors, and what amount would come under the proposals of the Bill. We have no figures; we do not know where we are. Parliament should have more information on this subject.

Mr. Angelo: How could it be done in a week?

Hon. W. D. JOHNSON: Exactly: I appealed to the Attorney General not to rush the select committee through. I said, "Do your job thoroughly." I desired to get on the committee so that I might go into the question, but I was ruled out. The difference between the Bill and the South Australian Act is that here the State will cover all. The select committee discussed the matter from the point of view of the local storekeeper and the mortgagee, and we are informed that in South Australia there has been good feeling created and that the Act is working well. In fact, it has done a power of good towards enabling all the creditors to meet the farmer. A director goes into all matters and arranges for the carrying on of the farmer. I propose to

read to the Committee Section 8 Subsection 4 of the South Australian Act—

On the publication of the notice in the "Gazette" (a) No action shall be commenced in any court of law for the recovery of any debt, demand or damages against the farmer nor to enforce any security alleged to have been given by him. If any such action is commenced it shall be and is hereby declared to be stayed. (b) No proceeding in the nature of an execution of a judgment or order already obtained, and no proceedings in the nature of discovery in aid of execution shall be had or taken against the farmer named in the notice. Every such judgment or order shall be and is hereby declared to be stayed for all purposes whatsoever. (c) No steps shall be taken by any mortgagee, grantee of any bill of sale, holder of a lien or any other grantee of any other form of security over any property of the said farmer to realise his security or put the same into force whether by entry into possession, the exercise of a power of sale, seizure, or otherwise howsoever, but all the remedies available to any such mortgagee, grantee, holder of a lien, or other grantee, shall be and the same are hereby declared to be suspended.

The South Australian Act was passed in 1929, in December or thereabouts, and was introduced to cope with the difficulties in connection with the harvest that year. The South Australian people have had a year of experience and the information we have received is that the legislation has had a beneficial effect.

Mr. McCallum: Is the Federal bankruptcy law used there?

Hon. W. D. JOHNSON: The reason why the Federal law has not been utilised in South Australia, so far as I can find out, is because the South Australian legislation brought everyone into the discussion of what would be best in the interests of the State, and of the farmer and his creditors.

Mr. McCallum: Then that section amounted to a moratorium.

Mr. Corboy: The Act says that their rights are suspended, so it really amounted to that.

Hon. W. D. JOHNSON: At any rate, the Act does not over-ride the Federal bankruptcy law, and anyone in the sister State can take advantage of the Federal legislation. We shall be able to do the same in this State. The fact I want to emphasise is that in South Australia it is an "all-in" measure, whereas in this State our legislation will irritate and divide.

Mr. Corboy: Have you any information as to how many farmers have taken advantage of the South Australian Act?

Hon. W. D. JOHNSON: No, I have not.

The Attorney General: I am informed that 134 have utilised the provisions of the South Australian legislation.

Hon. W. D. JOHNSON: While we shall irritate the country storekeepers and others who are unsecured creditors, we shall direct that the interests of the secured creditors must not be interfered with.

Mr. Corboy: The unsecured creditor will still have his remedy under the Federal Bankruptcy Act.

Hon. W. D. JOHNSON: Of course he will. I do not think the Bill will be passed by the Legislative Council, and, in fact, I think it will get short shrift there. I will support the amendment moved by the member for Katanning because it will make the application of the Bill a little wider.

Mr. SAMPSON: The member for Katanning has made out a case in support of his amendment. The Bill is an emergency measure to grant a degree of protection and surely the protection sought by the amendment should be granted.

The ATTORNEY GENERAL: Obviously I cannot agree to the amendment at this stage.

Mr. Corboy: Will the Agricultural Bank allow any of their clients to take advantage of the Bill if the bank authorities themselves are deprived of the right of foreclosure?

The ATTORNEY GENERAL: Of course not. The member for Guildford-Midland finds fault with the Bill because secured and unsecured creditors are placed in different positions. That is what obtains to-day. Some creditors have their positions secured; others have not. Only a few days ago the member for Guildford-Midland protested against the report laid on the Table of the House in connection with the Bill because, he said, we proposed to wipe out *holus holus* one form of security, commonly known as a wheat order. His objection to that being done was because one of the largest creditors, with whom he has been intimately mixed up, is the Westralian Farmers, Ltd., which firm relies to a large extent on that particular kind of security.

Hon. W. D. JOHNSON: You know there were special circumstances relating to that.

Mr. Corboy: Were there not special circumstances in connection with others?

Hon. W. D. Johnson: I admit that; I do not like the Bill at all.

The ATTORNEY GENERAL: The reason the select committee decided against what the member for Katanning has in view was that we thought there were special circumstances, in that no farmer could come within the scope of the Bill, except in the preliminary stages, unless a majority of his creditors in value and number so approved.

Hon. W. D. Johnson: Yes, secured creditors.

The ATTORNEY GENERAL: No, all creditors.

Mr. Piesse: Does that include a mortgagee such as I refer to in the amendment?

The ATTORNEY GENERAL: It refers to all creditors.

Mr. Piesse: Does not Section 21 override that?

The ATTORNEY GENERAL: No.

Mr. Piesse: Then mortgagees can out-vote other creditors at any time.

The ATTORNEY GENERAL: That is so.

Hon. P. Collier: At any rate, on the basis of values.

The ATTORNEY GENERAL: The Agricultural Bank will be the greatest creditor in many instances.

Hon. W. D. Johnson: From my point of view, that makes it worse.

