

to a question I have brought up before, namely, the erection of a suitable laboratory for our very competent agricultural staff. These officers are doing invaluable work for the State, investigating all kinds of diseases, and carrying out experiments in connection with the treatment of pastures. They are entitled to every encouragement we can give them. We know that the Council of Scientific and Industrial Research, which has money available, and also possesses a staff of experts, has stated that they are unable to assist the State to the full because of the poor laboratory accommodation we have. Until we can provide more up-to-date laboratory accommodation, we shall have to do without their valuable assistance.

Mr. Marshall: Where is the present laboratory?

Mr. SEWARD: It is in the Agricultural Department, which is housed in a wooden building. It is an awful thing.

Mr. Marshall: They call that a laboratory?

Mr. SEWARD: If members were to see the difficulties under which the officers of the Agricultural Department are working, they would realise it was time we provided them with decent premises in which to do their work under proper conditions. A laboratory would be of no use in the Agricultural Department itself. The experts should be stationed where they can keep stock themselves and have plenty of room in which to make experiments. I appeal to the Minister to take this matter up with the Government. Some two years have elapsed since I led a deputation to his predecessor. I also referred the matter to him subsequently. I suppose Cabinet is considering it. I also referred to the matter on the Address-in-reply. I appeal to the Minister to take it up with the Government, as I am sure he has every intention of doing. I hope his efforts will be successful, and that in the near future a definite promise will be given that a laboratory will be erected. Such an establishment should be erected outside the bounds of the city, where the experts could carry out the work for which they are thoroughly competent and for which they have been trained. It would be of the utmost value to agriculture. Anything we can do to cope with the various pests that attack the agricultural in-

dustry and promote the more intensive growing of pastures will be of great assistance to those engaged in cultivating our broad acres. I trust that the requests I have mentioned will receive the consideration of those who are responsible, and that this will be the last occasion on which these matters will have to be brought up in this Chamber.

Progress reported.

House adjourned at 9.28 p.m.

Legislative Council,

Tuesday, 1st October, 1935.

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

QUESTION—PUBLIC BUILDINGS.

Cost of Alterations, etc.

Hon. H. J. YELLAND (for Hon. C. F. Baxter) asked the Chief Secretary: 1, What is the cost to date of alterations, renovations, painting, etc., to the following buildings—(a) The block comprising the Public Works Department, Water Supply Department, and adjacent building; (b) The Agricultural Bank? 2, Were the amounts found from revenue, or from loan funds?

The CHIEF SECRETARY replied: 1, (a) £1,772; (b) £1,870. 2, With respect to (a)—from Loan funds; with respect to (b)—from Agricultural Bank funds. Note: The above figures refer only to the recent alterations, etc., to these buildings.

QUESTION—AGRICULTURAL BANK.*Retirement of Officers.*

Hon. H. J. YELLAND asked the Chief Secretary: In view of the retirement of various officers of the staff of the Agricultural Bank by the Commissioners, will the Minister state—1. What action is being taken by the Public Service Commissioner to comply with Section 34 of the Agricultural Bank Act? 2. Where the efficiency of the officer is unquestioned, will the Government direct the Public Service Commissioner to give attention to the provisions of this section of the Act?

The CHIEF SECRETARY replied: 1, The Public Service Commissioner is not aware of the retirement by the Commissioners of the Agricultural Bank of any officers who have any claim under Section 34 of the Agricultural Bank Act. 2, Answered by No. 1.

BILL—RURAL RELIEF FUND.*Second Reading.*

Debate resumed from the 26th September.

HON. J. NICHOLSON (Metropolitan) [4.38]: The Bill has been rendered necessary, I understand from what the Honorary Minister said in moving the second reading, by the passing of the Federal Act entitled the Loan (Farmers' Debts Adjustment) Act, 1935, under which certain moneys are made available by the Federal Government to the various States for the benefit of the farmers. I am quite prepared to acknowledge the difficulties which have been experienced by farmers throughout the last few years, and the obvious need which has existed for something being done to save an industry that means so very much to our State. There are, however, phases connected with the matter which present themselves to me as possibly having not a beneficial effect on the farming industry and on the country generally. To these I gave voice, at least to some extent, when a measure amending the Farmers' Debts Adjustment Act was before the House last session. I feel impelled again to urge hon. members to weigh most seriously the effect of this legislation, which to my mind may have a disastrous result on the country as well as on the farming industry. Under the Federal Act there is made available, firstly,

a sum of £10,000,000, which is apportioned among the States in various amounts. The amount to which Western Australia is entitled in respect of the £10,000,000 is £1,300,000. In addition to the £10,000,000, however, a further sum of £2,000,000 is to be made available; and from what has been stated I gather that there would be allotted to Western Australia a further amount of something like £260,000.

The Honorary Minister: Approximately, yes.

Hon. J. NICHOLSON: The two amounts together represent an allocation of something over £1,500,000 to this State. No doubt that sum will effect some relief, but we have had figures given to us of the huge amount of indebtedness that exists not only to our Agricultural Bank but to other institutions and private individuals. I think the total was stated as about £34,000,000 altogether, divided almost equally between the Agricultural Bank and other creditors, about £17,000,000 to the one and about the same amount to the others. These figures may be termed gigantic in their proportions. Under our Bill the amount allotted may, to a certain extent, be regarded as a gift, although I admit that some provision is made by the Bill that the amount may be required to be repaid. Taking the proposal as it is, the question arises to what extent relief will be effected by the £1,500,000 as compared with the large amount of indebtedness that exists. We know there are various people concerned in those debts. Not only is there money owing on mortgaged properties which are held, but there is also money owing to a large body of unsecured creditors, chief amongst whom comes the country storekeeper. He is a man who has had to experience a very hard time indeed during the period of depression and low prices which has prevailed in respect of farming commodities. The Federal Act makes provision for setting aside those moneys towards certain purposes. It expressly states that the moneys shall be paid upon certain conditions and must not be available for certain purposes, some of which are referred to in Clause 9 of the Bill. In Section 7 of the Federal Act it is stated that any moneys granted to a State shall be paid upon certain conditions. The various conditions are set out there and amongst them I observe one in paragraph (e) of Subsection 1, which sets

out that no payment under a composition or scheme of arrangement shall be made in respect of any debt due or accruing to the Commonwealth or a State or to a governmental authority. I should like to direct the attention of the Honorary Minister to Clause 9 of the Bill so that he might probably answer a question which I propose to suggest to him. It is in reference to that paragraph in Subsection 1 of Section 7 of the Federal Act, where we get the phrase "governmental authority." The Honorary Minister did explain clearly that the result of such a condition as this excluded the Agricultural Bank, for example, from the benefit of participating in any composition that might be arranged out of these moneys. But the phrase "governmental authority" has a more extended meaning. At first I thought it might possibly exclude road boards or municipalities, but on perusing the Federal Act a little further we find at the end of Section 7 that a governmental authority does not include a municipal corporation or other local governing body. Accordingly it would appear that whilst the debts of secured or unsecured creditors may be written down by a composition—

Hon. L. Craig: Voluntarily.

Hon. J. NICHOLSON: It would not be altogether voluntary, for it would be carried by a resolution.

Hon. H. V. Piessé: But they could not write down securities.

Hon. J. NICHOLSON: I remind the hon. member that reference is made to both secured and unsecured debts.

Hon. H. V. Piessé: They could suspend them or postpone them, but they could not write down the securities.

Hon. J. NICHOLSON: I should not like to say they could not write down the securities, because in Subsection 3 of Section 6 it is provided that no grant shall be made under this Act to a State unless or until there is passed by the State legislation constituting an authority empowered at its discretion to take action having the effect of suspending either wholly or in part, etc.

Hon. H. V. Piessé: That is suspending.

Hon. J. NICHOLSON: Perhaps indefinitely, the rights of any secured or unsecured creditor of a farmer against that farmer. I should like the Honorary Minister to assure us that there is no likelihood of secured debts being affected unless

the secured creditor gives his assent thereto.

Hon. H. Seddon: Is not that contained in the Bill?

Hon. J. NICHOLSON: Yes, probably there is a certain power given there. It is important to deal with that point. But let me revert. I was dealing with the question of road boards and municipalities when I digressed. I was referring to the phrase "governmental authority." I find that in the Federal Act a municipal corporation or other local authority is distinctly excluded. The effect of that is clearly that the debts of those local authorities could still be exacted in full, because under our Local Government Acts there is no power given to those local authorities to compromise their debts. They have a security granted to them by virtue of their various Acts. I think something should be done to overcome that difficulty so as to put everyone more or less on an equal footing.

Hon. L. Craig: You mean to give the road boards power to make compositions?

Hon. J. NICHOLSON: Precisely. I merely call the attention of the Honorary Minister to that because at present there is an anomaly; on the one hand we are going to compel a creditor, secured or unsecured, to be affected by the provisions of the Bill.

Hon. J. J. Holmes: If you were to give the road boards authority to write down, it would have to be general.

Hon. H. Seddon: They have that power now.

Hon. J. NICHOLSON: No, I do not think they have that power.

The Honorary Minister: I think that authority is given with the consent of the Minister.

Hon. J. NICHOLSON: That would be very awkward indeed. I have indicated the views I hold, namely that this legislation will have very far-reaching effect, and I advance these reasons: That if the debts of the creditors due by the farmer were written down or settled by way of composition—some members have suggested a payment of 5s. in the pound which would be paid with the money that would come from the Federal Government—it would enable a large amount of the indebtedness of the farmers to be wiped out, and this would be done by payments probably on a basis of 5s. in the pound, or even 3s., as I think Mr.

Piesse suggested. The argument submitted in support of that was that it would be better for the 5s. in the pound or the 3s. to be paid rather than that nothing should be paid. There is a great deal to be said for that; a minimum payment of so much may afford a certain measure of relief to certain creditors, and they would be getting a certain amount of money to put into circulation. But we have to examine the matter and go a little farther than looking merely at the immediate relief. I regard it this way: It is true the farmer is working under very distressed circumstances, over-burdened with the weight that is on him, and this relief may be something like a medicine to him, giving him that which is essential to help him to further efforts. But when he pays off the country storekeeper at the rate of 5s. in the pound, the country storekeeper is still in a plight, because he in turn owes money to the wholesaler. But no relief is to be given to the country storekeeper and no legislation is introduced here to protect the position of the country storekeeper, who must pay 20s. in the pound or go bankrupt.

