

tion with other nations such as Japan, which has practically no public debt. In consequence, the Japanese are able to place a different value on the purchasing power of their internal money. I believe that constitutes a problem requiring the application of statesmanship. I consider that, as a result of a comprehensive inquiry—I welcome the fullest inquiry because I realise that, from time to time, various nostrums are advanced and are regarded as the cures for all our evils—into the Douglas Credit System, some information may be gleaned respecting one or other of its phases that may prove useful to us.

Mr. F. C. L. Smith: How do you suggest the inquiry should be conducted?

Mr. CROSS: I think it could be undertaken by the Commonwealth Government.

Mr. North: Canada has an inquiry every 10 years.

Mr. CROSS: And I think that is right. Conditions change with the times, and we must meet new conditions with new methods. I believe an inquiry should be held with a view not only to suiting goods to the conditions of human requirements, but to relieving the tremendous interest burden. In the latter connection, I was pleased to notice in the "Daily News" to-night an announcement by Sir Walter Massey Greene, the Commonwealth Assistant Treasurer, that £21,000,000 of our indebtedness has been converted, £15,000,000 at 6 per cent. and £6,000,000 at  $5\frac{3}{4}$  per cent. being converted to  $3\frac{3}{4}$  per cent. That will save Australia over £500,000 in interest. That is a step in the right direction. When we remember that Russia still owes Britain £1,141,000,000, we should expect to receive further consideration. I am of opinion that definite steps should be taken to fund the whole of our national debt at a very low rate of interest. I hope that the inquiry will cover that phase, with a view to seeing what can be done to establish an equilibrium as between the flow of goods and the flow of money. I trust it will be done with a view to wiping out the present paradox of poverty in the midst of plenty.

On motion by Mr. Nulsen, debate adjourned.

*House adjourned at 9.35 p.m.*

## Legislative Council,

*Thursday, 14th September, 1933.*

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

### BILL—FINANCIAL EMERGENCY TAX.

*Second Reading.*

Debate resumed from the previous day.

**HON. A. THOMSON** (South-East) [4.35]: When the Bill was introduced here we were told it was essential that it should be passed, in order to enable the Government to carry on. The assessment measure, which is closely related to this one, has been dealt with by this Chamber, amended and returned to the Assembly for its concurrence, but apparently the Government do not consider it of pressing moment, for they have placed it No. 12 on to-day's Notice Paper in the Assembly. So it seems there cannot be such urgent need for the Government to have this money, else they would have made an effort to discuss the assessment measure, and perhaps go to a conference on it in order to arrive at an agreement. If we were to pass the Bill before us, the Government would be in a position immediately to put the whole proposal into effect. In any case, it seems to me an unheard of thing to bring down a taxation measure before Parliament has had opportunity to discuss the Budget and the manner in which the money to be raised by the new taxation is to be expended. The Financial Emergency Act was passed in 1931, and in view of statements appearing in gold-fields newspapers, one is constrained to believe that the Cabinet intends to amend that Act. If so, we should know in what way it is proposed to amend it. We have had submitted to us some of the emergency legislation, but in my view the whole of that legislation should have been brought down together. I have always been accused of holding the view that Parliament should

have control of the finances. In this instance we are really being asked, as usual with all Governments, to give the Government a blank cheque. Since, if this Bill be passed, it is the intention of the Government to impose very heavy taxation on certain sections of the community, I think we should know in what manner the money is to be expended. We are told it is to provide work for the unemployed. But some of the unemployed are beginning to wonder if the change of conditions has brought them very much benefit. Many years ago, when our soldiers went to play an important part in fighting for the freedom of Australia, a definite pledge was made to them that on their return they would have precedence of employment. I deeply deplore the action of the Government in breaking that pledge. To a deputation that recently waited on him, the Minister for Works said that preference would be given to returned soldiers who were also unionists.

The Honorary Minister: And they are well satisfied with that.

Hon. A. THOMSON: Some may be, but I am sorry to say quite a large number are not at all satisfied. However, it is the policy of the Government, and I suppose it is of no use taking exception to it. Still, I want to draw attention to the fact that the Government have definitely stated they will give preference to unionists in all governmental work. This is distinctly unfair, for under the Bill before us all will be compelled to contribute to taxation according to their means.