The ATTORNEY GENERAL: That may be so, but that is what the measure means. That being so, if we say to the secured creditors—of course, I have the Agricultural Bank in mind to a great extent—that should they allow a farmer to take advantage of the provisions of the Bill, their hands will be tied and, however much that farmer may play the fool, those secured creditors will not be able to exercise their rights, the Agricultural Bank will not allow its clients to have anything to do with this legislation.

[Mr. Panton took the Chair.]

Mr. Kenneally: It is not that you cannot exercise that right, but that you cannot exercise it without the leave of a judge.

The ATTORNEY GENERAL: And under what terms will the judge give his consent?

Mr. Kenneally: That is for him to say.

The ATTORNEY GENERAL: Quite so. If we say to the secured creditor that we shall take away his rights, then he will see to it that no debtor will have the advantage of the Bill. The Leader of the Opposition emphasised an important point when he mentioned the danger of frightening credit. Obviously that is the worst danger to be feared from a Bill of this description. I should say that 80 per cent. of the farmers are Agricultural Bank clients, and the balance of 20 per cent. represent farmers mostly financed by the Associated Banks. Western Australia needs the continued confidence and assistance of the Associated Banks. However much we may not like those banks—

Mr. Wansbrough: We like to criticise them.

The ATTORNEY GENERAL: Yes, criticise them or perhaps rob them.

The CHAIRMAN: The Attorney General is straying from the clause.

The ATTORNEY GENERAL: I think I am dealing with it.

The CHAIRMAN: I cannot see anything about robbing banks in the clause.

Hon. P. Collier: We may amend the Bill along those lines later on.

The ATTORNEY GENERAL: We need the help of the Associated Banks to help us through these difficult times. The banks are still advancing money, and surely we desire them to continue doing so. The fact remains that the banks need not do so, and if we frighten them, it is highly probable that they will make no further advances. The member for Guildford-Midland says that the South Australian Act goes further than we propose. It may be that that is the reason why that Act has not been availed of more in South Australia.

Mr. Corboy: The creditors will not let the farmers make use of the Act.

The ATTORNEY GENERAL: I suspect that is the reason, although, on the other hand, the explanation may be what I hope will be the position here, and that is that when the receiver has called a meeting of creditors, he may succeed in securing an amicable arrangement that will enable the farmer to carry on. I hope

the Bill will not become operative except in respect of Clauses 6, 7, and 8. I feel confident that in the majority of instances matters will not proceed beyond the meeting of creditors, and that amicable arrangements will be made quite apart from any legislation or the application of Part 12 of the Federal Bankruptcy Act.

Mr. KENNEALLY: It appears to be useless to protect the farmer or creditor or both if we give preference to the first mortgagee. Under the Tenants, Purchasers, and Mortgagors' Bill, we protected the mortgagor, who could not meet the commitments due on a property he was purchasing. If we protect the farmer against all creditors except the first mortgagee, the measure will be useless, because that one creditor would be all-powerful. I think the clause would contain the power desired by the mover of the amendment but for Clause 18, which makes special provision for the mortgagee.

The Attorney General: No, I think the process or proceeding mentioned would mean that of a court.

Mr. KENNEALLY: To be consistent we should place the first mortgagee in the same position as other creditors. Therefore I hope the amendment will be inserted.

Mr. PIESSE: No one has a greater respect than I have for the banking institutions, trust companies and others who have introduced capital into the State, and have done so much to assist the development of the primary industries. Any mortgagee would jealously guard his security, and my amendment does not aim at depreciating or injuring that security. I have had long experience of farmers' finance. I lived in the district I represent long before the Associated Banks or the trust companies operated there, and I have a good knowledge of the splendid work they have done. But I also recollect painful instances in which mortgagees have taken what I considered was an undue advantage. We are faced with a position never before experienced, and we must create a good understanding between the unsecured and the secured creditors. Therefore the amendment should be considered. The superintendent of the South Australian Act told me that in 1929 216 certificates had been issued under the Act. The Bill does not go nearly as far as the South Australian Act in suspending securities. Under this measure the co-operation of the storekeepers,

merchants and other creditors is necessary, and my desire is to ensure the goodwill of the mortgagees as well. It is only right that some protection should be given to the unsecured creditors. The director might go to the trouble of arranging a meeting, and then there would be no security that the crop would be reaped. I do not think any respectable banking institution would step in, but I have given some instances.

The Attorney General: Hard cases make bad law.

Mr. PIESSE: While we might be departing from the rules observed in the past, we are not without precedent. To-day there is the right of criminal appeal which at one time was not allowed. Times have changed and the needs of the moment require special consideration.

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

Ayes	..	..	..	25
Noes	..	..	..	19
				—
Majority for	..			6
				—

Ayes.

Mr. Brown	Mr. Munsie
Mr. Coverley	Mr. Patrick
Mr. Cunningham	Mr. Piesse
Mr. Doney	Mr. Raphael
Mr. Griffiths	Mr. Sampson
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Thorn
Mr. Kenneally	Mr. Walker
Mr. Lamond	Mr. Wanebrough
Mr. Lurey	Mr. Willcock
Mr. J. I. Mann	Mr. Withers
Mr. Marshall	Mr. Wilson
Mr. McCallum	

(Teller.)

Noes.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Collier	Mr. Parker
Mr. Corboy	Mr. Richardson
Mr. Davy	Mr. J. H. Smith
Mr. Ferguson	Mr. J. M. Smith
Mr. Keenan	Mr. Troy
Mr. Latham	Mr. Wells
Mr. Lindsay	Mr. North
Mr. H. W. Mann	

(Teller.)

Amendment thus passed.