Hon. A. M. Clydesdale: How are you going to do it with £1,300,000?

Hon. J. NICHOLSON: I do not know. I am only pointing out the position to show the necessity for considering what serious effect and reaction this Bill may have on the financial position of the State.

Hon. H. V. Piesse: Would you give them back this £1,300,000?

Hon. J. NICHOLSON: I do not care. I am not going to be like the drowning man and clutch at one straw for the sake of feeling that the straw may possibly save me for the time being. I am looking at the credit of the State as a whole and trying to view what effect this will have on the State as a whole. I have instanced the case of the country storekeeper who owes money to the wholesale traders, and to whom no relief is given by this or any Act. Nor is it proposed that he shall be given relief similar to that given to the farmer.

Hon. C. B. Williams: Is there any comparison between the two? The farmer gets a starvation rate and the storekeeper can charge what he likes.

Hon. J. NICHOLSON: The position is that the storekeeper has incurred debts and he has to pay 20s. in the pound.

Hon. J. J. Holmes: He has carried the farmer.

Hon. J. NICHOLSON: I think every farmer will admit that the storekeeper, generally speaking, has been very good to the farmer.

Hon. C. B. Williams: The storekeeper would not have been able to survive if he had not charged extra because of bad debts.

Hon. J. NICHOLSON: The hon. member is taking an extreme view.

Hon. C. B. Williams: They could not have survived unless they got it from those able to pay.

Hon. J. NICHOLSON: We have reached the stage of the storekeeper being responsible for the payment of 20s. in the pound or going bankrupt. Then, when we introduce this class of legislation, we must not stop at the country storekeeper because the effect of the legislation becomes further widespread in this way: that we find the wholesaler in his turn has become indebted to people within or outside the State. We are all conscious of the fact that many things are imported from the Eastern States.

Hon. J. J. Holmes: And overseas.

Hon. G. W. Miles: Very little is imported on credit.

Hon. J. NICHOLSON: In any case it all has to be paid for at the rate of 20s. in the pound. I merely refer to such instances as they strike me because I can see distinctly that, instead of this legislation being beneficial to the farming community, it is going to mean disaster. I said so last year when I spoke on the Farmers' Debts Adjustment Act. Who in the wide world would attempt to advance money on country security hedged round and protected by legislation such as this? Naturally, the first thing that will be said will be, "What are you going to do with the farmer? I want to help him, but I also want him to help himself." The man who is capable of getting through these difficulties is the type we should really help. We should not fritter away money, and the intention of the Bill is, as appears by the conditions laid down in the Bill, that it is the intention to help the man who will eventually be able to win through. I am not questioning the Federal Act or the conditions it is intended to impose. But there is the position. Naturally, it will be asked, "What, then, will you do to help the farmer?" It would have been far better to consider a scheme by way of a moratorium for farmers' debts rather than tinker with the position in this way by throwing out a bait of a million or a million

and a half in the hope of getting these people out of their difficulties.

Hon. E. H. Angelo: Is not a suspension a moratorium?

Hon. J. NICHOLSON: Not necessarily. Undoubtedly there is associated with this a writing down of debts, and that is the feature to which I am drawing attention.

Hon. E. H. Angelo: There is no compulsory writing down.

Hon. J. NICHOLSON: It would be compulsory by a vote of the creditors. There is another view and we must examine it a little further. Suppose, with the advent of circumstances, we find the price of wheat going up to a very profitable extent, and that the prices of wool and other commodities also rise. Assume that that takes place within the next few years, and that the farmers' position, instead of being one of dire distress, becomes one of comparative good fortune, and the farmers will probably reach the stage at which they had arrived some years ago, when they were regarded as the most prosperous people engaged in any industry.

Hon. H. V. Piesse: They will be a little more careful this time.

Hon. J. NICHOLSON: Experience is good for everyone. The farmer has had to buy his experience in a very hard school, and if he had safeguarded his position, in many instances he would have ridden through the storm. Suppose the position of the farmer becomes improved. At whose cost will that improvement be? The cost of the country providing the money, and the cost of the writing-down of the debts of those who have suffered. There is no provision made in the Bill to suggest that if such a change in circumstances of the farmer should arise, there will be a claim by creditors, whose debts are written down, for any further return of money. I realise that the Honorary Minister will reply that the Bill saves the farmer from committing an act of bankruptcy, and that it provides something in the nature of a friendly scheme of settlement.

Hon. H. V. Piesse: It will save a lot from bankruptcy.

Hon. J. NICHOLSON: We do not want to see that if we can avoid it. But when we are carrying through a scheme such as this, it would be wise to make provision that those who have been helped at a time such as this should at least get back some of that which they have contributed towards mak-

ing the farmers' position better by the writing-down of debts. Nothing of the kind, however, is suggested, and I submit this for the consideration of members because I realise that all who have spoken have hailed the introduction of the Bill with pleasure and regarded it as something which will mean the salvation of the present situation. As I said before, I would have preferred to see something in the nature of a moratorium to protect the farmer who is entitled to the help to the extent to which the Bill proposes. Undoubtedly we cannot stop when once we start legislation of this nature. I impress on hon. members that it may lead us into queer corners.

Hon. H. V. Piesse: Then it will lead the whole of Australia into the same trouble.

Hon. J. NICHOLSON: I foresee that it cannot stop here because others will cry out and crave for similar protection, and instead of its helping to preserve those qualities of manhood and courage which are essential in times of adversity, it will destroy those very fine qualities which it should be our desire to maintain. At the present time I feel impelled to refrain from stating that I will support the Bill with the same ardour which I observed in other hon. members. I am anxious to help the farmer but I would prefer to see that help given in a way different from that proposed in the Bill.

HON. H. SEDDON (North-East) [5.13]:

The hon. member who has just spoken expressed the misgivings many of us have had with regard to the special legislation which from time to time has been introduced on account of the state of emergency. I am often led to wonder what the position will be that we are creating under the machine being constructed by these special Acts, should the government of this country at any time get into the hands of an extreme section. We all know, for example, what happened to the farmers under the Soviet system in Russia, and when we realise the way in which our farmers are being tied up by all this special legislation, it makes us wonder what would be the position if at some future time this special machinery were controlled by extremists. Under the Agricultural Bank Act, for instance, the farmer is tied up pretty thoroughly under one section and also the powers we have conferred on the Commissioners under that Act are very far-reaching and all-powerful. Under

the Industries Assistance Act, on the other hand, we find that the position of the creditor of the farmer is very unenviable and he frequently finds that he makes advances without any hope of getting anything back. Under the Farmers' Debts Adjustment Act, we passed a provision last session that makes me inclined to wonder what will be the position of the mortgagee when the creditors really get into their stride. I think the emphasis laid on that occasion by Mr. Nicholson should be taken into serious consideration. But the Bill before us now goes a step further. Section 11 of the Farmers' Debts Adjustment Act did, at any rate, require a majority of the creditors, but under Clause 6 of the Bill the trustees, who will be set up, will be empowered to override any resolution or decision, or lack of decision, by the creditors of a farmer and take just what course of action they may deem fit. Mr. Nicholson raised the question of the writing down of the securities of the mortgagee. I take it that under Clause 6 of the Bill the trustees will have power, if they so desire, to write down the debt of the mortgagee, just the same as they will have power to write down the debt of any other creditor of the farmer, at the request of the farmer or one of his creditors.

Hon. L. Craig: You say that they can write down debts?

Hon. H. SEDDON: I am waiting to see what explanation we shall receive regarding that point, because it seems to me that Clause 6 will provide the trustees with that power.

The Honorary Minister: Which portion of Clause 6 do you suggest will give the trustees that power?

Hon. H. SEDDON: That part which provides that where "a farmer, or any creditor of a farmer, or the Director has submitted a scheme which consists of, or includes, a proposal for the writing down or suspension of the debts and liabilities of the farmer, and an effective resolution sanctioning the scheme has not been passed, then, if the trustees are of the opinion" that "certain conditions set out in paragraphs (i) and (ii) apply, "they may, on application being made by the farmer, or any creditor of the farmer, in the prescribed manner, suspend any debts or specified debts or portion of

any specified debts of the farmer for a period not exceeding three years"

The Honorary Minister: There is a difference between suspending and writing down.

Hon. H. SEDDON: Yes, but on such a proposal being submitted and with the powers entrusted to the trustees, they may agree to suspend portion of the debt of a farmer conditionally upon the writing down of the other part of his debt. I think that power is given to the trustees.

The Honorary Minister: I do not think so.

Hon. H. SEDDON: I will await what the Minister has to say on the point, because I think it requires to be cleared up. At any rate, that is the impression I have gathered from a perusal of Clause 6. Under it, such a position may create a state of affairs that will seriously shake the confidence of the people who are endeavouring to restore the credit of the farmer, because they will view the position of the farmer as precarious. The situation in which the country storekeeper has found himself has been referred to, and Mr. Nicholson said that if we extended relief to him, naturally the merchant will require relief as well. If the country storekeeper is, as the Bill proposes, to be relieved, or is to be allowed to take, say, 25 per cent. of the money owing to him, he should at any rate be relieved to a corresponding degree respecting the money owed by him to his creditors. If it is fair in one respect, it must be fair in the other. After all, it is the country storekeeper who has stuck to the farmers loyally throughout the piece, and surely he is entitled to the same consideration as is to be extended to the farmer, in any composition arrived at.

Hon. V. Hamersley: But will not the Bill cut out the country storekeeper?

Hon. H. SEDDON: Yes, to the extent that he is not brought into the picture.

Hon. V. Hamersley: That is the position.

Hon. H. SEDDON: I know of an instance in which a country storekeeper has been required to pay not only 20s. in the pound but, during the time his debt stood in abeyance, he had to pay interest as well.

Hon. L. Craig: Do you not think that the Bill will at least give the storekeeper something whereas, under normal conditions, he would not get anything? I regard that as the objective of the Bill.

Hon. H. SEDDON: That may be so; but if the country storekeeper is to receive only a proportion of what is owing to him, surely he is entitled to the same proportionate relief from his creditors. That is the argument advanced on behalf of the country storekeeper.

Hon. J. J. Holmes: If you follow that up right through, it would mean writing down the national debt.

Hon. L. Craig, Yes, there would be no limit to it.