Hon. G. W. Miles: Whether unionists or not.

Hon. A. THOMSON: Yes, compelled to contribute, irrespective of what they are. I take no exception to that because, after all, everybody must help to carry on the affairs of the State. But this is the anomaly: that while apparently it is fair and equitable to impose a tax upon all, the Government do not consider it fair to permit men—who have to contribute to the fund which is to provide work for the unemployed—to secure work unless they subscribe to the policy of the Government. That is a wrong attitude for the Government to adopt. I understand that when a Minister takes the oath of allegiance, he undertakes to do justice to all men; so in my opinion Ministers are breaking that oath when they adopt the stand taken by the Government. Apparently the

Government consider it fair and equitable to impose a tax on all sections of the community, but nobody is to obtain work unless he is a member of a union. I admit the unions have done excellent work and materially improved the position of the workers, but this decree by the Government does savour of compulsion. I have been an individualist all my life and I hate being coerced, but that seems to be the position in which many workers are placed to-day. Before the Bill is passed and the proposed taxation granted there should be submitted to Parliament a schedule showing how the money is to be expended. This is a money Bill, and so this House can only request amendments. Personally I prefer a flat rate, because it is very much more satisfactory to those who have to collect the tax, namely the employers, and save a considerable amount of trouble. I wonder if the Treasurer will be prepared favourably to consider the suggested amendments that have been placed on our Notice Paper. The Bill should be held up until the Premier has delivered his Budget speech. Members would then know whether the Government were in need of the funds they are trying to raise, or not. I feel somewhat diffident about discussing this measure, because it will impose upon some people very considerably increased burdens. As things are to-day, people in receipt of an ordinary income are allowed exemptions for their children under 16 years of age. Many such people, however, are obliged to maintain their boys and girls. This is a big drain upon their resources, especially if they cannot get any exemption for their children. One of my constituents told me this week that the tax would hit him very badly. All his children are over the age of 16. Most of them are being trained to follow professions, and are more expensive to keep than they have ever been. Under the present proposal this man would probably have to pay as high as 9d. in the pound out of his income. If a select committee is appointed to make inquiries concerning the Bill, I trust that its work will be effective. I also hope the Government will give favourable consideration to any modifications the committee may recommend. When I was a member of another place, I used to say that the Government frequently took up a constitutional attitude on these subjects. The needs of the State just now demand that both Houses should get together as quickly as possible, and see

whether by a united effort they cannot devise ways and means to help Western Australia out of its difficulties. I hope as a result of the deliberations of the select committee, we may be able to find some way of lightening the burden upon those who are already very much over-burdened.

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

## BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

### *Second Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [4.50] in moving the second reading said: The purpose of the Bill is to ensure the continuance of the principal Act for a further term of 12 months. The Act operates until the 30th June next, but it is necessary each session to pass a continuance Bill for a further period. It is not intended to resume general operations under the Act, although it has been found necessary to use its provisions in the establishment of the miners' settlement at Southern Cross. Settlers have been unable to obtain commercial credit, or to buy machinery on hire-purchase terms, and the bank has been obliged to have recourse to the Industries Assistance Act to provide the guarantee demanded by merchants. Advantage has been taken of the Act to provide sustenance in a large number of cases. The funds that are advanced are raised under the Finance and Development Act. This enables the bank trustees to exercise the powers contained in the Industries Assistance Act. By the operation of this Act, moneys so advanced automatically become a charge upon the crops, as well as the land and chattels of the borrower. This is an advantage both to the department and to the borrower, as it does not hamper the operations nor increase the work of the Agricultural Bank, and at the same time does not put the borrower to the cost of registering securities, as registration becomes automatic. It is only intended to make use of the Act in cases where its provisions can be more effectively employed to provide harvest credit than is possible under the powers contained in the bank's statutes. On the 30th June, 1932, there were 1,339 accounts in operation, and during the ensuing year 83 new accounts were

opened and 4 clearances were effected, leaving a total of 1,418 accounts in operation on the 30th June last. The advances for the year totalled £1,027 19s. 1d. The re-advances to settlers made from proceeds during the year, amounted to £25,552 9s. 0d., and the total collections amounted to £56,736 13s. 1d. The outstanding liabilities on the 30th June were—