Mr. PARKER: I move and amendment—

That in line 1 of Subclause 3 the figure "2" be struck out, and "1" inserted in lieu.

Apparently it is a misprint.

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

Clause 8—Powers and duties of receiver:

Mr. BROWN: I should like an explanation as to the powers of the receiver. Is he to be able to say to the farmer, "You have too many sheep, or too many cattle, or too much wheat, or you have a tractor; you must dispose of these things"; The farmer may not want to sell his wheat, but may be obliged to do so. Will the receiver be allowed to dictate to the farmer?

The ATTORNEY GENERAL: Yes. If we grant the farmer a stay of execution, and all creditors are to be prevented from taking action for the recovery of their debts, it is only right and proper the farmer should be prevented from disposing of his assets of that kind. If power to realise on the assets were not given, the farmer might refuse to allow anything to be sold. I do not want him to be interfered with in the conduct of his farming operations, but if he desires relief from his creditors, he must submit to control as to the manner in which he disposes of his assets, and must submit to his income assets being turned into money so that his creditors may get some share of the proceeds to keep them going.

Mr. DONEY: A good deal of responsibility is thrown upon the receiver. It is dangerous to allow him so much discretion. I move an amendment—

That at the end of Subclause 2 the following words be added:—"But it shall be incumbent on the board to first, where possible, communicate with the farmer and ascertain whether the latter desires his products to be pooled, stored, sold outright, or in what manner disposed of."

It is obviously desirable that the farmer should maintain his individuality and sense of responsibility.

Mr. KENNEALLY: I can see no sense in the amendment. Of what use is it unless it provides also that the receiver shall take some notice of what the farmer says? The proposition is a wishy-washy one. The receiver could put all the communications he receives into the waste paper basket.

Mr. Doney: Of course he could.

Mr. KENNEALLY: That should be sufficient to decide the fate of the amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 9, 10—agreed to.

Clause 11—Amicable arrangement to be admitted:

Hon. P. COLLIER: Under this clause the creditors are to be invited to ascertain by consultation amongst themselves whether it is not possible to manage the affairs of the farmer to advantage without bringing him within the scope of the Act. The question arises here as to payment for the wheat. The creditors should have some knowledge of the amount the farmer will receive for that product. Their judgment will be guided largely by the knowledge as to whether he will receive 2s. or 3s. a bushel. It has been said very frequently during the debate that whilst the Bill is an honest attempt to smooth the path of difficulty for the farmer, it is of no real value to him. What the wheat-grower needs to-day is a higher price for his wheat. This legislation will accomplish very little in that direction.

Mr. Corboy: It does not attempt to solve his economic difficulties.

Hon. P. COLLIER: It will not enable a large number of farmers, unless there is unprecedented unanimity amongst the creditors, to overcome their difficulties. The outstanding need of the moment is for this House to do something to secure a higher price to the farmer for his wheat. People do not yet realise what it means to Western Australia and Australia generally if all the wheat-growers of the Commonwealth do not secure a higher price than that which prevails. Without a higher price, and some security or guarantee of a better price for next year's harvest, Australia is bankrupt. We cannot meet our liabilities overseas except by the export of goods. The two main commodities we export, and with which we meet our obligations in London, are wool and wheat. If we cannot export them, Australia will have to close its doors. The Commonwealth Parliament have been able to pay bounties to this and bonuses to that, in connection with industries that are trifling and piffling things and are not worth twopence compared with the important industries I refer to. Apparently we can find money for bonuses for sugar to an enormous extent, for galvanised iron, for butter to the extent of 5d. a lb., and even go to the extent of giving a bonus for the manufacture of sewing machines, yet in a time of crisis like this we are going to allow the

people who are the mainstay of the credit of Australia in London, the wheat and wool growers and the cattle raisers, to go down. If they are not to get assistance there will not be any credit in London, and we shall not be able to meet our liabilities there. An obligation is cast upon the powers that be in the Commonwealth Parliament—we cannot do it here—to fix the price for wheat for home consumption. No grower in the country should be asked to sell a bushel of wheat for home consumption at less than 5s. I do not care whether that increases the price of bread by $\frac{1}{2}$ d. or 1d. No one who consumes bread in this country has a right to do so if that bread is made from wheat which is being sold for less than it costs the producer to put it on the market. Nobody is entitled to eat bread unless the producer gets a price which covers the cost of production.

The ATTORNEY GENERAL: That is a thing which must be done, if it is to be done, by the Federal Government.

Hon. P. COLLIER: We could do it; but that would not overcome the difficulty, because wheat could be imported from the Eastern States at a lower price. Besides, our local consumption is comparatively small. The difference would amount to about 7d. per bushel. I hope no consideration by the Federal Parliament for the halfpenny per loaf will deter that Legislature from taking action. I believe that even with wheat at 5s. per bushel bread could be sold at the same price as to-day, provided there was proper organisation. Had the Federal Wheat Marketing Bill been enacted, we might not have found ourselves in our present position. I say that, although I do not agree with the provision of the Bill that any loss from the guarantee of 5s. should be borne equally by the States and the Commonwealth. Moreover, the Bill gave the guarantee for one year only, and made a compulsory pool for three years—another provision with which I do not agree. The second reading of the Bill should have been passed by the Federal Parliament, and the measure suitably amended in Committee. But for the Primary Producers' Association of this State, the measure would have been enacted. The Primary Producers' Association sent a special wire to their Senate representatives asking them to vote against the Bill. It was lost by two votes only. Had

Federal members been left to their own ideas how to vote, the measure would have been passed. The Bill was lost by the votes of the Western Australian Senators, as the result of the telegram sent by the executive of the Primary Producers' Association. Now we have the president of the Primary Producers' Association clamouring for a Federal bonus of 1s. per bushel, his object being to cover up the tracks of his executive, who were responsible for the defeat of the Wheat Marketing Bill in the Senate. All possible pressure should be brought to bear to obtain a guarantee or a bonus from the Federal Government, and also a special price for home consumption.