Hon. H. SEDDON: If relief is to be extended in one direction, others are entitled to relief too. I have been rather perturbed regarding Subclause 6 of Clause 6. It reads—

When a stay order has ceased to operate, any proceeding or process pending or in course of being put into operation against the farmer or his estate or effects at the time when the stay order was made may, subject to any agreement made in the meantime between the farmer and any creditor or creditors of the farmer, be continued

I would like to know why the words "subject to any agreement made in the meantime between the farmer and any creditor or creditors of the farmer" have been interpolated. I am wondering exactly what power that will place in the hands of a dishonest farmer and a creditor who may make an arrangement between them. I hope the Minister will look into that phase with a view to determining whether it is not a little dangerous. An arrangement may be entered into by a farmer and one creditor that will be to the disadvantage of other creditors. If that position could arise, a proposal to extend such powers should receive further close examination. The other point I wish to deal with has reference to Clause 10, which deals with the form of relief that may be granted. It provides that any advance made by way of relief shall be secured over all the assets of the farmer, including after-acquired assets, by a mortgage or a charge in favour of the Minister in the prescribed form. How will that operate? A great number of the farmers already have mortgages with other persons. Does the provision in Clause 10 mean that any further advance shall be secured by a mortgage that will take precedence over previously existing mortgages, or will it be in the nature of a second mortgage? That point requires looking into.

Hon. L. Craig: As I read the clause, I took it that the advance would be unsecured.

Hon. H. SEDDON: It appears to me that this may place an individual who has made an advance to a farmer in a rather awkward position. I want to know whether the clause will enable another mortgage to be taken out that will be allowed priority over previous mortgages, or will the advance made to the farmer be secured by a mortgage that will override other securities.

Hon. L. Craig: But the other securities are merely suspended.

Hon. H. SEDDON: Yes, but, according to my reading of the clause, I am in the dark and would like the Honorary Minister to explain whether the suspending of an existing mortgage is contingent on the trustees taking an overriding mortgage that will take precedence over existing mortgages.

Hon. H. J. Yelland: Subclause 2 of Clause 10 settles that point, does it not?

Hon. H. SEDDON: No, because it will give the trustees power to consent to the postponement of their security.

Hon. J. Nicholson: And that rather supports Mr. Seddon's contention.

Hon. H. SEDDON: That is so. I read Subclause 2 to mean that the trustees may consent to the postponement of their security in favour of any other encumbrancer. But that is rather in favour of, and not against, the encumbrancer.

The Honorary Minister: It means that if another person is agreeable there may be an advance made for seasonal requirements.

Hon. H. SEDDON: I think that is what was intended, not that the other creditors were to be prepared to waive their rights in favour of the latest mortgagee.

Hon. H. V. Piesse: Why not get out of it and make them a free gift of the assistance?

Hon. H. SEDDON: I am not arguing that.

Hon. J. Nicholson: Why not get over the difficulty by stating expressly in the Bill that priority of securities shall not be affected?

Hon. H. SEDDON: In order to overcome that phase, I have placed an amendment on the Notice Paper, and we shall hear the views of the Government when consideration is given to it. The Bill is essentially one for consideration in Committee, but I have drawn attention to the several points in order that we may secure additional in-

formation, and I shall be interested in the reply of the Minister when he closes the second reading debate.

HON. H. J. YELLAND (East) [5.26]:

I did not intend to have much to say regarding the Bill because it is really one for consideration in Committee. However, I have been so interested in the two speeches delivered this afternoon that a few remarks will not be out of place. The Bill certainly represents special legislation and everyone must deprecate that. There is always the fear that the principle may be extended in a wider sphere of legislation in consequence of which drastic results might be the effect. We must remember, however, that during the past five years the position of the farming community throughout Australia has been desperate. Naturally desperate means have been necessary to cope with the situation. In those circumstances, the Bill may be looked upon as special legislation for special purposes. In that respect, we are bound to support it and should endeavour to place on the statute-book a measure of a workable nature to assist in the disbursement of the funds made available by the Federal Government in order that the agricultural industry may be restored to normal conditions. Mr. Nicholson referred to the position of the country storekeeper. Everyone will sympathise with the country storekeeper who played a wonderful part in retaining the farmers on the land and advancing the interests of the agricultural industry as far as they are to-day. It is admitted that the country storekeeper did a great deal along those lines, but we must remember that the two positions are not altogether as parallel as Mr. Nicholson would have us believe. He told us that the country storekeeper had made losses practically all through the depression, but that is not so. When the crash came, farmers who held wheat that was worth about 4s. 6d. a bushel suddenly found that their wheat had depreciated in value to 2s. 8d., and some sold as low as 1s. 8d. per bushel. Naturally there was stagnation in the employment of finance, and the country storekeeper was then hit just as hardly as the farmer himself. While arrangements were made to carry on the farmer, arrangements were also made that he should pay his way with the store-

keeper, and during the succeeding years when the producer had to suffer reduced prices for his wheat and other produce, he has been paying cash to the storekeeper and the storekeeper has not been the loser during that period.

Hon. H. V. Piesse: The farmers have not been paying cash.

Hon. H. J. YELLAND: There have been restrictions in the purchases that farmers have made from the storekeepers, but I might go further and point out that the same conditions operate in other directions. Recently a butcher complained that he was not able to meet his obligations, because there was not sufficient trade in the town in which he lived to keep going the number of butchers established there, especially since the farmers were killing their own stock for meat. That took trade out of the hands of butchers. To some extent trade has been taken from the storekeepers, but though they have suffered in that respect, they have not suffered to the extent of the farmer who, during the last four or five years, has been growing wheat at a dead loss. He has had to pay cash for purchases from the storekeeper, and consequently the real loss of the storekeeper has been the original loss sustained when the crash came and when farmers found themselves unable to meet the obligations that had been piled up in better times.

Hon. J. J. Holmes: You say that the farmers have been paying cash in the last four years?

Hon. H. J. YELLAND: Yes.

Hon. J. J. Holmes: What nonsense!

Hon. H. V. Piesse: They have not been paying cash.

Hon. H. J. YELLAND: As far as I have been able to ascertain, they have been paying cash. That is certainly the rule in my district. While I have every sympathy with the storekeeper, I feel that his position is not quite as bad as Mr. Nicholson would have us believe. Under the Bill, the storekeeper will come in as an unsecured creditor for losses he sustained when the crash occurred. In respect to other matters the Bill can be dealt with much more readily in Committee. I support the second reading. It is a special Bill for a special purpose, and for that reason I welcome it and trust that in Committee we shall be able to shape it so that a fair deal will be given to everybody. That fair deal, I believe, will best be realised if we seek to rehabilitate the in-

dustry on a basis that will enable it to extend facilities to those people having business with it.

THE HONORARY MINISTER (Hon. W. H. Kitson—West—in reply) [5.34]: From the various speeches it is quite clear that there will be no difficulty in the Bill's passing the second reading stage. Until this sitting no material opposition has been offered, and one might also say that no discordant note has been struck. All said and done, the first point we have to consider is whether we are going to accept the money provided by the Commonwealth Government for the purposes set out by the Commonwealth Government and in the way stipulated in the Commonwealth Act, or whether we are going to say that, because we do not agree with the method laid down by the Commonwealth Government, we will deny the farming community of Western Australia the right of participating in this Commonwealth money while all the other States of Australia share in it.

Hon. H. J. Yelland: Did not South Australia make it a gift to the industry?

The **HONORARY MINISTER**: South Australia has adopted methods somewhat different from ours, and so has New South Wales. The point is whether we are going to take the necessary steps to allow the farming community of Western Australia to have their share of the money provided by the Commonwealth Government. Mr. Nicholson said that acceptance of the money under the terms of the Commonwealth Act might have very disastrous results on the farming community of Western Australia. I am afraid I cannot follow him to the point he has suggested, though I have already intimated that I consider there are certainly better ways of assisting the farmers than the method laid down in the Commonwealth Act. But we have to decide whether we are going to accept what is offered or reject it. The Bill simply provides ways and means whereby we may comply with the Commonwealth Act, and thus give our farmers the benefit of the money.

Hon. H. J. Yelland: This Bill is really a machinery measure.

The **HONORARY MINISTER**: That is so. Until this afternoon, I thought there would be no necessity to reply at any length to the comments offered by various speakers. I realised that there would be a difference of opinion amongst members regarding quite

a number of the clauses of the Bill. However, one or two questions have been raised this afternoon to which I feel I should reply, in order that members might have a clear understanding of the position before we reach the Committee stage. When the Bill is in Committee I, as usual, will be only too pleased to give members whatever information I have. A large number of amendments have been placed on the Notice Paper, all of which will have to be discussed.

Hon. G. W. Miles: All of which you do not agree with.

The **HONORARY MINISTER**: That is so, but in disagreeing with any, it will be necessary for me to explain the point of view of the Government. One point raised by members and emphasised this afternoon by Mr. Seddon is the question of the compulsory writing down of debts. Mr. Seddon suggested that, under this measure, the trustees would have a very wide power which included the compulsory writing down of debts. I wish to make it perfectly clear that the Bill will not confer that power on the trustees. The trustees will have power compulsorily to suspend debts or any portion of a debt, but they will have no power compulsorily to write down debts. Any writing down must be of a voluntary character, or if Mr. Nicholson does not approve of the word "voluntary," any writing down must be by arrangement with the creditors. If an arrangement is satisfactory to the creditors, surely we should not object. An arrangement of the kind will be of very great assistance to the farmer and help him to carry on, while, for the country storekeeper, it will ensure a continuity of business for some time to come. Without it the country storekeeper will have no guarantee of continuity of business, even for another month. Regarding it from that point, it seems advisable to accept the position, for the country storekeeper will receive at least something, whereas in other circumstances and without this Bill, the probability is that in many instances he would receive nothing. I believe there is a good deal of truth in what Mr. Yelland said that the great majority of farmers during the past year or two have been paying cash for supplies. Storekeepers have refused to supply unless they were guaranteed the money. We know that in a large number of instances special arrangements have had to be made whereby cash was made available to the farmer

week by week or month by month in order that he might comply with the requirements of the storekeeper to pay for what he received. Admittedly his requirements have not been on the same scale as they were previously because he has not been able to afford many of the things he was accustomed to purchasing. We know, too, that many farmers have been compelled to live in a different manner from that which they enjoyed a few years ago. The farmer's family, in many instances, have paid attention to sidelines, and have raised stock, eggs and poultry to help feed the family or provide a few shillings per week to meet requirements that could not be produced on the holding. The Bill will give an opportunity to farmers who are in a serious position to make an arrangement, with the consent of their creditors, for the writing down of their debts. When a farmer applies for an advance from the fund and the creditors are not prepared to agree to a scheme which may be put forward, eventually the trustees will have power to suspend the debts, or portion of the debts, for a period. An additional power is that the trustees may suspend the payment of interest on those debts during the period for which the debts are suspended. Admittedly those are very wide powers.