	£	s.	d.
Ordinary Section Principal ..	511,478	14	3
Interest ..	81,132	12	5
	592,611	6	8
Funded Section Principal ..	1,070,311	5	5
Interest ..	220,388	13	8
Total .. ..	£1,290,699	19	1

It is necessary in the interests of the people to whom I have referred that this legislation should be continued for a further year, and I therefore move—

That the Bill be now read a second time.

**HON. H. J. YELLAND** (East) [4.55]: Those who have been associated with the agricultural industry for any lengthy period have watched closely the operations of the Industries Assistance Board. As has been said on more than one occasion when the continuance Bill has come before us, it is time the board was closed down and the debts funded. The Honorary Minister, however, has pointed out that this is not always possible. In the case of settlers where it has not been possible to arrange for the funding, it is necessary to carry them on so that the Government may have a security over their properties. One is quite prepared that the assets of the State should be protected by a continuance of this legislation. I am glad to note from the Honorary Minister's remarks that sustenance has been given to those in need of it. If we stopped sustenance and took on new accounts under the Act, that would be doing something which was not intended when last year we allowed the legislation to be re-enacted. The general opinion is that the board should be closed down and its debts funded. I recognise the difficulty the Government are in, however, in supplying sustenance to those in need of it, so that they may continue their operations. Perhaps it was a wise policy to follow. If the Government had not gone to the assistance of those people, no doubt many of them would have been obliged to abandon their farms, and there would have

been an excess of forfeited properties on the hands of the Agricultural Bank. While I am sympathetic towards the action that has been taken, and while this was the only action that could have been taken, I ask members to recognise that it is time the bank took on the whole of the responsibilities existing under the Industries Assistance Act. The fewest possible number of new settlers should be taken on. The figures given by the Honorary Minister speak for themselves. They show outstanding liabilities of about half a million pounds. If this money was all lost, it would not represent a great amount to the State, considering the assistance which the Act has given to the agricultural industry.

Hon. G. W. Miles: That is only the balance, apart from what has already been funded.

Hon. H. J. YELLAND: Those amounts which have been funded come under the Agricultural Bank. The Honorary Minister stated that there are still some people who have had to be helped this year. They must indeed be in a fairly precarious position. If this half million pounds is lost, it will not reflect upon the value of the work of the board to the agricultural community and the State as a whole.

The Honorary Minister: The only new accounts are those in connection with the miners' settlement at Southern Cross.

Hon. H. J. YELLAND: I wish the Honorary Minister had made that clear before. I support the second reading.

On motion by Hon. C. H. Wittenoom, debate adjourned.

## **BILL — MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.**

### *Second Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [4.58] in moving the second reading said: 'This is one of several Bills which will have to be brought down to ensure the continuance of the financial emergency legislation agreed to in 1931. It proposes to continue the operations of the principal Act for another year. I regret to say the position has not improved since the Act was first introduced. I suppose from the point of view of many mortgagors the position is perhaps to-day worse than it was then. It is necessary, there-

fore, that the protection afforded by the Act should be continued. The Act has been in operation since 19th August, 1931, and up to date 462 applications have been made to the Court. The result of those applications is as follows:—Applications granted, 267; refused, 15; temporary orders (to enter into possession and receive rents and profits), 25; applications adjourned sine die, 133; applications pending, 22. The applications do not fully indicate the value of the Act, because there is no doubt that had the Act not been in force the position of a larger number of mortgagors than those who have taken advantage of the law would have been impossible. Some of us subscribe to the idea that there is an improvement in our position generally. I am inclined to that opinion myself, but unfortunately the improvement that has taken place so far is somewhat of a minor character, and is certainly not sufficient to allow us to say that the time has arrived when the protection afforded by this Act should be taken away from those who have already received it. It is essential that legislation of this kind should be carried on if only for the purpose of protecting the interests of those people who have invested everything they possess in property, in farms, and so on. That should be sufficient reason for the continuance of this Act for another year.