Clause put and passed.

Clauses 12, 13, 14—agreed to.

Clause 15—Board may raise money and make advances to farmer and re-arrange securities:

The ATTORNEY GENERAL: I move an amendment—

That after the word "arrange," line 1, there be inserted "with the consent in writing of the farmer."

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in line 2 the words "with the consent of the farmer" be struck out.

This amendment is necessary in view of the previous amendment.

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

Clause 16—agreed to.

Clause 17—Guarantee may be required from creditors:

The MINISTER FOR LANDS: I move an amendment—

That the following be added to the clause:—"and the director may then discharge the farmer from the operation of this Act."

Without these words there is no provision to discharge the farmer from the operation of the measure.

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

Clause 18—Secured creditors:

Mr. BROWN: I wish to move amendments which will make the first paragraph

of Subclause 1 read, "Notwithstanding anything contained in this Act, no creditor who holds any mortgage, lien, pledge, charge, or other security on or over any property of the farmer shall be entitled to take the full benefit thereof unless by the consent of a majority in number and value of the secured creditors." All the safeguarding clauses we have inserted will be useless unless this amendment is carried. Without it, one unsecured creditor can come along and say, "I want my security called up," and then the debtor will be made insolvent. Without the alterations I suggest, there is no security to the debtor. I move an amendment—

That in Subclause 1, line 2, the word "any" be struck out, and "no" inserted in lieu.

The ATTORNEY GENERAL: I could not in any circumstances accept the amendment.

Hon. P. Collier: Of course not.

The ATTORNEY GENERAL: The Committee have agreed—against my will—to an amendment in Clause 7 providing a stay of operations by secured creditors. If this amendment is carried, a tiddlywinking little secured creditor who has sold a cow on hire-purchase will be able to hold up the operations of the Agricultural Bank in realising the security. In view of the amendment to Clause 7, a consequential amendment is required in this clause. If the hon. member will withdraw the amendment now before the Chair, I shall be prepared to accept an amendment to insert after the word "Act" in line 1 of Subclause 1, "but subject to Section 7." Then we would bring into line the stay order conferred by Clause 7 in respect of the secured creditor with the right to enjoy his security in the distribution under Clause 18.

Mr. KENNEDY: I hope the amendment will not be agreed to, for it will defeat the object the Committee had in amending Clause 7. There we said, "You are a creditor and your security is there, but on account of the position in which this man finds himself, you are not going to be permitted to press home your advantage without the permission of a judge." If we carry this amendment we shall say, "Your security is nil and we do not propose to let you retain even that." I do not think members will agree to that.

Mr. BROWN: In view of the Attorney General's explanation I will withdraw the amendment.

Amendment by leave withdrawn.

The ATTORNEY GENERAL: I move an amendment—

That after "Act," in line one, the words "but subject to Section 7" be inserted.

Amendment put and passed.

Mr. PIESSE: I move an amendment—

That the following be added to Subclause (1):—"Provided that no such mortgage shall entitle the mortgagee to realise upon any crop growing upon the land subject to the mortgage unless otherwise ordered by a judge."

The Attorney General: You have that already in Clause 7.

Mr. PIESSE: I do not think Clause 7 will cover the object I have in mind. It does not give the creditors carrying on the farmer any security in the growing crop. The farmer's income is chiefly derived from the crop on his farm which, after all, is the main security. There are other securities such as sheep, livestock and implements, but they are all removable, whereas the crop cannot be harvested until it is ripe.

The Attorney General: The hon. member has already achieved his object in the amendment to Clause 7.

Mr. PIESSE: I should like the Attorney General's assurance that it will cover also future crops.

The ATTORNEY GENERAL: The amendment the hon. member succeeded in putting into Clause 7 says "all proceedings by the mortgagee." Surely we do not want to say it again. I imagine the reason why the hon. member moved his amendment to Clause 7 was that the stay order was to apply to all creditors, including secured creditors.

Mr. PIESSE: If the amendment is not out of order, I hope the Attorney General will agree to it, because the mortgagee will then be protected by taking a lien over a crop.

The Attorney General: You do not say anything about lien in this amendment.

The MINISTER FOR LANDS: I hope the Committee will not agree to duplicate what they have already done in Clause 7.

Amendment put and negatived.

The ATTORNEY GENERAL: I move an amendment—

That in lines 1 and 2 of the proviso the words "Sections 25, 30, 31, 32, and 36A of" be struck out.

The purpose of that proviso inserted by the select committee was to define more accurately what we meant by security, and those words used were intended to confine the word "security" to such securities as would be given under the existing law in bankruptcy. But the draftsman has suggested that instead of specifying those various sections of the Bills of Sale Act, it would be better merely to say Bills of Sale Act.

MR. KENNEALLY: I should like to know whether, since the Bill was drafted it has been found by the Crown Law Department that there are sections of the Bills of Sale Act other than those specified which it would be found necessary to make applicable.

The ATTORNEY GENERAL: I do not think so, but I imagine the draftsman put forward those sections at first, thinking that they would be the only relevant sections, and then probably remembered that other machinery sections of the Act might also apply, and so he followed the wise course of taking the thing generally and not particularly.

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in line 5 of the proviso the word "sections" be struck out, and "Act" inserted in lieu.

Amendment put and passed.