Hon. H. V. Piesse: That is, the unsecured portion of the debts.

The HONORARY MINISTER: No, the measure goes further. The secured debts or a portion of them may be suspended. Mr. Nicholson raised the question of a moratorium. I see very little difference between that and the suspension of debts as proposed here. There is of course, a difference between a moratorium which embraces everyone, and the suspension of debt in individual cases.

Hon. H. V. Piesse: How would the authorities arrive at the portion of the secured debt to be suspended?

The HONORARY MINISTER: After the particulars have been collated it will be for the trustees to determine what opportunity the farmer has of carrying on successfully. They may make suggestions which may or may not be agreed to by the creditors, until eventually either the creditors do agree, or the trustees are in a position either to suspend all the debts or a certain proportion, so as to enable the

farmer to have an opportunity of carrying on successfully. We shall have to rely upon the trustees who are appointed that they will not only know the business, but will carry out the terms of the Act fairly and equitably. Mr. Thomson raised the question of farmers coming under this Bill being under the control of trustees. There is no intention that that shall be so. If a farmer comes under the Farmers' Debts Adjustment Act, he is generally in the hands of trustees, but under this Bill that will not be so. Any advance that may be granted by the trustees will be used for the purpose for which the money is given.

Hon. A. Thomson: The trustees have a prior mortgage over everything belonging to the farmer.

The HONORARY MINISTER: That does not affect the position raised by Mr. Thomson. The farmer will carry on as he did prior to his application for an advance from the fund.

Hon. J. Nicholson: A farmer under this Bill will not be able to apply for a stay order until he has come under the F.D.A.

The HONORARY MINISTER: That is not the position. Under the Bill we are using the machinery of the Farmers' Debts Adjustment Act to arrive at the position of the individual applicant. All applications must go through the director appointed under the Farmers' Debts Adjustment Act. After all the information has been collated the director may make recommendations to the trustees. They are only trustees under this Bill, and not under the F.D.A. The trustees then decide whether they will accept the recommendations of the director or they may make some other proposal. Whatever action they take the farmer will not be subjected to trusteeship in the same way as the man who comes under the F.D.A.

Hon. A. Thomson: Does he not automatically come under the provisions of the F.D.A.?

The HONORARY MINISTER: Only so far as this Bill says so. There is a clause in it which provides that certain debt adjusters may be appointed in different districts. They will save expense, assist the director, and speed up the applications for advances. Unless the farmer desires to come under the F.D.A., there is no obligation on his part to do so if he receives an advance from the fund.

Hon. J. Nicholson: The trustees of their own volition are not going to issue a stay order unless the farmer comes under the F.D.A., are they?

The HONORARY MINISTER: The farmer will not come under the F.D.A. except in accordance with particular clauses in the Bill. When an advance is made from the fund, if he is not already under the F.D.A., he will still be excluded from the operations of that Act and will be a free agent.

Hon. H. Seddon: He will make application through the director.

The HONORARY MINISTER: Yes. All applications must pass through the director's hands.

Hon. H. J. Yelland: And yet he is not to be one of the trustees.

The HONORARY MINISTER: No. There will be a tremendous number of applications from men who are not under the Farmers' Debts Adjustment Act. The director will have all his work cut out to deal with these applications. If he is going to recommend the course of action the trustees shall take, surely we are not going to see that he also sits in judgment upon his own recommendations. A large sum of money that has been advanced by the Commonwealth Government is involved, but I am confident the trustees will carry out the conditions to the best of their ability. The director is a very valuable officer. He has had a wonderful experience in the last few years, and has an intimate knowledge of the affairs of hundreds of farmers who are under the F.D.A. He has nothing to do with the large number of persons who do not come under that Act, although they will make application to him under this Bill. Both Mr. Nicholson and Mr. Seddon raised a point with regard to the trustees taking a mortgage over all the assets of those who are successful in their applications under the Bill. I am now advised that, as I informed the House before, mortgages taken by trustees will not have priority over any existing mortgages. There is an amendment on the Notice Paper dealing with that phase of the question.

Hon. H. J. Yelland: All ambiguities should be removed.

The HONORARY MINISTER: This is one of the clearest Bills we have yet had before us. I cannot understand how members can read into it some of the things they do. There may be differences of opinion as to the method to be adopted in certain cases,

but they have nothing to do with the draftsmanship or wording of the Bill. There should be no difficulty in understanding what it sets out to do. Mr. Thomson suggested that all applicants should be exempt from the payment of any fees. He said it would be bad enough for farmers to have to pay the fees of trustees appointed to administer their estate. I am advised that under the F.D.A., where it is apparent that it would be an injustice to ask for fees, these are sometimes waived. It is necessary that provision should be made for the payment of fees. The State will not benefit to the extent of one penny by this legislation. On the other hand, Agricultural Bank interest is in arrears to the extent of £1,300,000. Land rents are outstanding to the tune of £1,000,000; there is £152,000 owing for water supplies, and £80,000 for wire netting. In addition the Government have to find all the cost of administering the scheme. This will be fairly heavy. Members will agree it is only right that some fees should be paid.

Hon. A. Thomson: What fee will be paid?

The HONORARY MINISTER: Under the Farmers' Debts Adjustment Act the total fees paid amount to £5 4s., the application being £1 and other fees coming to £4 4s. The trustees under the Act also get a certain percentage, or a minimum of £10.

Hon. H. V. Piessé: A maximum of £20.

The HONORARY MINISTER: There is a big difference between the man who comes under the Farmers' Debts Adjustment Act and the man who comes under this Bill. It is necessary to have a statutory fee, even though it may be waived in certain cases. It would not do that all applications should be free. It is necessary that this legislation should be passed as early as possible, so that farmers who are entitled to benefit under it may do so without undue delay. I do not propose to take the Bill into Committee this afternoon, but I hope when we reach that stage it will be dealt with expeditiously.

Question put and passed.

Bill read a second time.

BILL—PLANT DISEASES ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—BUILDERS' REGISTRATION.*Second Reading.*

Debate resumed from the 25th September.

HON. A. THOMSON (South-East) [6.3]: When a similar measure was before the House previously, I entered a protest against it. I must take the same course now, and for the same reason—that I am loth to debar any man from getting out of the rut, or to place restrictions upon the man who is desirous of leaving the ranks of tradesmen and becoming a contractor. The Bill provides that a contractor who takes a contract exceeding a value of £300 shall, unless he is a registered builder under this measure, be debarred from recovering at law money which may be owing to him under such a contract. The Bill mentions certain towns and districts which are to come within its purview. I desire to draw the attention of the sponsor of the Bill to some difficulties which may arise. For example—if I interpret the measure correctly—as regards the Katanning district, all construction work done within the town of Katanning will have to be done in accordance with the provisions of the Bill, but any work done in the Katanning district outside the area of the town of Katanning itself is automatically freed from the provisions of the Bill. A contractor doing a job of a value exceeding £300 within the town of Katanning will be penalised, but the same man can take a contract of £1,000 or more outside that town without incurring any disabilities. A schedule to the Bill mentions townsites to which the measure shall apply—Wagin, Katanning, Narrogin and so forth. To my mind, the Bill if enacted ought to apply to the whole of Western Australia. In point of fact, highly important construction works in country districts have been done and will be done outside the boundaries of townsites. The Bill contains many objectionable clauses. Its sponsor pointed out that a man who has served his apprenticeship and has passed the examinations imposed will automatically become possessed of the right to practise as a contractor. On the other hand, a man with 40 years' practical experience of contracting but without the scholastic attainments of a younger man who has passed through a technical school, and therefore unable to pass the examinations set, could not step out of the ranks

of employees and become an employer. Again, the Bill contains many anomalies. It provides, for instance, that any servant or officer of the Crown may carry out, or supervise important construction works, even though not possessed of the necessary experience and not having the ability to pass the prescribed examinations. Such a servant or officer of the Crown could supervise the construction of so important a work as the girls' school now being built at East Perth. The whole Bill seems intended to entail additional costs. The sponsor of the measure pointed out that the Builders' and Contractors' Association and the Institute of Architects were anxious that the measure should pass, so that there would be a certainty of obtaining duly qualified builders.

Hon. L. Craig: What is a duly qualified builder?

Hon. A. THOMSON: That question may well be asked. My humble opinion, the opinion of one who has had over 40 years' active participation in contracting, is that the remedy is entirely in the hands of the architects themselves. They call for tenders, and have the right to limit tenders to building contractors of practical experience and of integrity. As regards any proposed work exceeding £300 by £50 or by thousands of pounds, the man who proposes to build is aware of men of integrity and of practical experience in the district who can carry out the work satisfactorily. Should there be any doubt on the point, the remedy is to employ an architect. That difficulty, therefore, is easily overcome. A good deal has been heard of what is termed jerry-building. Some people—especially residents of the metropolitan area, at whom the Bill is apparently aimed—have houses built by letting the foundations and possibly the brickwork to stone-masons, and letting further contracts to plasterers and to carpenters. The majority of the persons who build houses on those lines have a considerable part of their own capital at stake. In most cases of the kind, the building will not be paid for until many years have elapsed. I understand that if one approaches a society—of which an hon. member of this Chamber is chairman—without owning even a block of land and merely prepared to pay a deposit of £50 or £100, the society will build a house ac-

cording to requirements and let one enter it on condition of paying a certain amount per week. Many years must elapse before the purchaser of such a house will be able to call it his own. Would societies or companies interested in such buildings put up structures that will not last? It would be to their own serious detriment to do so. My long experience as a builder and contractor does not tell me where jerry-building is going on, more especially in the metropolitan area. There are the local government building surveyors. No building can be erected within any municipality or road board area without the plans having been submitted to the local authority for approval. It is a poor road board secretary who has not some knowledge of building requirements; and the building surveyors in the metropolitan area know the business of building from start to finish, and they will not pass plans which do not specify proper material and safe construction methods.

Hon. H. S. W. Parker: Is it not a fact that a building surveyor merely looks at the plans and never at the building?

Hon. A. THOMSON: No.

Hon. L. B. Bolton: Not at all. He goes to the big buildings daily.