Hon. G. W. Miles: Are there any amendments proposed?

The HONORARY MINISTER: No. I do not know whether hon. members desire that I should give a resume of the Act. I think all are well aware of its provisions, but if it is desired I will read a summary of the Act covering the most important points.

Hon. A. Thomson: Personally I should like to hear it.

The HONORARY MINISTER: For the purposes of this Act, "mortgage" includes not only what is generally understood by the word but also any agreement for the sale of land which has not been completed by transfer and under which the purchase money is payable by instalments. Such an agreement is to be deemed equivalent to a mortgage to secure payment of the purchase money and interest. Similarly the Act extends to leases of land containing optional or compulsory purchasing clauses, the rent being treated as interest and the agreed purchase money as principal secured by a mort-

gage. It applies to all mortgages current on the date of the commencement of the Act (19th August, 1931) and to any mortgage thereafter executed as security for any money that was secured by any mortgage current on that date. Contracting out is strictly prohibited. A mortgagee is forbidden, except with the leave of the Supreme Court, to call up the mortgage money or to take any steps, by sale, entry into possession, foreclosure or otherwise, to enforce his security. In the case of an agreement for sale if the vendor, without the leave of the Court, has taken any steps to forfeit the rights of the purchaser he may be ordered to reinstate the purchaser in the enjoyment of such rights. A mortgagee is, however, empowered to enter into possession of an abandoned property. In dealing with applications for leave the Court is required to consider the mortgagor's chances of redeeming the property, his conduct in the matter and the extent to which his default has been caused or contributed to by economic or financial conditions affecting trade or industry in the State. The Court is further to consider any hardship that may be suffered on one side or the other, and is not to grant the leave applied for unless satisfied that it would be unjust and inequitable not to grant it. Leave, if granted, may be made subject to any terms which the Court may see fit to impose. In case a mortgagee seeks to recover interest by action the Court may give judgment for payment at a future date or for payment by instalments.

Notwithstanding the foregoing provisions a vendor may (unless the Supreme Court otherwise directs) exercise his rights under the contract of sale if the purchaser is twelve months in arrear in payment of principal or interest and has, during any period of six months, made no payment on account of the amount due under the agreement; but he must first give the purchaser one month's notice to pay. No judgment creditor is allowed, except by leave of the Supreme Court, to issue any process of execution against land for the recovery of a sum of £50 or upwards. In dealing with applications for leave the Court is to be guided by much the same considerations as apply in the case of applications by mortgagees. Process of execution may, however, be registered against land, but is not to be enforced without leave. Relief against the immediate enforcement of a judgment may

be granted to a mortgagee if the immediate enforcement would inflict great hardship on him by reason of the effect of the Act on his property or investments or the realisation thereof. No period of time during which the enforcement of any right is suspended under the Act is to be taken into account for the purpose of any statute of limitations. Those are the principal points, and it will be agreed that in the circumstances existing to-day it is desirable to continue the Act for at least another year. I move—

That the Bill be now read a second time.

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

### BILL—REDUCTION OF RENTS CONTINUANCE.

*Second Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [5.8] in moving the second reading said: This is another of the Financial Emergency Acts which came into operation in 1931, and the Bill provides for a continuance of the legislation for a period of one year.

Hon. Sir Edward Wittenoom: Does it make any alterations?

**The HONORARY MINISTER:** No. The Act provides that rents and leases of the duration of one month or more should be reduced by 22½ per cent., that is on leases existing on the 19th August, 1931, and subsequent renewals of such leases, and also that there shall be no increase under the terms of the lease while the legislation exists. The same remarks apply to this Bill as apply to the Bill I introduced a little while ago. I do not know that there is any need to elaborate the position. It is a very simple Bill and merely extends the operations of the principal Act for a further 12 months. I move—

That the Bill be now read a second time.

On motion by Hon. V. Hamersley, debate adjourned.

*House adjourned at 5.10 p.m.*