[Mr. Richardson took the Chair.]

The MINISTER FOR LANDS: I move an amendment—

That after "given," in line 13 of the proviso, the words "for any consideration other than the supplying of cornsacks for the 1930-31 harvest" be inserted.

During the absence of the Premier in the Eastern States, in order that cornsacks should be sent out to the farmer we gave an undertaking that we would place no obstacle in the way of payment being secured out of the crop proceeds. In order to carry out the promise I made to certain banks and firms I have moved this amendment.

Hon. W. D. JOHNSON: The Attorney General a little while ago made reference to my representations regarding the Westralian Farmers, Ltd. It may be misunderstood if we leave it where the hon. member left it, and I am sure he does not want to misrepresent me.

The Attorney General: Certainly not.

Hon. W. D. JOHNSON: It will be remembered that I attempted to assist in getting bags supplied to the farmers when the harvest started. The Minister for Lands did not think it as urgent as it proved to be.

The Minister for Lands: Yes, I was following it up.

Hon. W. D. JOHNSON: But the hon. member differed from me and said the harvest had not started. I appreciate what the Government did in the direction of supplying farmers with bags at the earliest possible moment. I influenced the Westralian Farmers as much as I could to supply bags, and it would be wrong if we did not make provision to protect those who supplied the bags in the special circumstances. I appreciate the Minister's action in submitting the amendment.

MR. GRIFFITHS: I, too, support the amendment because I consider it only right and proper. The Minister himself went to unusual trouble in carrying out the wishes we voiced.

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in line 11 "has" be struck out, and "had" inserted in lieu.

This is more or less a grammatical correction.

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in line 15, after "shall," the following words be inserted:—"if the farmer subsequently becomes subject to this Act."

MR. PIESSE: What is the position in regard to the wheat orders that have been given and supported by contract? Will it mean that those wheat orders will be invalidated?

The ATTORNEY GENERAL: Some of the wheat orders were to some extent immoral. Where no notice was given anomalies crept in. After hearing the views of a number of experienced commercial gentle-

men, the select committee condemned the wheat orders and decided to make them of no value as a security. It is doubtful whether they ever had any value. Wheat orders will not act as valid security if a man comes under the measure.

Hon. W. D. JOHNSON: A great deal can be said with regard to assistance rendered to farmers by overpayments and subsequent efforts to be recouped by getting wheat orders issued. A large number of farmers received 3s. 6d. for wheat which at the present time is worth 2s. Money has been advanced to farmers to the extent of 3s. 6d., and they have paid a lot of their creditors, whilst the bank has not any special security for the 1s. 6d. overpayment. Where special arrangements are made purely on a co-operative basis, there should be some provision in a measure of this kind to recognise the claims of the operators. The select committee has elected to ignore these people and I accept their amendment to the clause as saying that it applies only to those who come under the Bill. I believe an injustice is being done by not recognising the orders as a means of refunding overpayments made last year.

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

Mr. PIESSE: I gave notice of an amendment to the clause.

The CHAIRMAN: The clause has been passed. The hon. member can only move now what he desires to deal with, at the end of the Bill.

Clause 19—Hire purchase agreements:

The ATTORNEY GENERAL: I move an amendment—

That in lines 5 and 6 the words "or magistrate" be struck out.

The select committee decided to leave the matters in the hands of a judge and to remove all references to a magistrate. The words were not deleted from this clause.

Mr. SLEEMAN: I do not think it should be necessary for a matter relating to machinery, for instance, to be taken before a judge in Chambers. That work could be done easily by a magistrate. If farmers dealt with the State Implement Works, there would be no need to contemplate so much trouble.

Amendment put and passed.

Mr. GRIFFITHS: I move an amendment—

That after "judge," in line 5, the words "who may so order where it is proved that a farmer has grossly misused or neglected the machinery" be added.

Difficulties have arisen under hire purchase agreements, and I think the farmer should not be deprived of his machinery unless it could be proved that he had misused or neglected it.

Mr. KENNEALLY: I hope the amendment will not be agreed to. The object of the Bill is not to take away rights possessed by the owners of property, but to prevent farmers from being unduly harassed on account of the position arising in the present time of depression. What more fair does the hon. member want than such matters being left in the hands of a judge?

Hon. P. Collier: The member for Avon wants to instruct the judge.

Mr. KENNEALLY: That is what it amounts to.

The ATTORNEY GENERAL: I cannot accept the amendment. It was only with a considerable amount of misgiving that I persuaded myself that these rights in property should be taken away. I fully expect that this Bill will be used in evidence against me for the rest of my political life.

Hon. W. D. Johnson: I have done my best to protect you.

The ATTORNEY GENERAL: I do not know that I am particularly confident in the technical ability of the member for Guildford-Midland; I would rather look after myself. We should leave this matter to the judge, who is not so gullible as some people seem to think, and will want full information before action is taken.

Mr. GRIFFITHS: Because of hardships that have arisen under hire purchase agreements, I was prompted to move the amendment. On the assurance of the Attorney General, I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause, as previously amended, put and passed.

Clause 20—agreed to.

Clause 21—Application of moneys:

Mr. DONEY: The clause provides that a charge not exceeding 4 per cent. may be

allowed as remuneration for the receiver. In most instances 2 per cent. will be adequate. There is always a strong tendency to make the maximum the minimum. I move an amendment—

That in line 6 "four" be struck out, and "two" inserted in lieu, and after "centum" the word "or" be inserted.

The clause will then provide for a remuneration "not exceeding 2 per centum, or as may be allowed by the director . . ."