Hon. A. THOMSON: A building surveyor has the right to go on a building in course of construction in order to see whether the requirements of the Building Act are being complied with.

Hon. H. S. W. Parker: Then what is the object of the Bill? What is a jerry-builder?

Hon. A. THOMSON: In my opinion, there is no need for the measure.

Hon. G. Fraser: How many local authorities have building surveyors?

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. THOMSON: The Bill imposes increased restrictions and, in my opinion, must ultimately mean increased costs. It is actually provided in the Bill that if a man improperly assumes the title of registered builder, he will be fined anything from £30 to £40. Then the board is to receive £12 10s. a year at the rate of £1 1s. a sitting, and is to have extreme powers. It has the right to determine the course of training for a builder. If the Bill be passed, all builders, includ-

ing jerry-builders, will be recognised as builders. So we are not protecting the community against indifferent building. The registration will cost a guinea per annum. I do not know how many contractors and builders there are in the State, but certainly the board will receive a considerable sum by way of this annual subscription. It is provided that one who desires to be examined must pay £3 3s., and, after passing the examination, he has to pay 10s. 6d. for registration, 2s. 6d. for his certificate, and the annual fee of £1 1s. If he should fail to maintain that annual fee, he automatically ceases to be a registered builder, and so will not be able to carry on his trade. Generally speaking, it is claimed that by the Bill, if it is passed, making every builder a registered builder, we shall have a better type and class of building erected. I join issue with the sponsor of the Bill in that regard because, as I indicated before tea, anybody who is about to erect a building of any importance at all naturally employs an architect or, failing an architect, he employs a contractor of some reputation; so those desiring to erect buildings are already safeguarded in that respect, in addition to which, of course, all plans must be passed by the building surveyor. I do not desire to deal with all the clauses of the Bill, for I hope the Bill will not be passed. My main reason for opposing it is that I cannot conscientiously vote for a measure which would debar any man from exercising the same privilege as I exercised myself. When I first came to Western Australia, 40 years ago, I was working as a carpenter, and that, too, without any examination.

Hon. H. S. W. Parker: What did your employer think of you?

Hon. A. THOMSON: He did not give me the sack, so presumably he was satisfied with me. If the Bill should pass, I do not think any contractor would be keen upon continuing to employ a tradesman who was seeking an opportunity to start for himself. I do not say the employer would dismiss that man, but I have known of such things being done and, if the man were dismissed, he might find difficulty in obtaining further employment. Coming to the question of apprentices, it has been argued that if the Bill becomes an Act, the registered builders and contractors will be able to enter into agreements with the apprenticeship board and so more apprentices will

be trained. But I want to know what prevents the apprenticeship board from entering into agreements with reputable contractors to-day, in order to reach that same desirable end. If the Bill becomes an Act and the builders and contractors are registered, the average contractor will still not be in a position to take on the responsibility of training an additional number of apprentices. The apprenticeship board to-day has power to provide for apprentices. A new system which rather appeals to me is being introduced in New South Wales. The president of the Master Builders and Contractors' Association (Mr. W. L. Brine) raised strong objections to the new system. I know that when the war concluded a large number of men in this State went through the trainees' course, and many of them are carrying on their trades to-day. In my own district there are two who were trainees and who to-day are contractors and are giving satisfaction to those for whom they erect buildings. Assuming the Bill passes and we get a certain additional number of apprentices, in consequence, a builder advertising for a carpenter will take the first man that comes along, and if that man does not suit, the employer will get rid of him. But let me deal with the position in New South Wales. As an alternative to the indenturing of apprentices, the Apprenticeship Commissioner in New South Wales, Mr. McIntyre, has drafted a Bill for submission to the Minister proposing an extension of the trainee system of apprenticeship. This idea has been gaining ground in the Eastern States and has already been introduced in certain districts in New South Wales. The plan has been thoroughly well discussed by unions of bricklayers, carpenters and others interested in the question of apprentices. Even the unions admit the merits of the new scheme. It has been suggested that some action should be taken by the Government to enable boys to attend the training school and the technical college and receive sustenance while doing so. That is what is proposed in New South Wales, and I should have thought the Builders and Contractors' Association of Western Australia, in view of the serious shortage of tradesmen and the unfortunate position of apprentices, would have welcomed some system which would enable our youths to find employment. To-day if a youth has had a good training and

completed his indentures, he has to be paid a journeyman's wages, with the result that the employer cannot afford to keep him. If we had some such system as I have outlined, in a very short space of time, say, within three years, a number of boys would make good. Mr. Brine said he did not favour the trainee system of training men for the building trade. Recently his association opposed the introduction of the training of apprentices as conducted in New South Wales. He said the particulars of the New South Wales system had been considered by the members of his association and, in consequence, the system was not regarded as applicable to this State. Mr. Brine also said he disagreed with the statement made by Judge Beeby in the Arbitration Court last week to the effect that the apprenticeship system was collapsing. For my part I agree with Judge Beeby. Indeed, many consider that from his decisions it cannot be thought he is biased in favour of the employers. We have that man, with his experience, sitting on the Arbitration Court bench and considering the position facing so many of our youths to-day. He is frank enough to say that from his considered experience the apprenticeship system is collapsing. I am wholly in accord with that. It seems to me there is some sort of co-operation between the unions and the Builders and Contractors' Association. I have spoken previously in the House as to the position of our youths, and I certainly cannot see that the passing of the Bill will improve that position or in any way facilitate the teaching of trades to our boys. The chief objection I have against the trade apprenticeship system is that it affords opportunity for exploitation by unscrupulous persons. That evil, if I may use the term, has been with us for endless time, and will be with us to the end of time. Unfortunately there are always some unscrupulous people, but if one studies the interview given by Mr. Brine it will be seen that he considers that all building trades should be brought into line and that the machinery should be sufficiently elastic to overcome difficulties that have retarded the training of apprentices in the past. He goes on to say—

I am very much of the opinion that the registration of builders and proper co-ordination between registered builders and the apprenticeship board would enable a large number of apprentices to be absorbed by the building industry almost at once.

If the position is that a large number of apprentices can be employed at once, because this Bill will come into existence, why are not the builders engaging apprentices now? Why are the Builders and Contractors' Association of Perth shirking their responsibilities? Definitely they are shirking their responsibilities because they can work under the provisions of the apprenticeship board now seeing that it provides that employees can be transferred from employer to employer. Therefore to raise that argument so as to get the Bill through is fallacious. Further along in the interview we find what is underlying all this. They say that a large number of apprentices could be absorbed in the bricklaying, plastering and stonemasonry sections of the industry. These are what might be termed rather dirty jobs, and naturally an apprentice has a leaning towards clean work. It is an accepted principle that a larger amount of money per day is paid for work that is dirty. The interview goes on to say—

Registration of legitimate builders would overcome many of the disabilities which occur under the piece-work and sub-letting which now exists. Registered builders would have to observe awards issued by the Arbitration Court and the excessive price cutting which makes it impossible for those who adopt it to work ordinary hours and earn the minimum rates would be obviated.

Hon. members will notice that the sting in the interview is in the tail. If we were to go through a list of contractors in Perth to-day, probably we would find quite a number of them started off as piece-workers, that is, they did their work and gained experience and ultimately decided to advance by taking on the whole of the work. Again I say, as far as price-cutting is concerned, if the architects and engineers mentioned in the Bill believe that by the registration of builders or contractors they will get better work done, or that the price will not be cut as much as it is to-day, I tell them that they have the remedy in their own hands. They make up their estimates and submit them to the clients. Then when tenders are invited perhaps someone will put in an absurdly low figure. It is then the duty of the architect to say that the man cannot give a satisfactory job. There is another aspect. It is provided that a man shall pass an examination, but as far as I can see the most important thing about which the merchants are complaining is that no stan-

dard is set regarding financial backing. Thus a man may pass an examination and satisfy the board that he is practical and he can immediately start off and there is nothing to prevent him cutting the price.

Hon. L. B. Bolton: That is so in any business.

Hon. A. THOMSON: I am only dealing with the contractors' interview which appeared in the Press. The position as far as I can see is not going to improve in respect of the price of a job. Competition will be just as keen as it is to-day. Personally I can see that there is nothing to be gained by the Bill. I think it was Mr. Miles or Mr. Holmes who interjected, and the interjection is worth repeating, that the Bill will impose an additional restriction on personal effort, and one of those gentlemen added that very soon a hen would have to get permission to lay an egg. It seems to me that every measure brought before Parliament is an additional restriction and an endeavour to throttle the desire of an individual to get out of the rut. I cannot conscientiously vote for a Bill which will bar any man setting out for himself as I did 40 years ago, and therefore I shall oppose the second reading.

On motion by Hon. H. V. Piesse, debate adjourned.

BILL—STATE TRANSPORT CO-ORDINATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th September.

HON. H. V. PIESSE (South-East) [7.53]: I intend to support the Bill because I feel that Mr. Thomson was fully justified in bringing it forward, on behalf more particularly of those people in Kojonup who, in my opinion, have had a very bad deal from the Transport Board. Mr. Thomson has been consistent throughout in connection with this particular Act. When it was before the House in December, 1934, he moved an amendment with reference to the appeal clause. At that time we were told that the object of the measure was to co-ordinate traffic and I gave it good support. We were practically told by the Minister in charge of the Bill, and we also read in the reports of the debates in another

place, that if we did not agree to it there were other methods by which the object desired could be attained, namely, to raise the license fees for vehicles to such an extent as to drive them off the road. Kojonup is 240 miles from Perth by rail as against 166 miles by road. The residents of that district I consider were badly treated by the board. The Chief Secretary when speaking on the Bill said that the main object Mr. Thomson had in view was the licensing of such places as road boards or municipalities. That is an absurd statement because, after all said and done, one could understand the present Government wishing to establish a trading concern or perhaps a municipal trading concern. But by no stretch of the imagination could it be suggested that Mr. Thomson, who so forcibly opposed anything of the kind not long ago when it was proposed that ice chests should be manufactured by a certain road board. I remember that he and other members opposed the idea very strenuously. I cannot for a moment see how it would be possible for a road board or a municipality to carry on a trading concern for the conveyance of goods to or from country districts. The right of appeal has been given to every man in the country and it is one of the traditions of the British Empire. Therefore, why should not also the motor transport man have the right of appeal, if not to a local magistrate, as is the case in Victoria, then to a judge? When the Act was passed, motor transport drivers were practically forced into the position of accepting a six months license in lieu of the right to appeal. Quite a number of men were in an awkward financial predicament at the time by reason of their having purchased trucks on the time payment system. They had their promissory notes to meet and they knew that if they did not continue for the additional six months allowed them, they would lose their trucks. The result in many cases was that rather than allow their vehicles to return to traders, by reason of the inability to meet the promissory notes, they decided to make hay while the sun was shining and carried on operations for six months, and so forfeited the right to appeal. Another foolish statement made by the Minister was that of the wiping out of the fat lamb industry in Kojonup. I happen to

know a good deal about that and the sheep industry and I am aware that the Kojonup district during the past two or three years has produced excellent quality lambs because of the marvellous results that have been obtained from the planting of subterranean clover. I have here a letter I should like to read from one of our successful men at Cherry Tree Pool 14 miles south of Kojonup. The writer's name is O'Halloran and the letter, which is dated the 8th August last, sets out the position very clearly from the farmers' point of view. It reads—

In connection with the State Transport Co-ordination Act, the Kojonup committee would be glad if you would (if opportunity offers) mention our difficulties in Parliament. In the first place we consider that an Act of this description is unfair, and not in accord with Parliamentary traditions of British justice, as it places a big burden on us for the benefit of the general public. I have to-day been to Kojonup and bought plough shares. I complained of the price. Mr. Logie, the agent, stated that he cannot sell shares, discs, machinery parts, etc., as cheaply as before the Transport Act operated, as he sells at Perth prices, plus freight. There are also delays when urgent parts are required.

Petrol.—As you know, two companies have each erected expensive depots and distributing arrangements in Katanning, and have equipment for buying petrol from Perth in bulk. Since road transport was made illegal, these two firms have a monopoly. Local merchants previously brought petrol down by road, and cut prices by twopence per gallon. This was possible, not because the larger firms were charging exorbitant prices, but because road transport was cheaper than rail, also competition keener. The present method is for petrol to be railed from Fremantle to Katanning (say, 240 miles), then sent by road to Kojonup (an extra 26 miles). It has now travelled 266 miles, 240 miles by rail and 26 miles by road, and has finished up 160 miles from Fremantle (road distance). It only wants a bit more transport, and it would be back where it started from. I, who use this petrol, am 12 miles closer again to Fremantle than Kojonup, so that it (the petrol) has nearly completed the round journey.

Wool.—I use Carlecatup Siding and always have, it is my nearest siding. Distance from Fremantle by rail 260 miles. From my woolshed to Fremantle 160 miles, in addition I have to cart 12½ miles to siding. It means that after my wool has travelled 100 miles at my expense, it is no nearer its destination than when it left home. There are hundreds of farmers in the same or worse position than myself as regards geographical disadvantage. All primary producers, with the exception of the wool grower, are allowed to cart their own produce to market in their own motor conveyance. There is nothing in the Transport Act that makes this invidious distinction against the

wool grower. It is purely the action of the Transport Board.

A few comparisons—

Plough shares—road, 2s. per dozen; rail, 4s. per dozen.

Chaff bags—road, 10s. per bale; rail, 20s. 8d. per bale.

Set harrows—road, 18s.; rail, 25s. to £2 14s. 4d.

Separator—road, 6s.; rail, 13s.

Mettors' stove—road, 7s. 6d.; rail, 19s.

Tobacco—road, 3s. 6d.; rail, 13s. 8d. per cwt.

Motor tyres—road, 1s. 6d.; rail, 3s. 3d.

Some of these prices may have been modified by recent reductions, but they are so small as to be of no account.

Fat lambs.—Some growers have been forced to give up the fat-lamb industry business, any distance above 12½ miles from siding (or say, 15 miles) (Thorn of Lumeah, for instance). It is necessary to leave the farm on Monday afternoon (lambs have to be previously separated from their mothers) to catch Tuesday's train. They are sold on Wednesday morning. A local carrier, Paynter, had a double-decker truck. He left at 4 p.m. on Tuesday and arrived at Midland Junction before 8 a.m. on Wednesday; of course we can send fat stock by road, but carriers are not allowed to bring back loading with the exception of super. They would thus have to put up their prices for stock so high that they have been driven out of business; anyhow Kojonup draws its super. from Pieton, and not from Perth.

In Victoria the Transport Board refused to renew a carrier's road license on the ground that the Railways were not paying, and that it was necessary in the national interest to prohibit road transport. He applied to the Supreme Court (or High Court, I forget which; I have sent away my copy of the judge's summing up). The court stated that this was insufficient reason for refusing a license to a road carrier. In Victoria it is necessary when the Board refuses a license to state the reason.

That settler represents one of many men in the Kojonup district who are suffering grave disabilities with regard to the transport of their goods. I have been a particularly loyal supporter of the State railways all my life. I have received excellent service. I have transported from Kojonup between 4,000 and 5,000 bales of wool since 1911 and a similar number from Katanning. On no occasion have I used a motor lorry to transport my wool to Fremantle. It will be agreed, therefore, that I have been particularly loyal to the Railways. There are perhaps reasons for that loyalty. When I consider the position of some other settlers, I think that, were I similarly situated, my loyalty in that respect would have been more

than strained. Take the position of the producers at Boscabel who have to cart their wool 20 miles to Kojonup; it then has to be transported 240 miles, whereas if they could send their wool direct to Perth, it would require a journey of 146 miles only. It will be recognised that the extra cost of transport is exorbitant. The producers at Boscabel have had a hard struggle. They had to contend against poison plants. Their properties are grazing propositions and the settlers are not blessed with much of this world's goods. They have had a desperate struggle indeed during the last four or five years. For my part, I have to cart four miles to the siding and some of my men, with one small lorry, have loaded 100 bales of wool in two days. When I contrast my position with that of the Boscabel people, I feel that, were I in their position, my loyalty to the railways would be strained to the utmost.

Hon. H. Tuckey: Why are their goods sent via Spencer's Brook?

Hon. H. V. PIESSE: It is exactly the same distance via Boyup Brook.

Hon. H. Tuckey: The road goes through Boyup Brook, so the distance would be the same.

Hon. H. V. PIESSE: But a grower is not allowed to send his wool by road unless super is carted on the return journey.

Hon. A. Thomson: That is not correct, because they will not allow you to cart wool at all.

Hon. H. V. PIESSE: Then I stand corrected. I have had many dealings with the State Transport Board. I appreciate the courtesy extended to me by members of that body and by their secretary, who has always been ready to supply me with the information I required. The fact that those men are loyal to the State and its interests does not mean that they are infallible and do not make mistakes. The people of the Kojonup district hold that the Act is inequitable and places a burden on them that is not justifiable. The feature that affects them adversely is the question of delay rather than the payment of present-day railway freight. When I supported the Bill originally in the House, I was given to understand that road transport would not be completely wiped out but would be given a chance to haul goods on a competitive basis against the railways. On

the other hand, we know that there have been only one or two licenses granted and, in view of such circumstances, surely there should be the right of appeal. The producers of Western Australia should be in much the same position as those of Victoria. Some little time ago a man in Victoria sent me a copy of the judgment delivered by the Chief Justice, Sir William Irvine, and other judges constituting the Victorian Full Court, in dealing with the case of a man who had applied for a license and had been refused one. I shall not read the full judgment, but I have prepared a digest that reads as follows:—

The motion of Mr. Thomson for the addition to our Act of a section giving the right of appeal from a decision of the Board to the Supreme Court is fully supported by the judgments of the members of the Full Court of Victoria in McLean's case, delivered on the 29th November, 1934. In this case the Victorian Board refused to grant a license to McLean, taking into consideration the deficit in the State Railways accounts. The Victorian Act seems, from the references to it in the judgments of the Court, to be as indefinite in its wording, so far as regards the Railways, as the Western Australian Act is. The three judges, who comprised the Full Court, were unanimous in their decision that the Board should not have taken into consideration, as one of the grounds of its decision, the fact that a current, or any deficit, in the Railways accounts occurs, and allowed the appeal with costs against the respondent.

I am not saying that the Western Australian Board can, or cannot, take a matter into consideration when deciding the granting of a license, but the judgment clearly demonstrates the absolute necessity of embodying the right of appeal in our Act. Without the right the Victorian Board would not have been acting in accordance with the law, and gross injustice would have been done, yet there would have been no redress. There is no reason to think that our Board are any more astute than the Victorian Board or would be less liable to err in making their decisions, and it may well be that many of their decisions are erroneous in law but, under the present circumstances, there is no redress. The Western Australian Board can, whilst the present law is in operation, continue to inflict injustice upon the people who are in the hopeless situation of being unable to apply to a higher tribunal for justice.

There is nothing in the judgments of the judges in the above case of use in support of the broad principle of the right to appeal, but the strong point to be gathered from the case is that a board are liable to make errors and, without the intervention of the court, such errors cannot be remedied.

On motion by Hon. A. Thomson, debate adjourned.

MOTION—TRANS-AUSTRALIAN RAILWAY.

Kalgoorlie-Fremantle Section.

Debate resumed from the 17th September on the following motion by Hon. A. Thomson (South-East):—

That, in the opinion of this House, before any definite decision is arrived at regarding the construction of the Trans-Australian railway from Kalgoorlie to Fremantle, a report should be prepared by the Transport Board in accordance with the provisions of Section 11 of the State Transport Co-ordination Act, and be subject for the consideration of both Houses of Parliament; the Transport Board particularly to investigate a route from Coolgardie, linking up with the Corrigin-Brookton line, thence to Fremantle via Armadale.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [8.14]: Mr. Thompson asks the House to approve of a motion expressing the opinion that, before any definite decision is arrived at regarding the construction of the Transcontinental railway from Kalgoorlie to Fremantle, a report from the Transport Board should be submitted to Parliament, and that the board should particularly investigate a route which Mr. Thomson has specified. I shall have little to say on the motion, because I am not aware that there is any proposal to construct such a railway either at the present time or in the near future. Mr. Thomson assumed that the railway must be built for military purposes. I have no doubt his assumption is correct, the only question being—when? If it is to be built for military purposes, one can easily conclude that the responsible party—the Commonwealth Government—will be more inclined to follow the advice of their military experts than the advice of a board constituted for the co-ordination of traffic.

Hon. A. Thomson: What about the position in South Australia at the present time?

THE CHIEF SECRETARY: I feel sure, however, that if the question came within the realm of practical politics, and, for some reason or other the Commonwealth Government required the assistance of the State Transport Board, the State Government would be willing to make the services of the board available and to supply any information within their power. Before offering suggestions to the Commonwealth Government, we should wait until we are asked for them.