The ATTORNEY GENERAL: I am not enamoured of the 4 per cent., but the select committee had no exact knowledge of what percentage would be required to provide fair and reasonable remuneration, and therefore framed the clause so as to provide that not more than 4 per cent. could be charged.

Mr. Kenneally: Under the amendment proposed by the member for Williams-Narrogin it might be 8 or 10 per cent.

The ATTORNEY GENERAL: That is so. The clause as it stands will allow the director discretion to determine the percentage to be allowed. I do not like to interfere with it, seeing that the clause is perfectly plain. If the director is not capable of exercising his discretion properly, he will not be fit to hold his position.

Mr. KENNEALLY: I cannot follow the logic of the member for Williams-Narrogin. In trying to surmount the difficulty he mentioned, the maximum of 4 per cent. would not prevail if the director desired to make it higher. If the director were given the power proposed, a farmer might be charged up to 10 per cent.

Mr. Doney: Do you think he would go to that extent?

Mr. KENNEALLY: I would not give him the power. To protect the farmer's interest, the maximum of 4 per cent. should be adhered to.

Mr. GRIFFITHS: A maximum of 4 per cent. is reasonable. In the Supreme Court recently, trustees have been brought to book for having overcharged under the Federal Bankruptcy Act, and I believe they have now to hand back certain moneys that were not rightly charged.

Hon. W. D. JOHNSON: I shall support the striking out of the word "four" with a view to inserting "three." If my farm were under the control of a trustee, taking the average income, he would be fully compensated if he received 3 per cent. The trustee

would have as much trouble with a 1,000-acre farm as with a 2,000-acre farm. There would not be much difference in the management of the two, but for a farm exceeding 2,000 acres, it would be another matter. Three per cent. might be a shade low on a 1,000-acre farm, but 4 per cent. would be high, and it would be decidedly high on a 2,000-acre farm. Not many of the farms that will come under this measure will be limited to 1,000 acres.

Mr. DONEY: I think my amendment would ensure that in the generality of cases not more than 2 per cent. would be charged. Some members seem to fear that the director would allow up to 10 per cent., but that would be absurd. If an extreme case arose warranting 4 or 5 per cent., it would be fair to allow it. In the circumstances, I think I had better support the insertion of the word "three."

The CHAIRMAN: The question is that the word "four" be struck out.

The ATTORNEY GENERAL: I cannot accept the amendment. The select committee, after hearing evidence, concluded that the work could probably be done in the average case for 3 per cent. We also realised that conditions would vary and that in some instances more might be required. We allowed a safe margin, so that we would not be faced with the position of a particular district being unable to use the measure because the maximum allowed was too small to enable anyone to do the work. We fixed the 4 per cent. after hearing considerable evidence, but a reduction to 3 per cent. would be a little haphazard.

Mr. Doney: Do you admit you are open to the same charge of being haphazard?

The ATTORNEY GENERAL: No.

Mr. Doney: Why charge me with being haphazard if you thought 3 per cent. would be sufficient?

The ATTORNEY GENERAL: I said a little haphazard.

Mr. Doney: I gave figures to show that 4 per cent would be too high.

The ATTORNEY GENERAL: The desire of the committee was to keep the percentage as low as possible, and we considered that the director would not automatically allow 4 per cent., but would fix the amount in each instance as low as possible.

Mr. KENNEALLY: It is considered that in the average case 3 per cent. would be sufficient. That being so, the maximum

should be a little above it and therefore 4 per cent., would give a margin. I oppose the amendment.

Mr. CORBOY: I hope the clause will not be amended. The select committee gave careful consideration to the rate and heard the evidence of men who will probably be called upon to take an active part in administering the measure. The protests are extraordinary in view of the fact that the original Bill proposed that 2 per cent. should go to the head office and that whatever the cost might be for the estate would have been additional. It is now suggested by the member for Williams-Narrogin that 2 per cent. should cover the lot. That is ridiculous. The select committee had evidence that the cost of administering an estate could be limited to three per cent. in only special circumstances. We cannot give any guarantee that in regard to any particular receiver or any particular district these special circumstances will exist. I suggest that in putting on a limit of four per cent. we have made a sufficient margin. The average gross income of farmers this year will not exceed £1,000. At four per cent. the charge will not be more than £40. Under the Federal Bankruptcy Act trustees have charged on an average over £80 per annum.

Mr. Griffiths: They are charging 5 per cent. but are entitled to 1 per cent.

Mr. CORBOY: We know they have been charging more than five per cent. on some things and charging on other things they had no right to charge on. Trustees under the Federal Bankruptcy Act have been charging fees on moneys advanced in the form of loans from the Agricultural Bank. The Bill prevents that. We say that the receiver is only to get four per cent. on the income derived from the property, and loans are not income. The four per cent. is a fair compromise. The select committee desired that the director should do his utmost to get the services of a suitable receiver for less than four per cent. wherever he could.

Mr. Piesse: In many cases the work will be done in an honorary capacity.

Mr. CORBOY: I hope that will be so. I cannot understand the protest that has been raised.

Hon. W. D. JOHNSON: If only one farm is dealt with, four per cent. may be a reasonable figure. The income of the trustee will depend upon the number of farms

he controls. For what he will do four per cent. is high pay. Considering that he will be put in charge of many farms, three per cent. is a fair remuneration for the services he will perform.

Amendment put and negatived.

Mr. GRIFFITHS: I should like to see paragraphs (a) and (c) merged.

Mr. Corboy: All those things rank equally.

Mr. GRIFFITHS: If that is so I shall be satisfied.

The ATTORNEY GENERAL: These four paragraphs cover expenses incurred after the man comes under the Act. None of these paragraphs could well be cut out.