Hon. J. J. Holmes: Did not the State undertake at one time to build that section of the line?

The CHIEF SECRETARY: I am not aware of it.

Hon. J. J. Holmes: I think that if the Commonwealth built the railway to Kalgoorlie, we were to build the other section.

The CHIEF SECRETARY: We hear a lot about the invasion of State rights, but surely the Commonwealth have rights if it is a military railway that is to be built.

Hon. E. H. Angelo: That is one of the arguments in favour of it.

The CHIEF SECRETARY: I am dealing with the principal argument advanced by Mr. Thomson. He put forward the proposition that it was to be a military railway. In that event it should be a railway that would, as far as possible, achieve the purpose intended.

Hon. A. Thomson: Even if it knocks our own railway out of existence?

The CHIEF SECRETARY: Mr. Thomson's proposal may be an ideal one. Neither I nor any member of the House nor any member of the Transport Board is qualified to say whether it is or is not. It seems to me that if Mr. Thomson, when the time is ripe, addressed a letter to the Prime Minister pointing out the merits of the scheme—

Hon. A. Thomson: I have already done so.

The CHIEF SECRETARY: —the proposal would, no doubt, be examined by military experts and given impartial consideration. For the reasons I have stated, I do not think he should go to the length of asking the House to endorse his motion.

On motion by Hon. A. Thomson, debate adjourned.

BILL—REDUCTION OF RENTS ACT CONTINUANCE.

Second Reading.

Debate resumed from the 25th September.

HON. H. SEDDON (North-East) [8.19]: I have only a few words to say on the Bill, which is one of the continuation measures in connection with the emergency legislation. The Act was intended to apply to only a few long-dated leases chiefly in the metropolitan area, but by its incidence it has extended to the goldfields. In 1930 the position on the goldfields regarding leases for business purposes was far different

from what it is to-day. A good many of the premises there, which were let on very cheap leases, have been held up on account of the incidence of this Act, and the owners have not been able to get the rents to which they were entitled. On the other hand, the rentals for some premises have been raised to something like an amount commensurate with the value of those premises. With the improved figures, chiefly in the metropolitan area, we can well afford to allow this measure to lapse, and I intend to vote against the second reading.

HON. J. J. HOLMES (North) [8.21]: It seems to me that this legislation, if it ever had any usefulness, has outlived it. Last year the then Acting Premier, Mr. McCallum, referred to it and said it had imposed hardships on some people, and while he would not deal with the matter then, it could be dealt with this session. Yet here we are again with a proposal for continuance. It is a measure that we cannot amend; we are simply asked to extend the operation of the Act.

Hon. H. Tuckey: Do not you think that the percentage should have been gradually reduced?

Hon. J. J. HOLMES: No. I consider that the framers of the Premiers' Plan rightfully excluded this legislation from the emergency measures.

Hon. G. Fraser interjected.

Hon. J. J. HOLMES: The hon. member will have an opportunity to speak later on. The framers of the Premiers' Plan excluded rent reduction from the emergency legislation. It was left to the State to introduce that measure.

Hon. G. Fraser: And also to reduce workers' wages.

Hon. J. J. HOLMES: When the hon. member has finished, I will continue. Those who framed the emergency legislation knew, as we all knew, that the landlord must treat his tenants as customers, and unless he allowed them to live, he would lose his customers. The reduction provided for did not meet the case at all. Rents fell, not by 22½ per cent., but by 50, 60 and 70 per cent. for the time being. Now that the matter is automatically rectifying itself, surely the landlord is entitled to some consideration. If members of the Legislative Assembly could go to their electors and say, "We have got back everything for you," and members of the Legislative Council had to go to their

electors and say, "We have got nothing back for you," it would not be fair, particularly in view of the fact that the principle of the whole of the emergency plan was equality of sacrifice. Anyone acquainted with the condition of affairs in Perth during the last five years must be aware that the Act was of no use at all. Conditions automatically rectified themselves by loss of trade, which meant a reduction of rents. The difference between a landlord and a mortgagor is this: when a lease runs out the landlord cannot let the same premises at a higher rental than existed at the time the emergency legislation was passed, less the 22½ per cent. No matter how much conditions may have improved in the locality in which his premises are situated, he cannot ask a higher rental than existed at the time less the percentage.

The Honorary Minister: That is hardly correct.

Hon. J. J. HOLMES: Of course he could apply to the Commissioner, but why put him to unnecessary expense when the conditions justified an increase? Take the mortgagor: when his mortgage becomes due, he has not to go to the Commissioner. He can pay off the money and borrow more cheaply from somebody else. The landlord cannot do anything.

Hon. J. Nicholson: Neither can the mortgagee.

Hon. J. J. HOLMES: No; except with the Commissioner's approval, he also is tied up. Much has been said regarding the effect upon large premises such as hotels, shops and business premises in good localities. Anyone who knows anything about business is aware that the tenant of a hotel in a good locality, when his lease has only three, six or twelve months to run, seeks an extension, and anything less than perhaps five years is of no use to him. The landlord cannot put up the rent and he says to his tenant, "I am sorry but you will have to go out. I will run the place myself." Then an agreement is made with the tenant in order to get behind the Act which was supposed to protect him. He offers so many hundreds or thousands of pounds for a five years' lease at the same rental as he is paying at present. That is what a tenant has to do if he wants a lease, especially in a locality where business is good. To give another instance, a man might have premises to let in a locality where business is good

and he is on a reduced rental. He might have other premises in a town where business is apparently flat out. He cannot take advantage of the improved conditions in one locality, and he is down and out in the other because of the effect of the Act. I know of premises in Perth whose owners have been hit very hard. Big companies who have not had too good a run have had large premises to let including suites of offices. One was let to an overseas shipping company, perhaps one of the wealthiest in the British Empire. Another was let on lease to one of the most prominent and successful interstate shipping companies. Under the Bill, whilst these companies did not suffer, the owners of the premises were forced to reduce the rent 22½ or 25 per cent. as the case may be. One of the overseas companies built their own premises. When these were completed, they walked out of the other building, and the owners were left to pay rates, taxes and interest. The premises remained vacant for some time.

The Honorary Minister: That is not the fault of the Act.

Hon. J. J. HOLMES: It is. It is interfering with legitimate business. It prevents the landlord and tenant from making a bargain to suit themselves. I could take the Honorary Minister to Fremantle where there is a big two-storey building in a good locality. Part of that building was occupied by a wealthy overseas shipping company. A great part of it was empty when the Act was passed, and yet when it came into force the rent of the company was reduced by 22½ per cent. or 25 per cent., with consequent damage to the port of Fremantle. I could mention case after case of the same kind. People who came to Perth in the early days desired to acquire land on which to build a home. The descendants of these people are, many of them, here to-day. Some were not able to build on their own land, but they allowed men with money to do so on long leases. The tenants have enjoyed all the prosperity of the country. They were in possession of the premises on a ground rental, and have had their money back time after time. When this Act came into force the paltry ground rent was reduced by 22½ per cent. Could anything be more unjust?

Hon. H. V. Piesse: They could appeal to the court. I know of several cases of that kind.

Hon. J. J. HOLMES: Those people had only the ground rent to live upon.

Hon. H. V. Piesse: I know of a case in which redress was given.

Hon. J. J. HOLMES: Mr. McCallum realised the injustice of many of these things, and perhaps we have not now so sympathetic a Minister in his place. Why should the descendants of the early pioneers, who have only the ground rent of their land to live upon, have to employ solicitors to frame their case for relief so that it may go to the court? The jurisdiction of the court is so limited that the commissioner is bound to say "no" in almost every case. This House was misled over the Bill. We were told it was part of the Premiers' Plan. It was never part of it. I do not want members to confuse the issue and say, "We are carrying on all the other emergency legislation; we must carry on this one." This is a piece of legislation which ought never to have been proposed, and is not part of the general emergency Plan. I shall vote against the second reading.

On motion by Honorary Minister, debate adjourned.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the 4th September.

HON. H. S. W. PARKER (Metropolitan-Suburban) [8.35]: The time has arrived when this emergency legislation should be overhauled. The Act which this particular Bill seeks to amend restricts trade and the investment of money. Considerable sums of trust moneys are available but there is no demand for them. I speak of the type of money that is invested in property showing an equity of about 33 per cent. It is not a question of the rate of interest or the security. There is no turnover. Money is usually let out on mortgage for three or five years. At the end of that time the mortgagee requires his money for some other purpose, and the mortgagor gets an investment elsewhere without much difficulty. There is considerable interchange of money and much business is done through mortgage brokers. Nowadays the mortgagee cannot get in his money unless he is able to show extreme hardship, a thing that is very difficult to do. The

mortgagors rely on the Act. In many cases they take no interest in the property. They say to the mortgagee, "You can look after it." The commissioners have to follow the law in its entirety with a judicial mind. If a person makes application and shows that the mortgagor has not paid the rates or taxes, and has allowed the place to fall into disrepair, and the excuse is offered that owing to his financial position he is not able to do any better, the commissioners are able to do very little.

Hon. H. V. Piesse: That is not so in the country.

Hon. H. S. W. PARKER: I am speaking of Western Australia. The judge is unable, in view of the wording of the Act, to do what he would like to do. He makes an order, and the mortgagee goes into possession. Anyone who knows the law of equity will understand that a mortgagee in possession is in a very precarious position. At all times he is liable to be shot at, and must keep an account of the minutest detail, otherwise the mortgagor can come upon him at a later date. A matter came before me quite recently. Prior to the Act coming into force, notice had been given to a mortgagor calling up the moneys due to a trust estate. The beneficiaries were not in an embarrassed position and could not plead extreme hardship. In this case the mortgagor was continually in arrears with his interest, and he failed to pay the rates and taxes. Eventually an order was made for the mortgagee to enter into possession, but only after the mortgagor had left the house. It was necessary to repair the premises and put them in order, and to arrange for the payment of the water rates, municipal rates and taxes. The mortgage was for about £450. An offer of £500 was recently made for the property. The man in question is in the country. He has taken no notice of letters repeatedly sent to him, until an impertinent letter came asking for details. He got full details, and it was suggested to him that if he signed a transfer for the amount in question, the difference would be paid to him. The amount owing now is greater than was owing at the time the order was made, because the property has been improved. It turned out that the man's wife held a second mortgage, which would have to be discharged. He ignored the whole thing. Eventually he wrote and

suggested that the land agents were not sufficiently alive, and that they should get busy and advertise, of course at the expense of the trust estate. He said if the property was well advertised and put up for auction it might fetch £500, the amount of the offer already made. That is typical of many mortgagees. One can inquire at various places. It is no use going to the court to make a search to find out what orders are in force, what orders have been granted, and what orders are in abeyance. People will not apply. If one goes to the trustee companies, who I would suggest are the biggest mortgagees in Western Australia, one is told that they never apply unless they have a case of a mortgagor walking out. One has to have an extraordinary case before it is any use applying at all. If one applies, it means money, the proceedings are not by any means cheap. The mortgagor has to be found, and the papers have to be served on him. If he happens to be any distance from the town, a shilling a mile has to be paid for service. Many of the mortgagors who clear out get well away; and occasionally it is highly difficult to find them. I quite realise that it is not opportune to wipe out this Act. Unfortunately the time has not arrived when we can do away with it. But I do think the time has arrived when the onus should be thrown on the mortgagor instead of the mortgagee. That would have this effect, that in many instances—such as the case I mentioned—if the mortgagee received notice that the mortgage was called up, he would not worry nor would he attempt to apply to the court for protection, knowing full well that the property was only the value of the mortgage or a little more and that there would be no advantage in staving off the evil day. In most cases the property cannot be improved; it can only go back. There would be no legal costs or expenses incurred under the conditions I have outlined. The matter would go through, and everybody would be quite satisfied. There are many mortgagors who hang on in the faint and extremely uncertain hope that their properties will increase in value—why, I do not know. The mortgagor has bought on the top of the market; he has borrowed to the utmost capacity of the property; and the property is not worth the amount of the mortgage. If the onus were placed on the

mortgagor to apply to the court for protection, the matter would be on the same basis as the relief of tenants and purchasers. I feel quite sure that under those conditions justice would be done. The mortgagor would be fully protected, and in many instances at no expense. Equity would look after the interests of all parties concerned, and more so than is done under present conditions. The disease was undoubtedly bad at the time the Act came into force, but I think the remedy is now as bad as the original disease. The remedy is becoming an evil. Many mortgagors are taking the utmost advantage of the Act, and doing so not at all in the way it was originally meant they should to obtain the advantage of the measure.

Hon. J. Nicholson: Can you recall whether the original Bill, as introduced in another place, did not provide for the method you just now mentioned?

Hon. H. S. W. PARKER: I cannot recall that. I know that in Victoria the method I suggest is the one which is in force. There it is the mortgagor who applies.

Hon. E. H. Angelo: I think that is how the provision was in the original Bill here, but it was amended.

Hon. H. S. W. PARKER: I cannot bring that to mind. I certainly do not propose to vote against the Bill, but I do sincerely trust that the Government will see fit, if they have the opportunity next session, to bring in a Bill in the way I suggest, enabling the Act to be amended; otherwise I fear I shall have to vote against the measure.

HON. E. H. ANGELO (North) [8.51]: To be consistent, I must vote against the second reading of the Bill, for the same reason as I set out on the measure dealing with rents. When the emergency legislation was introduced, we were promised that there would be equality of reductions, that as one measure was lightened, so would the other be.

The Honorary Minister: Who promised you that?

Hon. E. H. ANGELO: The Minister who introduced the emergency legislation in 1931. Now we find relief being given to certain sections of the community but not to others. I quite agree with Mr. Parker that there may be cases of hardship which should have relief. I will vote against the second read-

ing of this Bill; but if the Government introduced a measure on the lines set out by Mr. Parker—that in cases of hardship the mortgagor would go to the court for relief—I would support it.

HON. G. FRASER (West) [8.52]: I support the second reading. I fail to understand why the difficulties outlined by various speakers should be encountered. The principal Act was introduced to protect certain people. Glancing through the sections, it seems to me that the Act requires full grounds for taking action. We are told that the measure has been abused in various cases. To me it seems highly difficult to get round the Act, particularly Section 8, which provides that applications for leave to take advantage of the measure shall be made in the manner prescribed by rules of court and that the court in dealing with any such application shall consider whether by reason of the wasting nature of the security the mortgagee is likely to be seriously prejudiced by the continuance of the mortgage, and whether the mortgagor is able to redeem the mortgaged property from his own money or by borrowing at a reasonable rate of interest. Those appear to me to be two difficult conditions for a mortgagor to get round.

Hon. H. S. W. Parker: It is almost impossible for a mortgagee to get round them.

Hon. G. FRASER: To me it seems that the difficulty is on the mortgagor. The phase is one which the mortgagor has to encounter if he is brought before the court.

Hon. H. S. W. Parker: No. The other party has to prove those things.

Hon. G. FRASER: But the mortgagor has also to prove that he is not in a position—

Hon. H. S. W. Parker: No; that is not so.

Hon. G. FRASER: The position is that the mortgagor has to prove that he is innocent, apart from the onus on the mortgagee to prove the mortgagor guilty.

Hon. H. S. W. Parker: Not at all.

Hon. G. FRASER: The next requirement is that the court has to satisfy itself whether the conduct of the mortgagee in respect of the breach by him of any of the covenants of the mortgage has been such as to render him undeserving of the benefits of the Act. Those requirements, in my opinion, give the mortgagee ample room to prove his claim.

Hon. H. S. W. Parker: You are quite right; they do. They are so ample that one cannot get round them.

Hon. G. FRASER: In my view, they give the mortgagee all the protection he needs. I am unable to follow the hon. member's argument that if the provision was reversed and the responsibility for applying placed on the mortgagor, all would be well. Here is an Act passed to protect certain people. Now the hon. member wants to reverse it and put the people protected to the expense of protecting themselves.

Hon. H. S. W. Parker: Can you understand the Act relating to relief for tenants?

Hon. G. FRASER: Yes; but this is an entirely different matter. I think it will be rather an overturn if legislation introduced to protect somebody is to be reversed so as to throw the responsibility and cost of the protection on that somebody. I must also refer to the mention by Mr. Holmes that certain things were not in the Premiers' Plan. Certain things not in that plan were supported by the hon. member. To-night he saw virtue in something not included in the Premiers' Plan. Previously he did not see the same virtue there. The hon. member is often heard to talk about consistency. The Act is necessary for another year at least.

Hon. E. H. Angelo: The same thing was said last year.

Hon. G. FRASER: Yes. We know that things have improved. This time last year we thought they might go forward still further. However, we have not advanced so far as we then anticipated. Therefore I consider this legislation should be extended for another year.

HON. J. J. HOLMES (North) [8.58]: This is a Bill to extend the operation of the principal Act; and I shall support the Bill in the hope that the Government, or some Government, next session will bring down a new measure altogether, if necessary, so as to permit of amendment of the principal Act. I entirely agree that that Act should be amended in the direction suggested by Mr. Parker, putting the responsibility for applying to the Commissioner on the person who has borrowed the money, and letting that person prove to the Commissioner that he is not in a position to pay. Many persons have lent perhaps £200 or £300 on mortgage, at a time when they were at work

or possibly occupying positions in Government service, and when, therefore, their pay plus the interest enabled them to carry on. But then they got out of work, or retired from their positions, and now they need the capital to live on—perhaps they have only a couple of years more. They cannot exist on the interest; and they cannot get even that unless they go before the Commissioner and prove that the mortgagor can pay but will not, or that he could elsewhere get the money to release the present mortgagee. That hardship occurs in many cases. The sufferers cannot get the old-age pension, because they have property. They cannot obtain their capital to live upon. Surely that is not a condition of affairs which should exist much longer. If the responsibility were put upon the mortgagor, things would be straightened up considerably. Another thing to be remembered is that there is no justice at all in this Mortgagees' Rights Restriction Act. People who were lending money at 10 per cent. were reduced by $22\frac{1}{2}$ per cent. and they are still getting about $7\frac{3}{4}$ per cent. and will continue to get it until the mortgage falls due. Another person, more reasonable, was charging 8 per cent. and was reduced to 6 per cent. and has been getting it all these years. The third person, still more reasonable, lent his money at 6 per cent., was reduced to 5 per cent. and has been getting it all these years. So the man who tried to be fair has been brought down to 5 per cent., while we have left the first man up at $7\frac{3}{4}$ per cent. One advantage of the Act is that it prevents the usurer from getting back to his 10 per cent. On the other hand, it keeps the second man from getting back to 8 per cent., and the third man from getting back to 6 per cent. In my view a Bill should be introduced putting them all on the same basis of interest.

Hon. L. Craig: The securities may be different.

Hon. J. J. HOLMES: But the man lending the money can select his own security.

Hon. L. Craig: A rate of 10 per cent. as a rule carries a big risk.

Hon. J. J. HOLMES: That may be, but the fact remains that that is what has been going on and will go on so long as this legislation is in force. The only redeeming feature of the Act which is to be continued by the Bill, is that it pre-

vents any mortgagee from putting up the rate of interest to what it was before the Act came into force. But, owing to the condition of affairs that has grown up in this State, with so much money to invest and no profitable investment offering in consequence of the various restrictions such as hours of labour, rates of pay, workers' compensation and the like—all those things have brought about a position in which people are not prepared to put their money into any business that is harassed by those conditions, with the result that they are now looking for the investment of their money on a decent security at less than five per cent. Any person with any reasonable security, when his mortgage falls due, even if it is at $7\frac{3}{4}$ per cent., can borrow the money at 5 per cent. somewhere else. And he will go. If his security be tip top, I am sure he could borrow at $4\frac{1}{2}$ per cent.

The Honorary Minister: All the hardship is on the mortgagee at present.

Hon. J. J. HOLMES: The hardship on the mortgagee, is that his property is tied up and he cannot do anything with it until he gets an order from the Commissioner; and the Commissioner is so tied up that he cannot make the order.

Hon. G. Fraser: The mortgagee is getting a higher rate of interest under the Act than he could if he had his capital returned to him.

Hon. J. J. HOLMES: That is the injustice of it. If it is desired to carry on the Act until the depression is over, the Act should be so amended that if the mortgagee is not playing the game we can make the appeal to the court emanate from the mortgagor, not from the mortgagee. To throw out the Bill now would bring about increased interest, which ought not to be. I will vote for the second reading if I am given any encouragement to believe that a Bill will be brought down next session, a Bill which we shall be able to amend, not a continuation Bill, as this is.

On motion by Honorary Minister, debate adjourned.

House adjourned at 9.7 p.m.