Hon. W. D. JOHNSON: Should not paragraph (a) include the words "subject to the date of the resolutions"?

The ATTORNEY GENERAL: The clause deals with the payment of current expenses to carry the man on after he comes under the resolution. It is clear that we deal only with expenses incurred after the date of the resolution, and the receiver starts to operate.

Mr. SLEEMAN: Will the Attorney General explain the meaning of the words, "while not being a member of the farmer's family"? If these words are left as they are, the receiver will not be able to pay anything towards the son who may be employed by the father, a farmer.

The ATTORNEY GENERAL: It will control the payment of wages as a preferential claim accrued due. Current expenses necessarily incurred in the carrying on of the business will cover wages for carrying on. We decided that the wages man should get the same preference as he would in bankruptcy, and come in at the top. A man may come under the Act, and in some cases the son may claim that he was employed, and that his father owed him a year's wages when he did nothing of the sort. Some sons work for their fathers on farms without making any claim for wages. As a general proposition the farmer and his son do not have any definite arrangement. This clause prevents an obvious fraud which might be put up. Professional experience is that constantly, when a farmer goes bankrupt or dies, the sons come with claims for back wages which were never owing to them and which would be fraudulent on other

creditors. The clause merely deprives the son of his preferential right.

Mr. SLEEMAN: The Attorney General's explanation does not satisfy me, but I shall not move an amendment. If members of the Country Party are prepared to admit that many sons of farmers are crooks, I am content to let the clause go.

Mr. GRIFFITHS: I have already in this Chamber stressed the fact that farmers' sons work all the year round on the understanding that something will be coming to the youths out of the crop. I now refer to youths 17 or 18 years old. In the country I have frequently seen raw newcomers put on. The son of a farmer would be worth two of them; yet the better worker is not to have preference under the Bill.

Hon. W. D. JOHNSON: I take the period of three months to be influenced by the Masters and Servants Act.

The Attorney General: No; by the Bankruptcy Act.

Hon. W. D. JOHNSON: The effect of the clause will be to leave a huge amount of wages unprotected.

The Attorney General: Under Clause 22 employees' wages come in as a whole.

Clause put and passed.

Clause 22—Distribution amongst creditors:

Mr. BROWN: Under this clause can a farmer engage his son?

The ATTORNEY GENERAL: Certainly. Once a farmer comes under this measure, he can employ anybody he likes including his son; and the son's wages would be current expenses payable out of the proceeds of the crop together with the debts specified in Clause 21.

Mr. Sleeman: This clause is expressed in the best of lawyer's language.

Mr. WILLCOCK: The words "not being a member of the farmer's family" might well be omitted. Unscrupulous farmers with still more unscrupulous sons might put up bogus claims, but the hundreds of farmers and farmers' sons who are bona fide will not be able to share in crop proceeds. Because a farmer's son is prepared to do a little more work than an ordinary man, and to wait a little longer for his return, he is subject to disability under this clause. Farmers' sons work all the year round, but the farmer does not pay them until after

harvest. Generally he is in debt, and to pay his sons their wages earlier would mean incurring interest at the rate of 7 or 8 per cent.

The ATTORNEY GENERAL: The farmer's son is only debarred from coming in preferentially. He will come in with ordinary creditors under Subclause 3.

Mr. Willcock: I do not see why the words should be included.

The ATTORNEY GENERAL: If we do not include them, there will be most extraordinary claims.

Mr. WILLCOCK: A man making an extraordinary claim generally finds it disallowed by the court. A man should not be debarred from obtaining justice simply because he is the son of a farmer.

The Attorney General: Why should he not stand in with his father?

Mr. WILLCOCK: Because frequently he is just an ordinary hand with whom no special arrangement has been made. I know many sons of farmers who go on in that indefinite way until they wish to get married and set up homes for themselves.

The Attorney General: We ought not to pass a law to help sons against fathers.

Mr. WILLCOCK: Still, these young fellows, sons of farmers, have very legitimate claims to be regarded as ordinary employees preferentially in the distribution by the receiver. Such a young fellow should not have to sit back until every other creditor is satisfied. I move an amendment—

That in lines 1 and 2 of paragraph (a) the words "not being a member of the farmer's family," be struck out.

Mr. SLEEMAN: I hope the amendment will be agreed to. I cannot see why a boy who has given good service to his father on the farm should be treated less favourably than other employees. I would certainly give him preferential treatment over, say, the machinery agents. Without the amendment, this paragraph will debar the farmer's son from coming in with other creditors.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	24
					—
Majority against	..	.			7
					—

AYES.

Mr. Collier
Mr. Coverley
Mr. Cunningham
Mr. Hegney
Mr. Johnson
Mr. Kenneally
Mr. Lamond
Mr. Marshall
Mr. Munsie

Mr. Pantou
Mr. Raphael
Mr. Sleeman
Mr. Walker
Mr. Wansbrough
Mr. Willcock
Mr. Withers
Mr. Willson

(Teller.)

NOES.

Mr. Angelo
Mr. Barnard
Mr. Brown
Mr. Corboy
Mr. Davy
Mr. Doney
Mr. Ferguson
Mr. Griffiths
Mr. Keenan
Mr. Latham
Mr. Lindsay
Mr. J. I. Mann
Mr. McLarty

Sir James Mitchell
Mr. Parker
Mr. Patrick
Mr. Plesse
Mr. Sampson
Mr. J. H. Smith
Mr. J. M. Smith
Mr. Thorn
Mr. Troy
Mr. Wells
Mr. H. W. Mann

(Teller.)

Amendment thus negatived.

Mr. BROWN: I propose to move a new clause to make it clear that a farmer's son can be paid. Could we not add a new clause to provide for that?

The ATTORNEY GENERAL: That could only be properly placed in a clause we have already passed.

Mr. BROWN: It may be all right for the past, but I want it all right for the future that the farmer shall have power to employ his own son.

The CHAIRMAN: We have already passed the clause in which that is embodied.

The ATTORNEY GENERAL: I will absolutely guarantee that under the Act a farmer will be at liberty to employ his son.

Mr. BROWN: Very well, I am content.

Mr. Pantou: That is better than any new clause.

Clause put and passed.

Clauses 23, 24—agreed to.

Clause 25—Exemption from liability of members and officers of the board:

The ATTORNEY GENERAL: The wording of this clause as it stands is not quite correct. I move an amendment—

That "personal," in line 3, be struck out.

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in line 6 the words "themselves or" be struck out.

Amendment put and passed.

Mr. GRIFFITHS: What about the liability of the receiver? Under the Bankruptcy Act the trustee is liable, but there is nothing here about the liability of the receiver.

The ATTORNEY GENERAL: The marginal note is now inaccurate and has to be altered. As the clause is amended by the two amendments we have accepted, the receiver will have ordinary common law liabilities; he will be responsible for lack of due care, and, of course, he is under a bond.

Mr. Griffiths: That is all I want.

Clause, as previously amended, put and passed.

Clauses 26 to 28—agreed to.

New clause.

Mr. PIESSE: I move—

That the following new clause be added to the Bill:—"Any fertiliser or cornsacks that have been supplied or delivered to a farmer for the purpose of putting in or taking off a crop shall remain the property of the supplier until paid for, and shall not be subject to distraint for debt by any other person.

In submitting the new clause I am actuated by a desire to help the farmers, as well as those who may go to the assistance of the farmers. It is admitted there will be great difficulty in supplying farmers with super and cornsacks for the coming season and the inclusion of the new clause will make it much easier for the measure to be carried out. It will also facilitate the business of the farmer. There should be some such protection seeing that super is as necessary to the farmer as is the rain. Both super and cornsacks are absolutely necessary. I commend the new clause to the committee.

The ATTORNEY GENERAL: The amendment is entirely irrelevant to the scope of the Bill. We are dealing with a Bill for the adjustment of farmers' debts and the equitable distribution of crop proceeds and for other relative purposes. The Bill is a piece of machinery whereby a man may come under it and receive certain protection. The new clause will deal with fertilisers and cornsacks supplied at any time to any farmer, whether under this Bill or not, and will very materially change the law in relation to cornsacks and fertiliser delivered to farmers in the State. It can hardly be said that such a proposal as that which will give the supplier of them an automatic lien or

something better than that until the articles have been paid for, comes within the scope of the Bill. I submit that the new clause is out of order.

The CHAIRMAN: I uphold the point raised by the Attorney General and at the same time whilst the clause is not relevant to the Bill, it is likewise contradictory to clauses already passed. I must therefore rule that it is out of order.

Title:

The ATTORNEY GENERAL: The select committee made an alteration to the definition of farmer by inserting the words "or grazing." The Crown Law officers now suggest that it would be wise to amend the title. I move—

That the title be amended to read "An Act for the adjustment of the debts of farmers and other persons engaged in rural pursuits and the equitable distribution of crop proceeds and moneys derived from the businesses of such persons, and for other relative purposes.

Amendment put and passed.

Bill reported with amendments.

House adjourned at 11.42 p.m.

Legislative Council,

Wednesday, 10th December, 1930.

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

QUESTION—EDUCATION DEPARTMENT.

Technical Schools and Continuation Classes.

Hon. W. J. MANN asked the Minister for Country Water Supplies: 1, At what centres does the Education Department conduct (a) technical schools; (b) continuation classes? 2, How many students attend (a) technical schools; (b) continuation classes? 3, How many teachers and assistants are employed at (a) technical schools; (b) continuation classes? 4, What was the total cost to the State for the year ended 30th June, 1930, of (a) technical schools; (b) continuation classes? 5, What was the revenue received for the year ended 30th June, 1930, from (a) technical schools; (b) continuation classes?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, (a) Technical schools exist at Perth, Fremantle, Boulder and Midland Junction; (b) continuation classes are held at Albany, Bassendean, Boulder, Bridgetown, Bunbury, Busselton, Claremont, Collie, Fremantle, Geraldton, James Street (Boys'), James Street (Girls'), Kalgoorlie, Katanning, Maylands, Merredin, Midland Junction, Narrogin, Northam, North Perth, Subiaco, Victoria Park and Wagin. 2, (a) The number of students attending technical schools for the year ended the 30th June, 1930, was: Perth 2,828, Fremantle 595, Eastern Goldfields 208, Midland Junction (including railway apprentices) 428; (b) the number of students attending continuation classes for the year ended the 30th June, 1930, was 2,813. 3, (a) The number of teachers and assistants employed in technical schools for the year ended the 30th June, 1930, was 39 full-time and 103 part-time; the part-time lecturer averaged about four hours per week; (b) the number of teachers and assistants employed in the continuation classes for the year ended the 30th June, 1930, was 178. 4, (a) The total cost to the State of technical schools for the year ended the 30th June, 1930, was £28,661 2s. 8d.; that amount includes, in addition to instruction and stock, expenditure by the Public Works Department (buildings and light); part of the special grant for this particular year was made to replace obsolete machinery; sanitation charges are also included; (b) the total cost to the State of continuation classes for the year ended the 30th June, 1930, includ-